Management Udyama Digest

2026 | Volume VI Issue I

Faculty of Management Studies, Sabaragamuwa University of Sri Lanka

LEADING THROUGH CHANGE: LIFE-LONG LEARNING FROM BANKER TO CEO

Management Udyama Digest

EDITORIAL NOTE

With great pride, we present the Volume VI Issue I of Udyama, reflecting our continued journey of growth and commitment. Since its inception, Udyama has aspired to be more than a magazine, it is a platform where enterprise, creativity, research, and lived experience converge. In this issue, we continue that commitment by bringing together diverse perspectives, highlighting emerging practices, and celebrating the dynamism of industries and communities.

This edition features a broad range of contemporary themes, including CEO perspectives, current issues in Sri Lanka, global management insights, economic policy discussions, business performance, and developments in the entrepreneurship and SME sectors. It also presents new academic contributions, sustainability and tourism perspectives, as well as university and business news. Each article has been selected with care to ensure relevance, depth, and authenticity for our readers.

Udyama is the outcome of a collective endeavour. I extend my sincere appreciation to our writers, reviewers, designers, and the entire editorial team for their dedication and professionalism. I also thank our readers for their continued trust, encouragement, and engagement.

As you explore this new issue of Udyama, I invite you to read with curiosity, reflect with openness, and carry these conversations forward. May the insights shared in these pages inform, inspire, and encourage meaningful action.

Happy reading!

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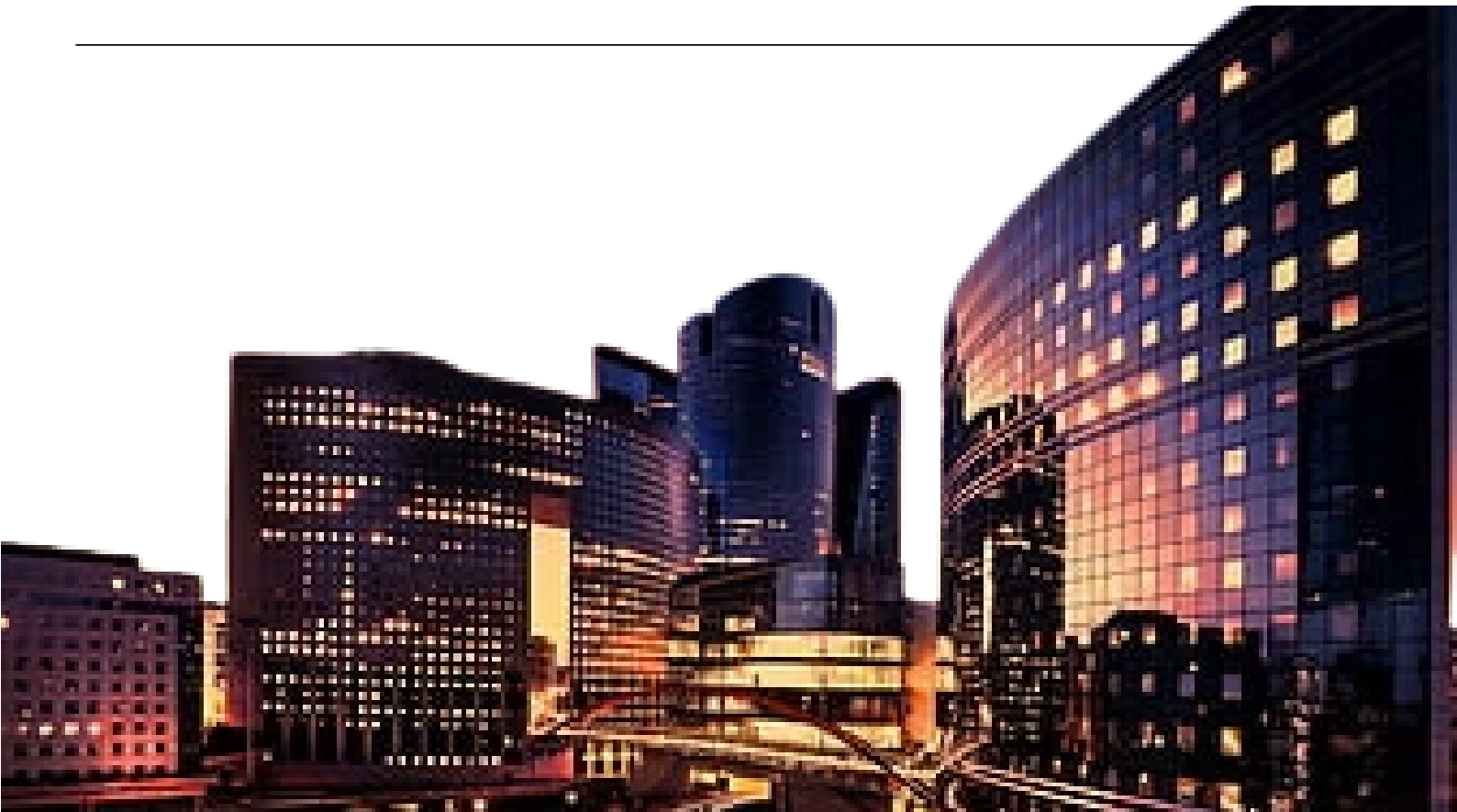

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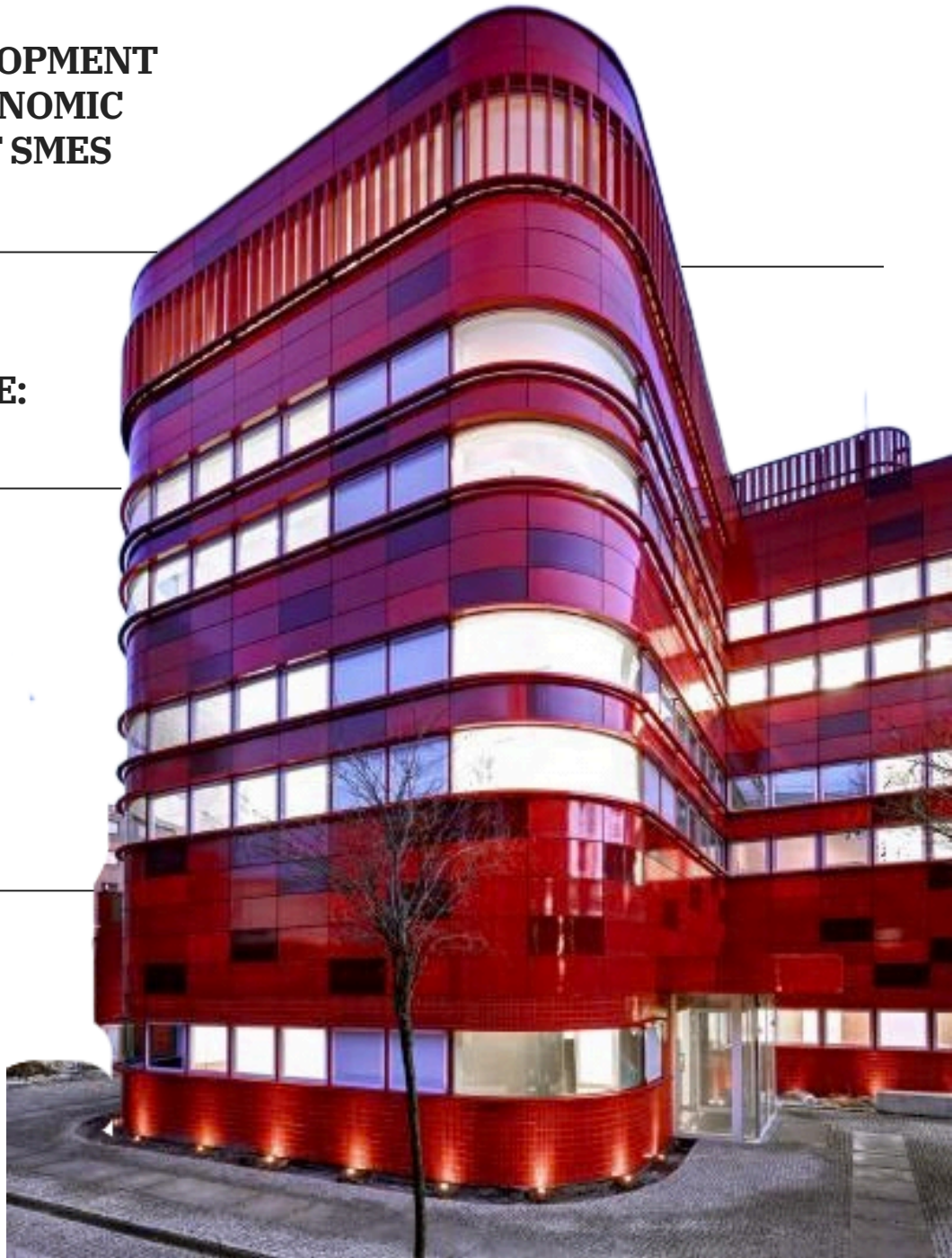
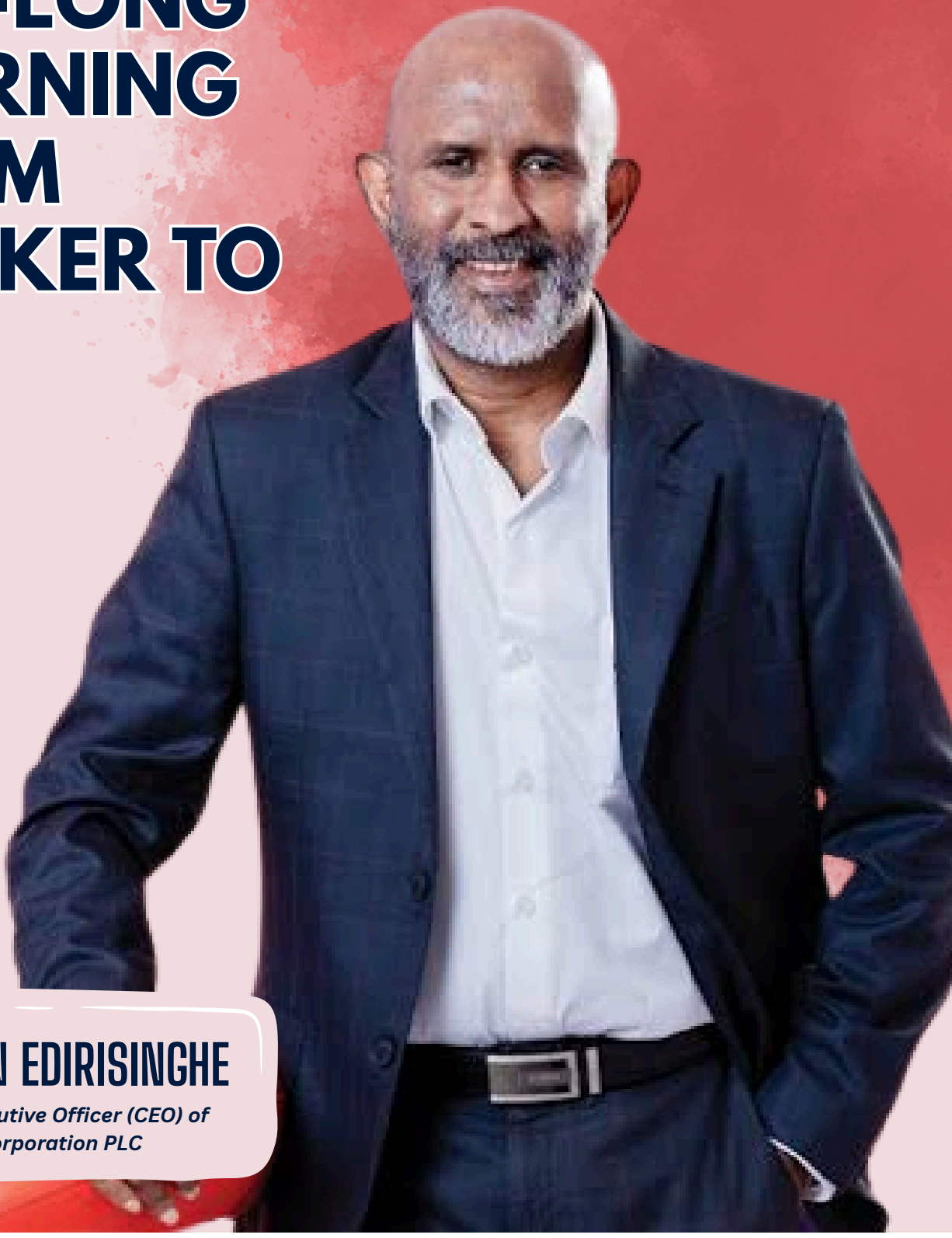


LEADING THROUGH CHANGE: LIFE-LONG LEARNING FROM BANKER TO CEO



MR. NALEEN EDIRISINGHE

Director/ Chief Executive Officer (CEO) of Pan Asia Banking Corporation PLC

Q **Could you share your career journey, from the early stages of your banking career to your current role as CEO of Pan Asia Bank?**

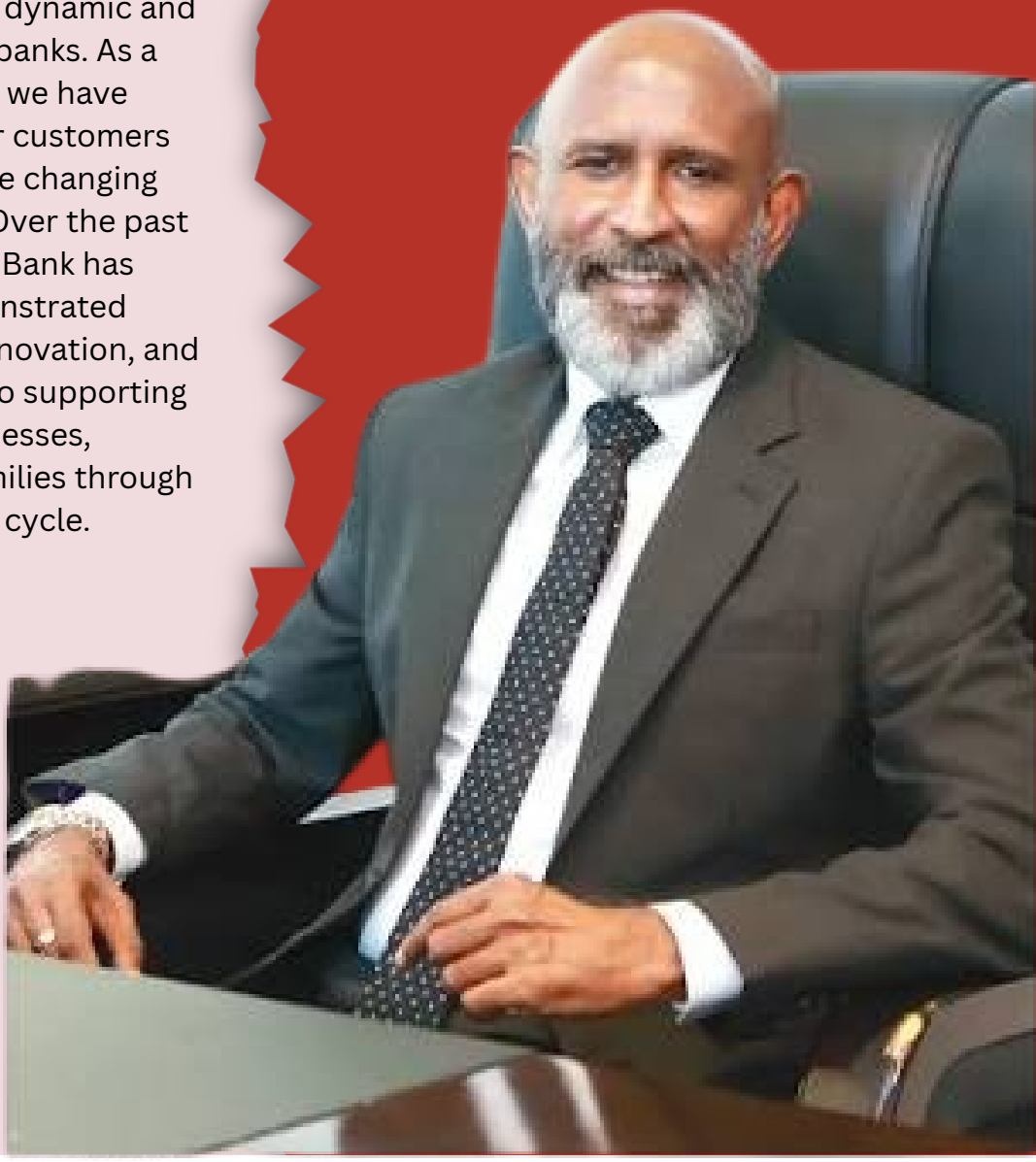
I started my banking career at Commercial Bank of Ceylon in 1987 after working as a management trainee at Caves Book shop - Fort. I got interested in banking when I was selling books to the Bankers in the the bookshop where I was fascinated by their stories on banking. Even though I was an undergraduate at that time in the Colombo University Management faculty I did not pursue that due to the unrest in universities at that time.

However, the moment I joined Commercial Bank I started my Banking Exams at the Institute of Bankers of Sri Lanka. My career in banking has been a journey of continuous learning, adaptation, and service. Throughout the years, I have had the privilege of working across several key areas of banking, each of which has given me a deeper appreciation of how financial institutions create value for customers, businesses, and the wider economy.

One of the greatest advantages of working across different functions is gaining an understanding of banking as an interconnected ecosystem rather than a collection of separate departments. Every customer interaction, credit decision, operational improvement, and technological investment ultimately contributes to the trust customers place in a bank.

My journey at Pan Asia Bank has been especially rewarding, as I have witnessed the institution evolve into one of Sri Lanka's most dynamic and trusted commercial banks. As a home-grown bank, we have remained close to our customers and responsive to the changing needs of the country. Over the past three decades, the Bank has consistently demonstrated resilience, embraced innovation, and remained committed to supporting Sri Lankan businesses, entrepreneurs, and families through every economic cycle.

Today, as CEO, my role extends beyond delivering financial performance. It encompasses providing strategic direction, building a strong leadership team, fostering a culture of accountability, and ensuring that Pan Asia Bank remains a trusted partner to its customers. Ultimately, leadership is about building an organisation that can grow sustainably while remaining true to its core values.



Q **You have gained experiences across retail banking, SME banking, credit, and operations. How have these diverse roles shaped your leadership style and decision-making approach?**

Having worked across multiple banking disciplines, I have learned that successful banking requires a careful balance between commercial ambition and prudent judgment. Each function views opportunities from a unique perspective. Retail banking focuses on customer relationships, SME banking understands entrepreneurial aspirations, credit assesses long-term sustainability, while operations ensure the organisation functions efficiently and securely.

Exposure to these diverse perspectives has shaped my leadership style to be collaborative rather than hierarchical. I firmly believe that better decisions emerge when people with different expertise come together around a common objective.

It has also reinforced the importance of listening. Customers, employees, and business partners often provide insights that cannot be captured through reports or financial statements alone. Understanding their needs enables us to develop better products, improve processes, and make decisions that create long-term value.

> **Equally important is maintaining discipline. Growth is meaningful only when it is sustainable. Every strategic decision must balance opportunity with sound governance, responsible lending practices, and effective risk management. This philosophy remains central to how we lead Pan Asia Bank today.**

Q **Having been part of Pan Asia Bank for many years, what major transformations have you observed within the bank and the broader banking industry?**

The transformation has been remarkable. When I first joined the industry, banking was largely branch-centric, transaction-focused, and product-driven. Today, customers expect seamless digital experiences, personalised financial solutions, and faster decision-making.

Pan Asia Bank has evolved alongside these changing expectations. We have expanded our product portfolio, strengthened our SME proposition, introduced innovative digital solutions, and invested significantly in operational excellence. Initiatives such as our enterprise-wide e-signature platform and the LIME digital onboarding platform have transformed the customer experience while improving internal efficiency.

Our transformation extends beyond technology. We have strengthened governance, enhanced risk management frameworks, invested in leadership development, and built stronger partnerships with businesses, industry bodies, and communities.

Perhaps the biggest change within the banking industry is that trust has become more valuable than ever. While technology continues to transform how customers access banking services, confidence in the institution remains the foundation of every successful banking relationship.

We continuously assess emerging trends, evaluate customer behaviour, and identify sectors that offer sustainable growth opportunities. At the same time, we maintain a disciplined approach to capital allocation, asset quality, and operational efficiency.

Q **How does Pan Asia Bank develop strategies to achieve sustainable growth while responding to changes in the business environment?**

Sustainable growth begins with the understanding that no strategy can remain static. Markets evolve, customer expectations change, and economic conditions shift. Therefore, our approach is focused on remaining agile while staying aligned with our long-term purpose.

Our growth strategy is diversified. We continue to strengthen our retail, SME, and corporate banking segments while expanding digital capabilities and developing specialised customer propositions. Supporting entrepreneurs, exporters, and growing businesses remains central to our business model because we believe their success contributes directly to national economic development.

Importantly, sustainability is no longer viewed as a separate agenda. Responsible banking, environmental stewardship, financial inclusion, and sound governance are fully integrated into our strategic planning and decision-making processes.

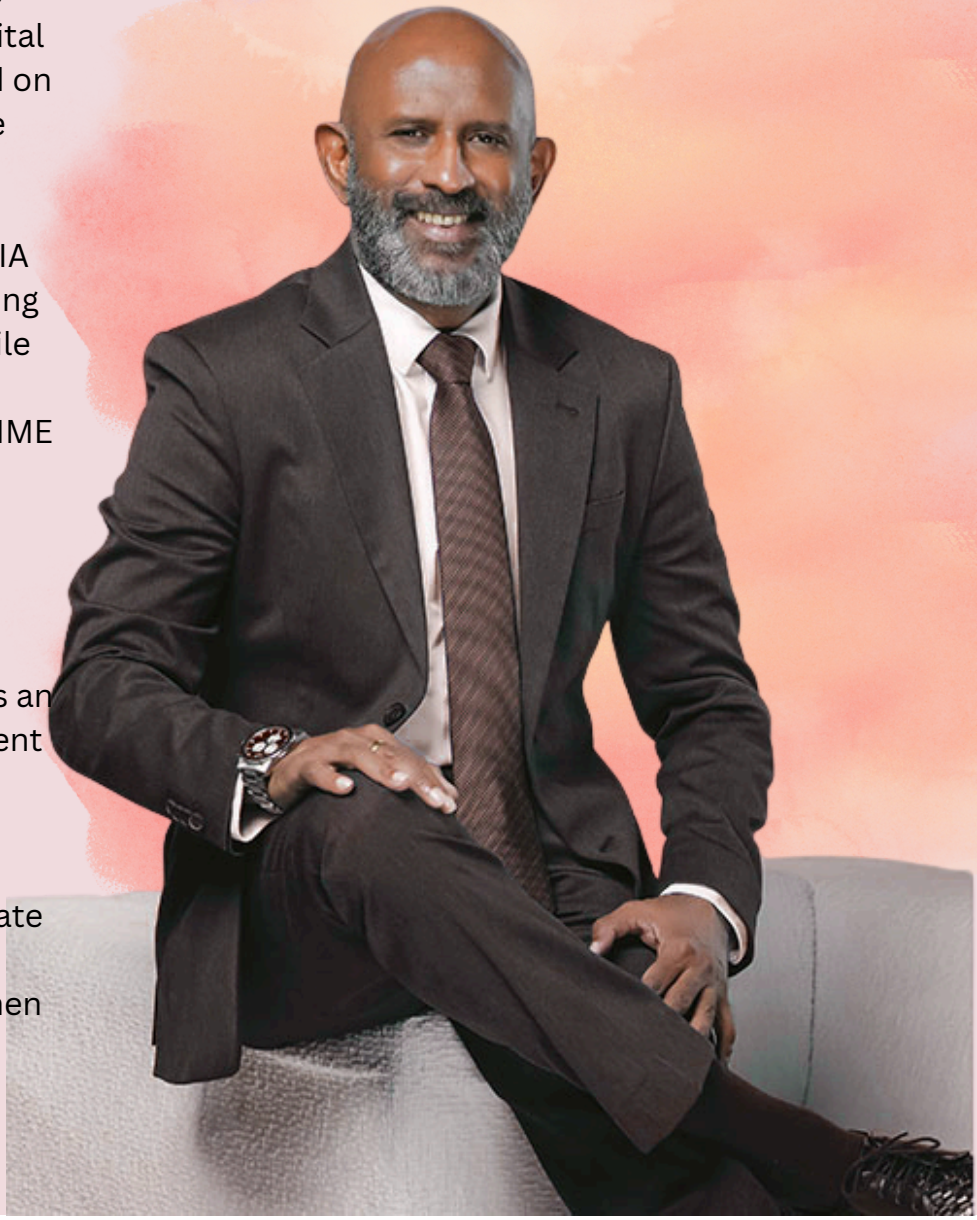
Q **How does Pan Asia Bank adapt to technological advancements and changing customer expectations in the financial sector?**

Technology has fundamentally transformed the way customers engage with banks. Today's customers expect financial services to be accessible, convenient, secure, and available whenever and wherever they need them.

In response to these evolving expectations, Pan Asia Bank has embraced a comprehensive digital transformation journey focused on enhancing customer experience while improving operational efficiency. We introduced Sri Lanka's first enterprise-wide EVIA e-signature platform, streamlining internal approval processes while significantly reducing paper consumption. In addition, our LIME digital onboarding platform enables customers to open accounts seamlessly through a fully paperless process.

However, we view technology as an enabler rather than a replacement for human interaction. Banking remains a relationship-driven business built on trust. While customers increasingly appreciate digital convenience, they also value personalised guidance when making important financial decisions.

Our objective is to combine the efficiency and accessibility of digital banking with the empathy, expertise, and relationship-focused approach of our people. This balanced strategy allows us to remain innovative and relevant while preserving the human connection that continues to distinguish Pan Asia Bank.



Q **In the banking industry, managing risks is crucial. How does Pan Asia Bank balance growth opportunities with effective risk management?**

Sustainable growth can only be achieved through disciplined risk management. Banking is fundamentally built on trust, and maintaining that trust requires prudent decision-making and strong governance practices.

At Pan Asia Bank, risk management is embedded into every aspect of our operations rather than functioning as a standalone control mechanism. We carefully assess growth opportunities, maintain rigorous credit evaluation processes, and continuously strengthen our governance frameworks to ensure risks remain within acceptable parameters.

Through data analytics, regulatory compliance, and continuous monitoring, we are able to identify emerging risks early and make informed business decisions. At the same time, we recognise that excessive caution can restrict growth. Therefore, our approach is to take calculated and well-managed risks that create long-term value while safeguarding the interests of our customers, depositors, and shareholders.

Strong governance has become one of our key competitive advantages, particularly during periods of economic uncertainty, as it provides confidence, stability, and resilience across the organisation.

Q **As the leader of a large organization, how do you promote a strong organizational culture and maintain employee engagement?**

At Pan Asia Bank, we place significant emphasis on fostering a culture where employees feel respected, empowered, and accountable. Leadership development, continuous learning, and open communication remain central pillars of our people strategy.

Equally important is helping employees understand how their individual roles contribute to the Bank's broader purpose and long-term success. Whether an employee works in branch banking, operations, technology, or corporate banking, every role plays an important part in delivering value to our customers and stakeholders.

Recognition is another critical element of engagement. We celebrate achievements, encourage innovation, and create opportunities for professional growth and career progression. A motivated and engaged workforce is more likely to deliver exceptional customer experiences, and that commitment is reflected in the trust and loyalty our customers continue to place in Pan Asia Bank.

Q **During periods of economic uncertainty in Sri Lanka, what key challenges did the bank face, and how were they addressed ?**

Like all financial institutions in Sri Lanka, we navigated a particularly challenging period marked by high inflation, elevated interest rates, currency volatility, and changing customer behaviour. These conditions required resilience, agility, and a clear focus on long-term sustainability.

Throughout this period, our priority was to maintain stability while continuing to support our customers. We strengthened customer engagement, worked closely with businesses facing temporary difficulties, and focused on preserving asset quality without compromising long-standing relationships.

At the same time, we accelerated operational enhancements, strengthened our digital capabilities, and maintained disciplined cost management practices. These initiatives improved efficiency and productivity while allowing us to continue investing in strategic growth opportunities.

Periods of uncertainty often reveal the true strength and character of an institution. I believe Pan Asia Bank emerged stronger because we remained focused on creating long-term value rather than reacting to short-term pressures. Our resilience was supported by a strong balance sheet, sound governance practices, and the unwavering commitment of our people.

Q **What role do you believe banks should play in supporting entrepreneurs, business , and the overall economic development of Sri Lanka?**

Banks have a responsibility that extends beyond providing financial services. They play a vital role as partners in economic growth and national development.

Entrepreneurs and SMEs form the backbone of Sri Lanka's economy by creating employment opportunities, driving innovation, and contributing to regional development. Banks must therefore offer more than financing. They should also provide knowledge, advisory support, and tailored solutions that help businesses grow sustainably and navigate changing market conditions.

At Pan Asia Bank, supporting the SME sector has always been a strategic priority. We have strengthened our engagement with chambers of commerce, industry associations, and business organisations while introducing products and services designed to address the evolving needs of entrepreneurs, exporters, and growing businesses.

"Banks have a responsibility that extends beyond providing financial services. They play a vital role as partners in economic growth and national development."

As Sri Lanka continues its economic recovery and development journey, banks will play a critical role in facilitating investment, promoting exports, encouraging financial inclusion, and helping local businesses become globally competitive. When businesses thrive, communities prosper, employment grows, and the broader economy benefits.

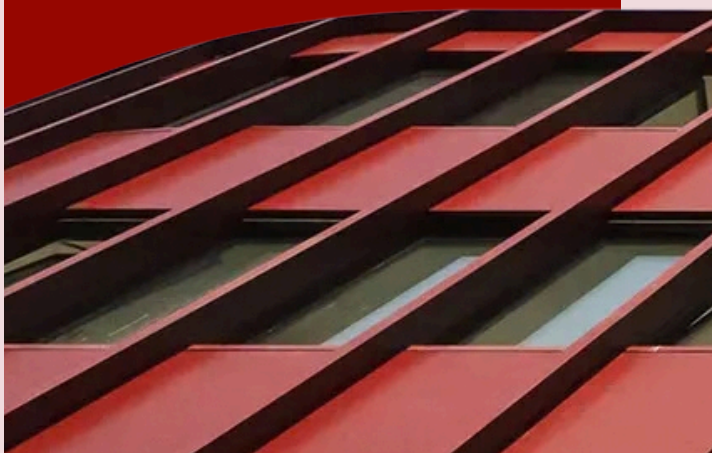
Q **What advice would you give to management undergraduates who aim to become future business leaders?**

My advice to aspiring business leaders is to remain curious and committed to lifelong learning. The business environment is evolving rapidly, and continuous development has become essential. While technical knowledge is important, individuals should also invest in communication skills, emotional intelligence, adaptability, and critical thinking, as these qualities increasingly distinguish exceptional leaders.

Every role, regardless of its level, offers valuable lessons that contribute to future leadership. Be willing to take on challenging assignments, learn from setbacks, and embrace opportunities that push you beyond your comfort zone. Growth often comes through experience and perseverance.

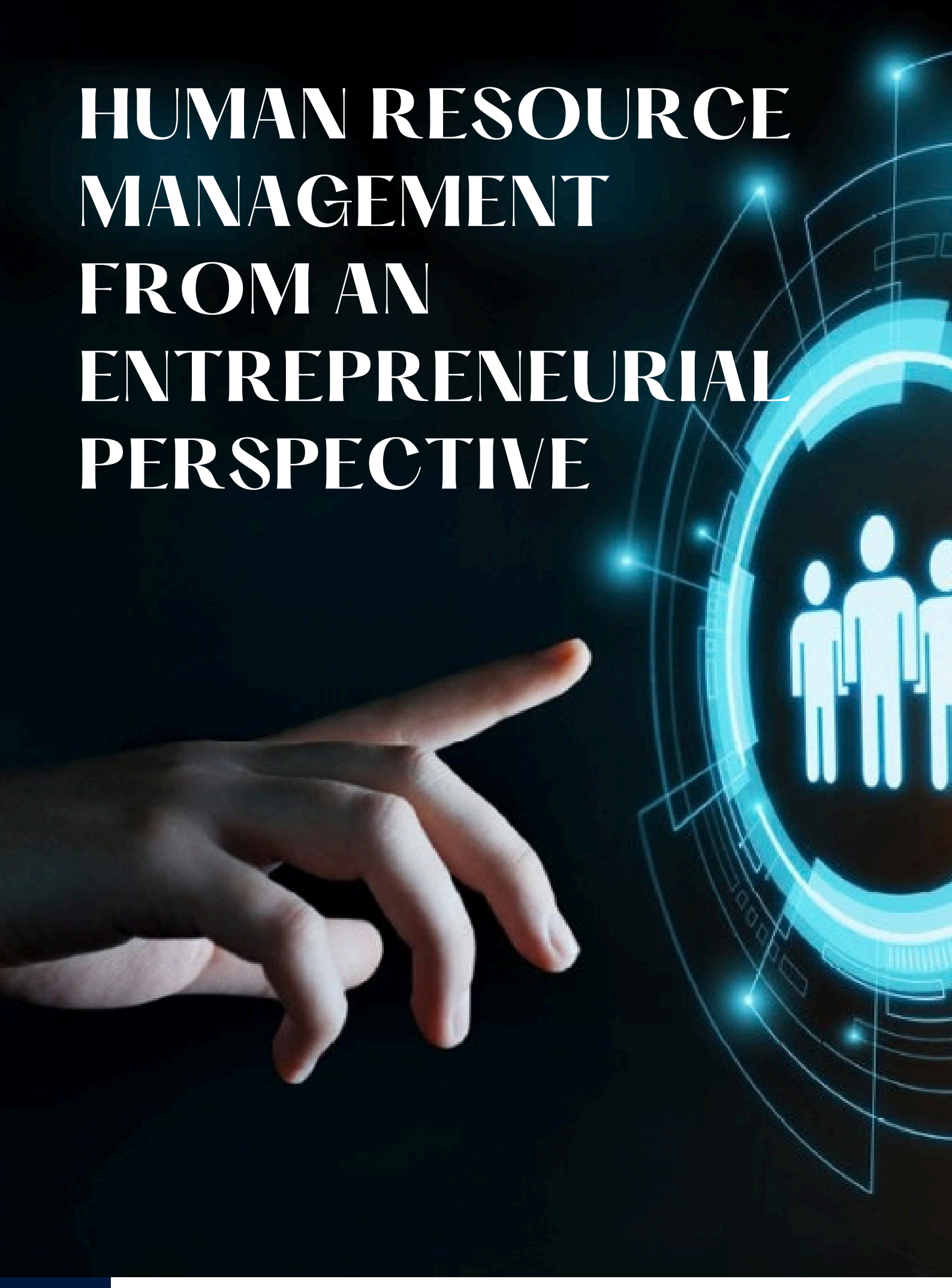
Equally important is integrity. Professional skills can be developed over time, but trust is earned through consistent actions and can be lost in a moment. Organisations succeed because customers, employees, and stakeholders believe in them. If you consistently demonstrate honesty, accountability, and respect for others, leadership opportunities will naturally follow.

For me, sustainable leadership is ultimately about creating value for people, including customers, employees, shareholders, and society as a whole. If you remain committed to that purpose, success becomes a natural outcome rather than the sole objective.



Interview Conducted by:
Ms. W. N. Hettiarachchi

HUMAN RESOURCE MANAGEMENT FROM AN ENTREPRENEURIAL PERSPECTIVE



> For many years, students have pursued HRM established mainly to fulfill the job roles of HR managers, talent acquisition specialists, or organizational development professionals. However, this traditional pathway is no longer adequate. The future of HR professionals extends beyond merely managing organizations; it encompasses human resource entrepreneurship.

In today's rapidly changing business environment, Human Resource Management (HRM) evolved as a supportive function to a strategic function. The future of HR professionals extends beyond managing organizations; it encompasses building them, fostering innovation, and focused on the entrepreneurial side in people management. Recruiting staff, managing payroll, ensuring regulatory compliance, and enforcing workplace policies are now being modified to a new angle. For many years, students have pursued HRM established mainly to fulfill the job roles of HR managers, talent acquisition specialists, or organizational development professionals. However, this traditional pathway is no longer adequate. The future of HR professionals extends beyond merely managing organizations; it encompasses human resource entrepreneurship.

Human Resource Management as an Entrepreneurial Lens

Modern Human Resource Management (HRM) is particularly positioned to promote entrepreneurship, as all forms of business whether a startup, small to medium-sized enterprise (SME), multinational corporation, or digital ventures fundamentally depends on people, talent systems, culture, and productivity. Rather than focusing on traditional HR Roles like HR Manager, Executive or Assistant now it's time to shift HRM education to recognize market opportunities and develop business enterprise in areas of,

- Talent consulting
- Recruitment agencies
- HR technology platforms
- Leadership coaching
- Corporate training services
- Freelance HR advisory
- Employer branding
- Organizational development consulting
- Workforce analytics
- Outsourced HR services

This paradigm shift redefines HR professional's role from administrators to innovative business model creators.

The Necessity for Reinventing Traditional HRM Education

Table 1. Traditional and Entrepreneurial HRM Education Model

Traditional HRM Education Model	Entrepreneurial HRM Education Model
Concentrate on job opportunities within current companies	Focus on creating HR-based businesses
Administrative roles	Functions of strategic innovation
Management of internal personnel	Provide Solutions for the external market
Emphasis on compliance	Focused on trending opportunities
Fixed salary perspective	Mindset towards revenue generation
Corporate structure	Independent enterprises and scalable services

Source: Author Constructed, 2026.

Entrepreneurial HRM Education enhances entrepreneurial thinking of students and leads to thinking out of the traditional framework of human resource management.

Core HR Functions That Can Transform into Business Models

1. *Recruitment and Talent Acquisition → Entrepreneurship in Recruitment Agencies*

Individuals who are educated in recruitment have the potential to establish.

- Establish Recruitment firms specializing in executive search
- Staffing agencies focused on particular industries
- Services for placement of remote employees
- Networks designed for freelance recruitment professionals
- Provide consulting services for international employment

Example:
A graduate specializing in recruitment could establish a startup that connects technology companies with remote developers globally.

2. *Training and Development → Corporate Learning Enterprises*

HRM proficiency in Training and Development can transform into Entrepreneurship as,

- Establish organizations specializing in leadership training
- Platforms offering online certification
- Develop acidemias focused on soft skills training
- Design firms providing corporate coaching
- Develop enterprises dedicated to e-learning products

3. *Compensation and Benefits → HR Advisory Firms*

The Human Resource Professionals/practitioners or Students who have knowledge in salary structuring and compensation management facilitates,

- Consultancies for compensation bench marking
- Businesses specializing in payroll outsourcing
- Services for benefits design tailored to SMEs
- Advisory on HR compliance

4. *Employee Relations → Organizational Consulting*

Conflict resolution and the management of workplace culture can evolve into,

- Firms specialize in workplace mediation and conflict resolution.
- Provide consulting services for diversity and inclusion
- Form agencies focused on corporate culture transformation
- Startups dedicated to employee wellness

5. *Performance Management → HR Analytics Initiatives*

If HR professionals are capable in Data Driven Decision making, they can develop,

- Software for employee productivity
- Tools for performance monitoring
- Dashboards for HR metrics
- AI-driven systems for workforce planning

The Emergence of HR Tech Entrepreneurship

The emergence of technology has created extraordinary opportunities for individuals in the Human Resources field. The new entrepreneurial sectors that are gaining traction include,

- Applicant Tracking Systems (ATS)
- AI-driven recruitment tools
- Platforms for employee engagement
- Learning Management Systems (LMS)
- Software as a Service (SaaS) solutions for freelance HR
- Tools for workforce automation

HR students who possess digital literacy can merge their expertise in people management with technological innovation, thereby developing scalable business models.

How Human Resource Management Students should modify their learning approach

To fully utilize their entrepreneurial potential, HRM education must go beyond the traditional theoretical knowledge. HRM must evolve from a Support role to Business Development.

Key areas for entrepreneurial learning include,

Business Development Skills

- Creation of business models
- Strategies for sales
- Fundamentals of marketing
- Understanding financial principles
- Management of startups

Digital Skills

- Proficiency in HR software
- Skills in data analytics
- Utilization of AI tools
- Development of personal branding
- Management of online business operations

Consulting Mindset

- Skills in problem-solving
- Techniques for client acquisition
- Packaging of services
- Skills in negotiation
- Leadership capabilities

For a New Educational Framework for HRM

Table 2. New Educational Framework for HRM

Existing Curriculum	Future view of Entrepreneurial Curriculum
Recruitment theory	Recruitment business building
Organizational behavior	Leadership consulting
Payroll systems	Payroll outsourcing models
Labor law	Compliance advisory services
Employee engagement	HR product innovation
Corporate internships	Startup incubation

Source: Author Constructed, 2026

Career Pathways Beyond Traditional HR Positions

New opportunities include,

- Founder of an HR startup
- Entrepreneur in recruitment
- Owner of a talent marketplace
- Corporate training specialist
- Developer of HR SaaS solutions
- Consultant for organizational development
- Executive coaching professional
- Strategist for employer branding
- Independent HR consultant
- Advisor for global workforce issues

Key Benefits of Entrepreneurial HRM

- Increased income potential
- Autonomy
- Scalability
- Relevance in the market
- Opportunities for innovation
- Global outreach
- Diverse revenue streams

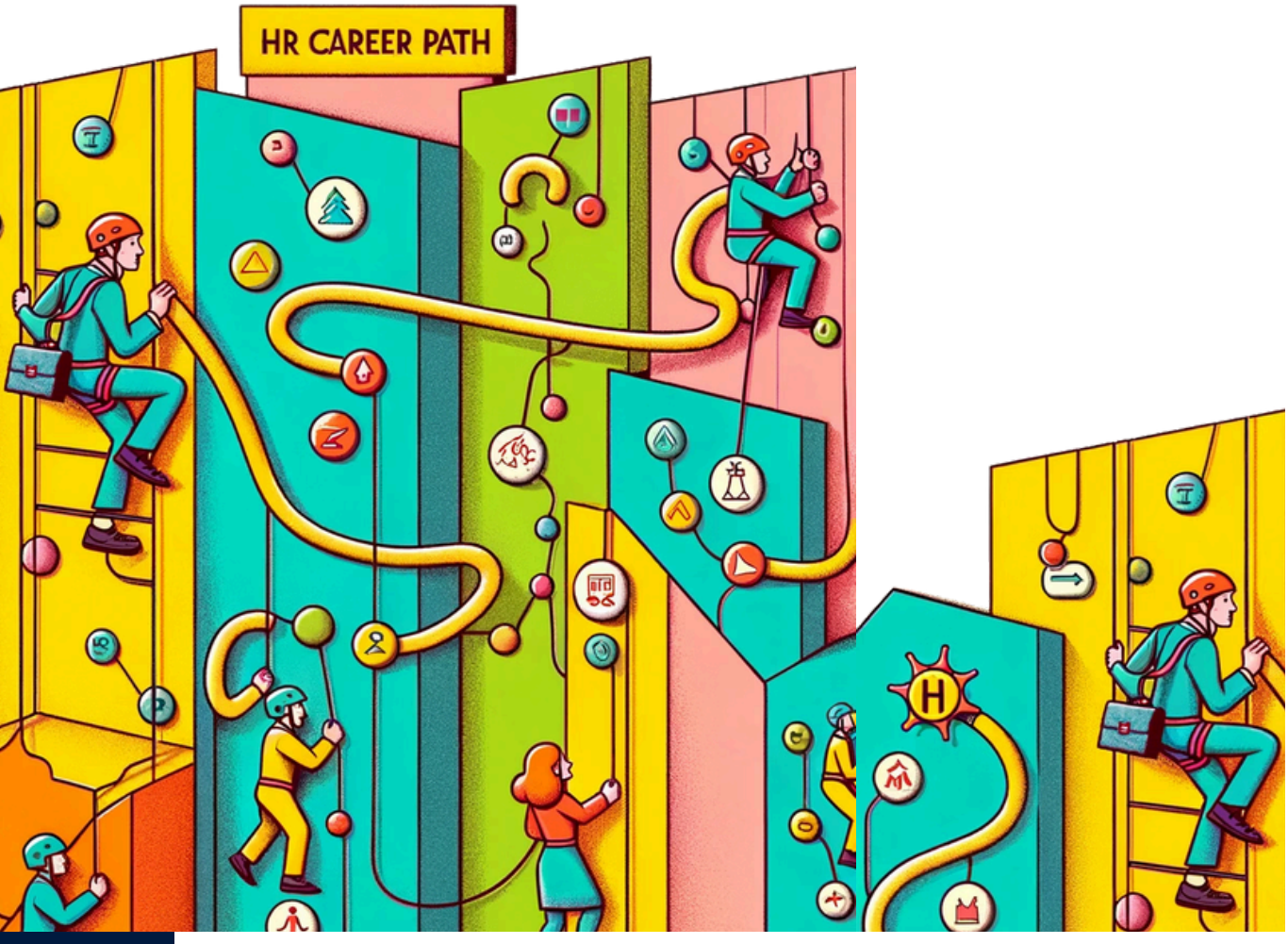
Challenges remain to Address in Entrepreneurial HRM

- Transitioning from traditional job - seeking attitudes
- Understanding business operations
- Building trustworthiness
- Adopting technological advancements
- Managing risks

Strategic Suggestions for Universities to Implement Entrepreneurial HRM

To equip future HR leaders, educational institutions ought to,

1. Implement HR entrepreneurship courses
2. Provide startup incubation assistance
3. Instruct on digital HR tools
4. Encourage consulting initiatives
5. Support freelancing
6. Incorporate innovation labs
7. Promote interdisciplinary business education



The future of Human Resource Management evolved beyond office, departments or administrative roles. When taught effectively, HRM is among the most entrepreneurial business fields. By shifting HRM education towards innovation, consulting, technology, and venture creation, students can evolve into Business founders/owners, Strategic consultants, Industry innovators or Creators of workforce solutions. The next generation of HR professionals must not only oversee talent within organizations but also develop organizations that prioritize talent. Human Resource Management goes beyond being just a career choice; it acts as a cornerstone for entrepreneurship. Further, It serves as a foundation for entrepreneurship. Human resource entrepreneurship is an emerging and vibrant field that combines conventional human resource management with innovative entrepreneurial practices.
As companies respond to globalization, advancements in technology, and changing expectations of the workforce, HR entrepreneurs play a crucial role in developing people-centered solutions that contribute to organizational success.

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SUSTAINABLE EMPLOYABILITY AND GREEN SKILLS

Sustainable employability and green skills are essential for building a future-ready workforce in a sustainability-driven economy. Continuous learning, adaptability, well-being, and environmental awareness help individuals remain employable and productive. Educational institutions, organizations, and governments must promote green skills, innovation, and lifelong learning to create resilient, inclusive, and environmentally responsible societies.

INTRODUCTION

The world is witnessing rapid transformations driven by climate change, technological advancement, globalization, and evolving workplace expectations. Organizations, governments, and educational institutions are increasingly recognizing that economic growth can no longer occur at the expense of environmental sustainability. As industries transition toward greener practices, the demand for a workforce equipped with relevant competencies is also rising. In this context, the concepts of sustainable employability and green skills have emerged as essential pillars for building resilient economies and inclusive societies.

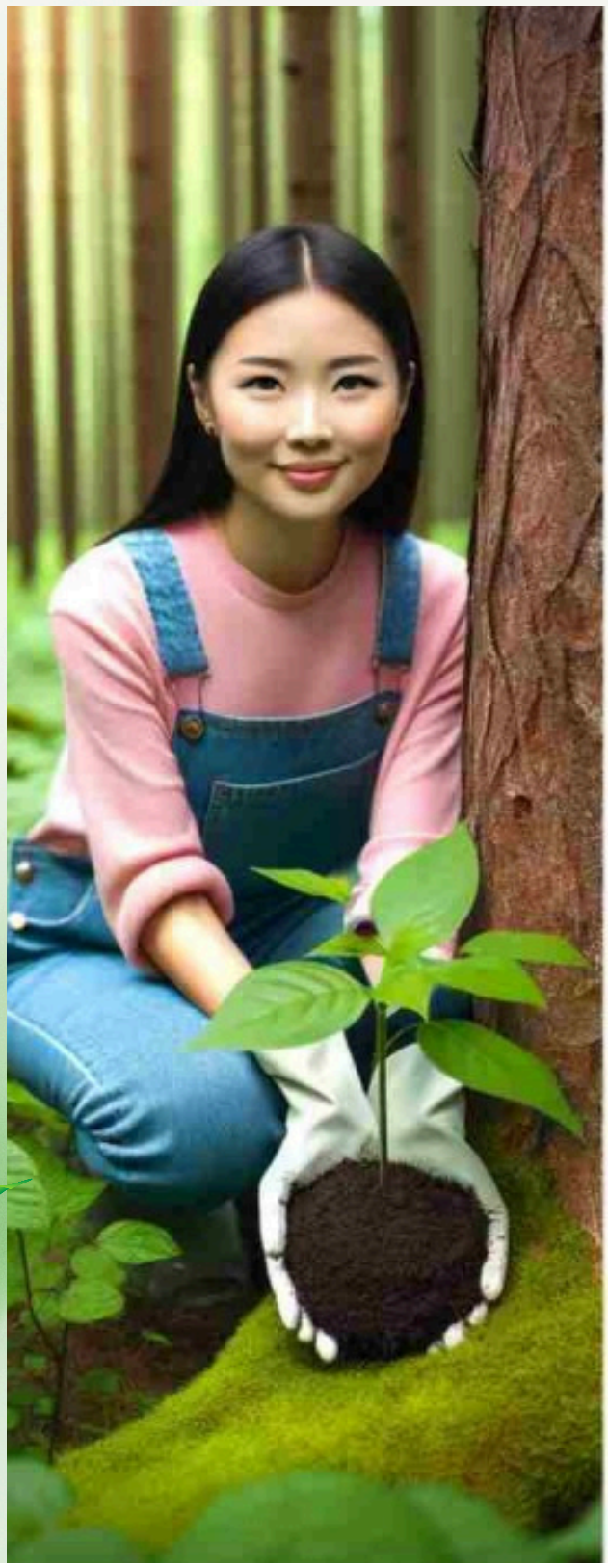
Sustainable employability refers to the ability of individuals to remain employable, productive, healthy, and adaptable throughout their working lives. It involves continuous learning, skill enhancement, adaptability to changing labor market conditions, and maintaining physical and mental well-being. Green skills, on the other hand, are the technical knowledge, abilities, values, and attitudes needed to support sustainable development and environmentally responsible practices in various sectors.

The integration of sustainable employability and green skills has become crucial in preparing individuals for the future of work. As organizations adopt environmentally conscious practices, employees are expected not only to possess technical expertise but also to demonstrate awareness of sustainability principles. The shift toward green economies creates new opportunities while simultaneously redefining existing job roles. Therefore, developing green skills is no longer limited to environmental professionals; it has become relevant across all industries and occupations.

This article explores the importance of sustainable employability and green skills, the emerging trends shaping the labor market, the role of educational institutions and organizations, challenges in implementation, and strategies for building a sustainable workforce for the future.

UNDERSTANDING SUSTAINABLE EMPLOYABILITY

Sustainable employability is a multidimensional concept that emphasizes long-term career sustainability. It focuses on ensuring that employees remain competent, motivated, healthy, and capable of adapting to changing professional environments over time. Unlike traditional employability, which primarily emphasizes obtaining employment, sustainable employability highlights maintaining meaningful and productive employment throughout an individual's career. Several factors contribute to sustainable employability:



1. **Continuous Learning and Skill Development:** The modern workplace is characterized by constant technological and organizational changes. Employees must continuously upgrade their skills to remain relevant. Lifelong learning has become an essential requirement for career sustainability.

2. **Adaptability and Flexibility:** Industries are rapidly evolving due to automation, digitalization, and sustainability demands. Employees who can adapt to new technologies and work environments are more likely to sustain long-term employability.

3. **Health and Well-being:** Employee well-being is a critical component of sustainable employability. Organizations increasingly recognize the importance of work-life balance, mental health support, and safe working conditions.

4. **Meaningful Work and Engagement:** Employees are more productive and committed when they find purpose and value in their work. Sustainable employability encourages organizations to create inclusive and motivating workplaces.

5. **Career Resilience:** Economic disruptions, environmental crises, and technological advancements can significantly impact employment patterns. Career resilience helps individuals navigate uncertainties and remain employable.

Sustainable employability thus represents a proactive approach to workforce development, ensuring that employees can contribute effectively to organizations while achieving personal and professional fulfillment.

THE GROWING IMPORTANCE OF GREEN SKILLS

The transition toward a green economy is reshaping labor markets worldwide. Governments and industries are adopting environmentally sustainable practices to address climate change, resource depletion, and environmental degradation. This transformation has increased the demand for green jobs and green skills.

Green skills refer to the competencies required to support sustainable economic activities. These skills can be technical, managerial, or behavioral in nature and are applicable across sectors such as energy, manufacturing, agriculture, transportation, construction, and information technology.

TYPES OF GREEN SKILLS

1. Technical Green Skills: These include specialized abilities related to renewable energy, waste management, sustainable construction, energy efficiency, and environmental monitoring.

Examples:

- Solar panel installation
- Energy auditing
- Sustainable agriculture techniques
- Green manufacturing processes

2. Digital Green Skills: Technology plays a crucial role in sustainability initiatives. Digital competencies combined with environmental awareness are becoming increasingly important.

Examples:

- Smart energy management systems
- Data analytics for sustainability
- Green IT practices
- Artificial intelligence for environmental monitoring

3. Soft Green Skills: Behavioral and interpersonal competencies also contribute to sustainable practices.

Examples:

- Environmental awareness
- Ethical decision-making
- Collaboration for sustainability projects
- Problem-solving and innovation

> **Green skills are becoming essential not only for environmental sectors but also for traditional industries seeking to align with sustainability goals.**

4. Managerial Green Skills: Managers and leaders need strategic competencies to implement sustainable business practices.

Examples:

- ESG reporting
- Sustainable supply chain management
- Green project management
- Sustainability leadership

The rise of the green economy is creating both opportunities and challenges for the workforce. New industries such as renewable energy, electric mobility, sustainable agriculture, and circular economy initiatives are generating employment opportunities. At the same time, traditional industries are undergoing structural changes, requiring workers to reskill and upskill.

SUSTAINABLE EMPLOYABILITY IN THE GREEN ECONOMY

Emerging Green Jobs: The demand for green jobs is increasing globally. Some emerging roles include:

- Renewable energy technicians
- Sustainability consultants
- Environmental data analysts
- Green architects
- Circular economy specialists
- Climate risk analysts
- Sustainable finance professionals

These roles require interdisciplinary competencies combining technical expertise, environmental awareness, and problem-solving abilities.

Reskilling and Upskilling: As industries adopt sustainable practices, existing employees must acquire new competencies. Reskilling involves learning entirely new skills for different roles, while upskilling focuses on enhancing current competencies.

For example:

- Automobile workers may need training in electric vehicle technologies.
- Construction workers may require knowledge of sustainable building materials.
- Managers may need expertise in ESG compliance and sustainability reporting.

Organizations that invest in employee development are more likely to achieve long-term sustainability and competitiveness.

ROLE OF EDUCATIONAL INSTITUTIONS

Educational institutions play a significant role in promoting sustainable employability and green skills. Universities, colleges, and vocational training centers must align curricula with emerging sustainability trends and industry requirements.

Curriculum Integration: Sustainability concepts should be integrated into academic programs across disciplines, including management, engineering, commerce, and social sciences.

Industry Collaboration: Partnerships between educational institutions and industries can help bridge the skill gap by providing practical exposure, internships, and industry-oriented training.

Experiential Learning: Students should be encouraged to participate in sustainability projects, environmental campaigns, and green entrepreneurship initiatives.

Research and Innovation: Higher education institutions can contribute through research on sustainable technologies, green business models, and climate solutions.

Promoting Green Entrepreneurship: Educational institutions should encourage students to develop innovative business ideas addressing environmental and social challenges.

By fostering sustainability-oriented education, institutions can prepare students for future employment opportunities and responsible citizenship.

ORGANIZATIONAL RESPONSIBILITY IN BUILDING GREEN SKILLS

Organizations have a critical role in ensuring sustainable employability. Employers are increasingly expected to support employee learning, well-being, and sustainability engagement.

Training and Development: Companies should provide regular training programs focused on sustainability practices, environmental compliance, and emerging technologies.

Sustainable Workplace Culture:
Organizations can promote environmentally responsible behavior through:

- Energy conservation initiatives
- Waste reduction practices
- Remote working options
- Green office policies

Employee Engagement:
Employees should be actively involved in sustainability initiatives to foster ownership and commitment.

Diversity and Inclusion: Inclusive workplaces contribute to sustainable employability by ensuring equal opportunities for all employees.

Leadership Commitment: Strong leadership is essential for integrating sustainability into organizational strategy and culture.

Organizations that prioritize employee development and sustainability are more likely to attract and retain talented professionals.

CHALLENGES IN PROMOTING SUSTAINABLE EMPLOYABILITY AND GREEN SKILLS

3. **Resistance to Change:** Employees and organizations may resist adopting new technologies and sustainable practices due to uncertainty or lack of resources.

4. **Inadequate Training Infrastructure:** Educational institutions and training providers may lack updated curricula, qualified trainers, and industry collaboration.

5. **Financial Constraints:** Investing in training, technology, and sustainability initiatives can be costly for organizations, particularly small businesses.

6. **Policy and Regulatory Challenges:** Inconsistent policies and insufficient government support may slow the transition toward green economies.

Despite growing awareness, several challenges hinder the development of sustainable employability and green skills.

1. **Skill Gap:** Many workers lack the competencies required for emerging green jobs. Rapid technological changes further widen the gap.

2. **Limited Awareness**: Awareness regarding sustainability careers and green skills remains limited, especially in developing regions.

Addressing these challenges requires collaborative efforts from governments, industries, educational institutions, and individuals.

STRATEGIES FOR BUILDING SUSTAINABLE EMPLOYABILITY AND GREEN SKILLS

To create a future-ready workforce, several strategic measures can be adopted.

- **Promote Lifelong Learning:** Continuous learning opportunities should be made accessible through online platforms, certifications, workshops, and professional development programs.
- **Strengthen Industry-Academia Collaboration:** Close collaboration between educational institutions and industries can ensure that training programs align with market needs.
- **Encourage Green Innovation:** Governments and organizations should support innovation, research, and entrepreneurship related to sustainability.
- **Develop Inclusive Policies:** Policies should ensure equal access to green employment opportunities for women, youth, and marginalized communities.
- **Invest in Digital Transformation:** Digital technologies can enhance sustainability efforts and create new employment opportunities.
- **Raise Sustainability Awareness:** Awareness campaigns, workshops, and community initiatives can encourage environmentally responsible behavior.
- **Support Employee Well-being:** Organizations should prioritize mental health, work-life balance, and healthy working conditions to ensure long-term employability.

THE FUTURE OF WORK AND SUSTAINABILITY

The future of work will be significantly shaped by sustainability trends. Climate change, automation, and technological innovation will continue to transform industries and employment patterns. Green economies are expected to generate millions of new jobs globally, creating opportunities for skilled professionals.

Future workplaces will require employees who are:

- Technologically adaptable
- Environmentally conscious
- Innovative and collaborative
- Emotionally resilient
- Committed to lifelong learning

Organizations that integrate sustainability into their core strategies will gain competitive advantages, while employees with green skills will enjoy greater career opportunities and job security.

Sustainable employability will also become increasingly important in ensuring social and economic stability. Governments and policymakers must therefore invest in workforce development, green infrastructure, and inclusive education systems.

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Sustainable employability and green skills are becoming fundamental requirements in the evolving global economy. As industries transition toward sustainable practices, the workforce must be equipped with the competencies needed to support environmental, economic, and social goals. Sustainable employability ensures that individuals remain adaptable, healthy, and productive throughout their careers, while green skills enable them to contribute effectively to sustainability initiatives.

Educational institutions, organizations, governments, and individuals all share responsibility in promoting lifelong learning, innovation, and sustainability awareness. Investments in green skills development and employee well-being can create resilient organizations, inclusive societies, and environmentally responsible economies.

The path toward sustainability is not merely an environmental necessity but also an economic and social opportunity. By fostering sustainable employability and green skills, societies can build a future where economic growth, environmental protection, and human development coexist harmoniously. The way forward lies in empowering people with the knowledge, skills, and mindset needed to thrive in a rapidly changing and sustainability-driven world.

STRENGTHENING INVESTOR CONFIDENCE THROUGH RECENT ANTI-CORRUPTION REFORMS OF SRI LANKA

Economic recovery of Sri Lanka after the 2022 financial crisis has depended not only on fiscal reforms and debt restructuring, but also on rebuilding public trust and international credibility. Among the most important structural reforms introduced in recent years are the anti-corruption initiatives of the country, mainly the enactment of the Anti-Corruption Act No. 09 of 2023, and the establishment of Internal Affairs Units (IAUs) across government institutions. These reforms are increasingly viewed as essential for improving governance, strengthening institutional integrity, and restoring investor confidence; especially among Foreign Direct Investors (FDIs).

Corruption has long been recognized as a major obstacle to economic growth and investment in Sri Lanka. Weak institutional oversight, political interference, procurement irregularities, and inefficiencies in public administration discouraged both domestic and foreign investors for years. The economic crisis further exposed the damaging consequences of governance failures. In response, Sri Lanka initiated a series of governance reforms supported by international financial institutions, development partners, and civil society organizations. Anti-corruption reforms became central to this transformation agenda.

The Landmark Anti-Corruption Act No. 9 of 2023

Enactment of the Anti-Corruption Act No. 09 of 2023 marked a historic shift in Sri Lankan legal and institutional framework against corruption. The Act replaced several outdated laws, including the Bribery Act of 1954 and the Declaration of Assets and Liabilities Law of 1975. The new Act creates a modern and more comprehensive anti-corruption regime aligned with international standards and the United Nations Convention against Corruption (UNCAC).

Table 1. Key Features of the Anti-Corruption Act No. 09 of 2023

Reform Area	Key Improvement
Institutional Strengthening	Enhanced powers and operational independence of CIABOC
Corporate Accountability	Criminal liability extended to private-sector entities
Asset Declaration	Stronger disclosure and monitoring requirements *[via online]*
Preventive Measures	Focus on corruption prevention and risk assessments
International Alignment	Compliance with UNCAC and global anti-corruption norms
Public Sector Governance	Greater monitoring of state institutions and procurement systems

Source: Anti-Corruption Act No. 9 of 2023, Parliament of Sri Lanka.

One of the most significant features of the new Act is the strengthening of the powers and independence of the Commission to Investigate Allegations of Bribery or Corruption (CIABOC), now functioning as the central anti-corruption authority in the country. The law expands the Commission's authority beyond investigation and prosecution by empowering it to implement preventive and educational functions, monitor corruption risks, and coordinate national anti-corruption policies.

The Act also introduced stronger provisions regarding asset declarations, unexplained wealth investigations, corporate liability, and the criminalization of private-sector bribery. Importantly, the legislation extends accountability beyond public officials and places obligations on private-sector entities as well. This is particularly relevant for foreign investors and multinational companies operating in Sri Lanka, many of whom are subject to strict global compliance frameworks including the UK Bribery Act and the US Foreign Corrupt Practices Act (FCPA). Table 1 summarizes the key features of the Anti-Corruption Act No. 09 of 2023.

The introduction of corporate liability provisions sends an important message to international investors that Sri Lanka is moving toward internationally accepted governance standards. Investors generally prefer markets where legal certainty, transparency, and regulatory predictability are stronger. When corruption risks are reduced, the cost of doing business declines, investment procedures become more efficient, and investor confidence improves.

These units represent a shift from reactive anti-corruption enforcement to proactive corruption prevention. Traditionally, anti-corruption efforts in Sri Lanka focused primarily on investigations after wrongdoing occurred. The IAU framework instead aims to institutionalize integrity systems within organizations themselves, thereby reducing opportunities for misconduct before they arise.

The establishment of IAUs is linked closely with Sri Lankan National Anti-Corruption Action Plan (2025-2029) and broader governance reforms. Several public institutions, including ministries and state agencies, have already operationalized these units with mandates relating to transparency, accountability, whistleblower protection, and ethical compliance.

Internal Affairs Units: Building Integrity from Within

Another major reform initiative has been the establishment of Internal Affairs Units (IAUs) within government ministries, departments, and public institutions. IAUs are designed to function as internal integrity mechanisms that identify corruption vulnerabilities, conduct corruption risk assessments, promote ethical governance, and receive complaints related to misconduct and corruption.

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For foreign investors, the existence of institutional integrity systems is highly significant. Investors seek assurance that government agencies responsible for approvals, customs, taxation, licensing, and procurement operate transparently and fairly. Efficient and corruption-resistant institutions reduce administrative uncertainty and improve the overall business environment.

Anti-Corruption Reforms and Foreign Direct Investment (FDI)

There is a strong relationship between governance quality and investment attractiveness. Countries with lower corruption levels tend to attract higher levels of foreign investment because investors perceive fewer legal, financial, and operational risks. Conversely, corruption increases transaction costs, delays approvals, distorts competition, and creates uncertainty in policy implementation.

Recent anti-corruption reforms of Sri Lanka are therefore not merely legal reforms; they are economic reforms aimed at restoring international confidence in governance systems of the country. Following the financial crisis, institutions such as the International Monetary Fund (IMF) repeatedly emphasized the importance of governance reforms, transparency, and anti-corruption measures as essential conditions for sustainable recovery.

The reforms also improve Sri Lanka's reputation among development partners, sovereign lenders, rating agencies, and multinational corporations. Many international companies today conduct Environmental, Social, and Governance (ESG) assessments before investing in emerging markets. A stronger anti-corruption framework positively influences such evaluations. Table 2 presents how recent anti-corruption reforms improve investor confidence.

Table 2. Recent Anti-Corruption Reforms and Investor Confidence

Investor Concern	Impact of Reforms
Regulatory uncertainty	Improved institutional accountability
Bribery and unofficial payments	Stronger enforcement mechanisms
Weak public governance	Establishment of IAUs and preventive systems
Lack of transparency	Enhanced asset declaration and monitoring
Political interference	Stronger legal independence of CIABOC
Compliance risks for multinationals	Alignment with international anti-corruption standards

Source: Author.

These developments are especially important for sectors such as infrastructure, tourism, logistics, renewable energy, technology, and export manufacturing, where long-term foreign investment is critical for economic growth.

Improvement in the Corruption Perceptions Index (CPI)

Sri Lanka has also shown signs of improvement in international governance indicators. According to the Corruption Perceptions Index (CPI) prepared by Transparency International, Sri Lanka's score improved from 32 in 2024 to 35 in 2025, while the global ranking of the country improved from 121 to 107.

Although Sri Lanka still faces considerable governance challenges, this improvement is symbolically important. The CPI is widely monitored by investors, international financial institutions, and multinational corporations as an indicator of governance quality and public-sector integrity. Improvements in the CPI help signal reform momentum and institutional commitment to transparency. Table 3 depicts the recent CPI performance of Sri Lanka.

> ***The recent increase in Sri Lanka's CPI score may appear modest, but perception indicators often change gradually. Sustained reforms, successful prosecutions, institutional independence, and transparent governance practices are necessary to maintain long-term progress.***

Table 2. Recent Anti-Corruption Reforms and Investor Confidence

Year	CPI Score	Global Rank
2023	34	115
2024	32	121
2025	35	107

Source: Transparency International. Corruption Perceptions Index – 2025, and Sri Lanka Country Profile.

Remaining Challenges

Despite these positive developments, anti-corruption reform in Sri Lanka remains a work in progress. Laws alone cannot eliminate corruption unless they are implemented consistently and independently. Political commitment, institutional capacity, judicial efficiency, and public trust remain critical factors.

Critics have also argued that enforcement consistency and high-profile accountability are necessary to demonstrate that reforms are genuine rather than symbolic. Public confidence will depend largely on whether investigations and prosecutions are carried out impartially and whether public institutions maintain transparency in procurement, recruitment, and financial management.

Moreover, Sri Lanka must continue strengthening digital governance systems, procurement transparency, whistleblower protections, and public access to information. Long-term investor confidence depends not only on legal frameworks but also on practical implementation.

Conclusion

Recent anti-corruption reforms of Sri Lanka represent one of the most significant governance transformations in the country's recent history. The Anti-Corruption Act No. 09 of 2023, the strengthening of CIABOC, and the establishment of Internal Affairs Units collectively signal a move toward a more transparent, accountable, and rules-based governance system.

These reforms are critically important for rebuilding investor trust after the economic crisis. By improving transparency, reducing corruption risks, and aligning governance structures with international standards, Sri Lanka is gradually improving its attractiveness as an investment destination. The country's recent improvement in the Corruption Perceptions Index further reinforces this positive trajectory.

While challenges remain, sustained commitment to anti-corruption reforms can help Sri Lanka strengthen institutional integrity, attract greater foreign direct investment, and support long-term economic stability. In an increasingly competitive global economy, trust and transparency are no longer optional, now they are the essential foundations for sustainable development.

Recent anti-corruption reforms of Sri Lanka, including the Anti-Corruption Act No. 09 of 2023 and the establishment of Internal Affairs Units, are strengthening governance, improving transparency, and enhancing investor confidence. These reforms signal the country's commitment to creating a more accountable and investment-friendly economic environment.

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ENTREPRENEURIAL SKILL DEVELOPMENT AND GRADUATE EMPLOYABILITY IN SRI LANKA

Entrepreneurship is now regarded as an important tool for dealing with graduate unemployment and promoting sustainable economic development in developing nations. The significance of training graduates to become entrepreneurs in Sri Lanka is discussed in this article, together with how entrepreneurship education can boost their employability, inspire innovation and open up new career paths.

Introduction

The employment environment has undergone considerable change in recent decades. The rapid development of technology and stiff competition has made it necessary for the university graduates to possess a set of skills that are entirely different from those that existed earlier. Nowadays, merely having educational qualifications may not necessarily guarantee good employment. What employers seek are graduates who can adapt to changes, be innovative and spot opportunities in unfavorable conditions. In this regard, entrepreneurship has gained importance not only for the career development of the individuals concerned but also for national economic development.

In the case of developing nations like Sri Lanka, unemployment among university graduates continues to be a socio-economic problem.

Each year, thousands of graduates join the job market with an optimistic attitude regarding their employment prospects. Gradually, the availability of such jobs has decreased, leaving young graduates uncertain about their future. Entrepreneurship has now become an attractive alternative whereby graduates are not only looking for jobs but also creating jobs for themselves and others.

Despite efforts made by universities in Sri Lanka through the incorporation of entrepreneurship subjects and entrepreneurship training, a lot of graduates continue to find challenges when it comes to applying theoretical knowledge to business activities. It is apparent that there is an existing gap between the knowledge that the students obtain during their undergraduate education and what is needed in the real business environment.

Entrepreneurial Skill Gaps and Graduate Employability

One of the main problems that graduates face when they finish university is the gap between academic education and labour market requirements. Although universities give students theoretical knowledge in their field, the problem lies in the lack of practical skills in dealing with various situations encountered in the labour market.

Entrepreneurial skills not only involve being able to form a company but also entail such qualities as creativity, leadership, effective communication, critical thinking, ability to recognize opportunities, financial acumen, networking, resiliency and risk-taking. The possession of these competencies allows a person to react to unpredictable changes in a certain way and find opportunities in changing circumstances.

However, despite their significance, many of Sri Lanka's graduates exhibit inadequate preparation for entrepreneurship. Many undergraduate students excel in terms of academic performance but fail to make confident decisions in practical situations, innovatively challenge themselves and deal with actual business scenarios. Such deficiencies often become evident when students try to join the workforce.

There exist several reasons why this happens. Firstly, higher education is still concentrated on assessments, memory work and theory-based classes, which promote academic success but do not necessarily foster creativity, experimentation and independence. Secondly, limited engagement with industry experts, startup culture and entrepreneurial realities can diminish students' awareness of them. Thirdly, insufficient institutional assistance, including business incubators, mentorship programs and funding schemes can deter entrepreneurial aspirations.

In the modern labour market, employability cannot be measured merely by finding employment. It should include the ability to change, innovate and create new opportunities amid uncertainty. Thus, students who have developed entrepreneurial capabilities will be able to go into self-employment, start-ups, freelancing and contribute new ideas to established firms.

Table 1. Labour Market indicators in Sri Lanka (2025)

Indicator	2025 Value
Overall unemployment rate (Q4 2025)	3.8%
Youth unemployment (Age 15- 24 Q3 2025)	19.2%
Labour force participation rate (Q4 2025)	48.8%
Number of employed persons (Q3 2025)	8.1 million
Number of unemployed persons (Q3 2025)	367,282

Source: Department of Census and Statistics, Sri Lanka (2025)

The Role of Universities in Entrepreneurial Skill Development

The importance of universities in influencing the knowledge base, attitudes and future career intentions of students cannot be underestimated. In addition to imparting academic skills and knowledge to students, it is imperative for higher education institutions to help students adjust to the competitive and uncertain nature of the labor market.

Recently, the idea of entrepreneurial universities has emerged as a popular concept among academics and researchers. The idea of entrepreneurship focused universities entails going beyond the mere process of teaching to include innovation, working in partnership with the industries, engaging students in experiential learning and creating opportunities for commercial success.

Sri Lankan universities have also been active in introducing the idea of entrepreneurial universities among its educational institutions. The presence of courses on business planning, innovation and enterprise development as well as the creation of innovation centers and student business competition programs indicate this trend, which can be seen positively. however, it is far from enough.

One of the major drawbacks is the persistent dependence on lectures as a mode of instruction. Even though academic knowledge forms an important base, entrepreneurship remains a hands-on process, where confidence is cultivated not through studying problems in business but through facing and tackling them head on.

Hence, any good entrepreneurial program must have a practical component that entails the application of concepts learned during classroom sessions through case analysis, simulation of business situations, internships, mentoring, venture competitions and direct contact with seasoned entrepreneurs.

In addition, universities need to foster innovative environments for their students through various measures such as business incubators, networking sites, industry linkages and micro-funding opportunities

Entrepreneurship and Graduate Career Development

Skills related to entrepreneurship can make a difference in career development after graduation. In today's world where conditions of employment keep changing, there is a need for more than just technical knowledge to succeed as a professional in a particular field.

Students equipped with entrepreneurial skills tend to be more open to different kinds of career paths. Some might set up their businesses, whereas some might choose other career paths such as digital entrepreneurship, consulting, freelancing and social enterprises. Entrepreneurship in non-profit organizations can help employees perform better in terms of innovation and proactive problem solving.

This is especially true for graduates in Sri Lanka. Due to low availability of jobs in government organizations and stiff competition in the private sector, choosing entrepreneurial careers can provide graduates with interesting opportunities. There are opportunities emerging in areas such as technology, tourism, agriculture, education, digitization and creative industries in Sri Lanka.

In addition, entrepreneurship goes beyond setting up a business. It includes spotting opportunities, networking, dealing with uncertainty and creating positive changes.

Graduate entrepreneurship skills are playing an increasingly crucial role in helping to overcome employability issues in Sri Lanka. The need for entrepreneurial skills training is becoming increasingly critical due to the rising levels of competition and uncertainty in conventional career paths.

Even though there have been some advancements in entrepreneurship training, several problems persist in terms of linking theory to practice. Several graduates are still lacking the necessary practical experience and confidence, as well as the resources and support needed to turn their ideas into economic ventures.

The current approach of focusing only on theoretical aspects of entrepreneurship must therefore change. Instead, it should be complemented with more practical methods that incorporate experience gained from hands-on activities. The future of entrepreneurship in Sri Lanka looks promising as long as the country makes the right investments in this area.

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Youth-Led Community Action:

A Sustainable Way Forward for Sri Lanka

Community youth-led projects are among the main factors contributing to the sustainability of Sri Lanka's future socio-economic success. Youth can be actively engaged in solving existing problems, fostering social integration, preserving the environment, and bringing about change. Such involvement is important for ensuring a sound basis for sustainable development.

There are several issues in Sri Lanka, such as economic instability, social unrest, and natural disasters. Rather it should be about adopting a comprehensive strategy that involves communities, livelihood, education, and equity. In view of the after mentioned problems, sustainable development should not only about overcoming the challenges posed by climate change. It requires a multidimensional approach that considers livelihoods, communities, education and equity. Sustainable development is essential for safeguarding distributive justice of resources and protecting the rights of future generations.

Even though the youth constitutes more than 25% of the population of Sri Lanka, there are instances where they are not consulted in various process of decision making. In spite of such limitations, the youth of Sri Lanka have been able to accomplish impressive feats in several sectors including education reforms, entrepreneurship, voluntary work, environmental preservation, and social reforms. For example, they are leading change through local environment movements (University Youth Climate Ambassadors Initiative, Project Green Leaders by AIESEC, etc) and the development of digital education platforms.

Youth-led community Initatives are necessary for developing sustainable Sri Lanka. The novel ideas and initiate energy of these youth will help change the existing system and form the basis of sustainable development.

Understanding Sustainability beyond the Environment

Sustainability is a wider term that include many other aspects beside that of the environment. Environmental sustainability include adaptation to changes in the environment, conservation and restoration of ecosystems. Economic sustainability includes sustainable development, job creation, and decreased inequality. Social sustainability includes education, health care, and social inclusion. Sustainability can only be realized if all three factors work together.

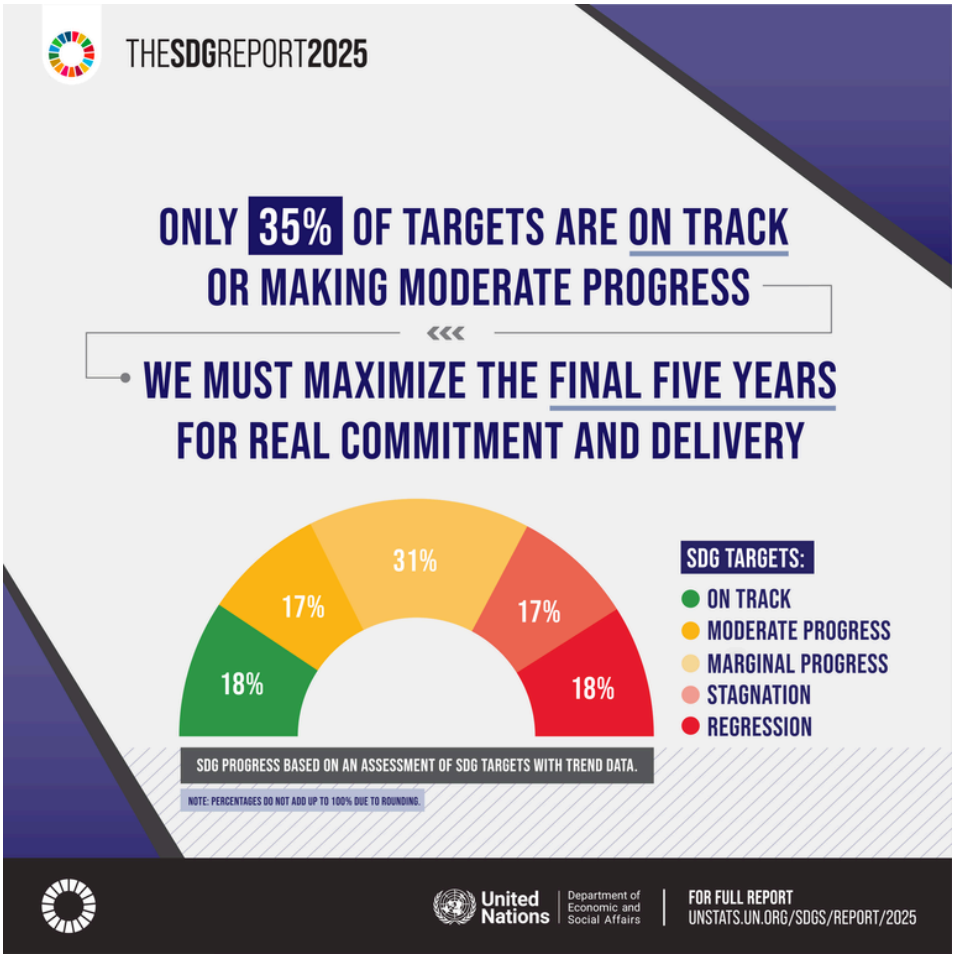

Figure 1 - Sustainable Development Goals (SDGs) – 17 global targets for sustainable development

Figure 1 provides an illustration of the 17 Sustainable Development Goals (SDGs). It shows the relationship between each SDG and the environmental, economic, and social dimensions. It enables one to identify those SDGs that have direct connections with community development by young people.

But in countries such as Sri Lanka, Pakistan, India, there is lack of opportunities, marginalization of local populations, and centralized government that affect the development process. Youth unemployment leads to wastage of their abilities, whereas the unequal distribution of resources results in economic disparity. The imbalance in the rural and urban development sector is harmful for youth living in rural locations, while mental disorders and gender roles affect the participation of young women.

This way sustainable development needs to be reassessed with an integrated approach towards youth. Innovations based on the community can help ensure the balance economic, social and environmental issues.

Role of Youth in Community Development

It is youth who act as catalysts for social advancement. Youngsters possess the capability of producing innovative and timely ideas. Specifically, they have first-hand knowledge about certain social issues, thus making them able to suggest relevant solutions.

Students at universities and volunteers have made contributions via advocacy campaigns, local initiatives, and business ventures, social media campaigns, and environmental conservation programs.

Examples include clean-up drives by youth that have helped reduce pollution and improve the environment surrounding beaches and rivers, mental health services have been successful in reducing the rate of suicide among youth. Local initiatives have facilitated the creation of employment opportunities in rural areas, while digital activists have leveraged social media platforms to demand legal reforms. After disasters like the Easter Terrorist Attacks in 2019 and the 2022 economic crisis, youth have spearheaded recovery and reconstruction efforts.

Youth engagement is important, however they should not only play a role in participatory development alone. Their involvement in decision-making processes is vital. The inclusion of youth in local government structures, non-governmental organizations and political platforms will aid in the speedy growth of sustainable development.

Challenges Faced by Sri Lankan Youth

Sri Lanka	Youth unemployment, ages 15-24
Latest value	22.33
Year	2024
Measure	percent
Data availability	1991 - 2024
Average	24.75
Min - Max	16.76 - 36.10
Source	The World Bank

Figure 2- Sri Lanka Youth Unemployment Measure by the Global Economy.com

The Sri Lankan youth encounter a number of obstacles which prevent them from achieving their full potential. These problems range from unemployment to resource deficiency and population migration. The unemployment rate among the youth was more than 25% in 2023, and brain drain has been exacerbated by the movement of many young individuals out of the country.

Problems in education are attributed to lack of practical experience and misalignment of training offered and labor market needs. As most university courses tend to be theoretical in nature, finding employment becomes difficult because of the absence of practical skills.

The Figure 2 illustrated that youth unemployment rate in Sri Lanka is around 24% in average by the year 2024.

The patriarchy, the absence of youth representation, and the silencing of youth voices are some examples of social barriers.

Gender roles in deny young girls leadership positions, while the ruling class is oblivious to the call for change by youth.

Constraints within institutional framework comprise insufficient budget allocation for youth initiatives, excessive bureaucratic process and absence of any consultancy service. Complicated budgetary systems along with stringent procedures prevent effective implementation of basic projects.

The major challenge is that the majority of youths are deprived of resources and networks even though they are endowed with natural talents and interests. A case in point is an enthusiastic youth who has been trying to conserve the environment but is unable to do so because of inadequate financial backing and social networking. It is high time that reforms were made in policy formulation.

Why Community Based Solution Matter?

Sustainable development will have higher chances of success if the local community take part actively. The youth generation knows better the social and cultural dynamics and recognizes that any local issues should be handled using a local approach. External efforts may not work as they do not consider the local dynamics.

Universities, Non-Governmental Organizations (NGOs), local authorities, youth organizations, and entrepreneurs can collaborate to achieve synergy. For instance, universities can conduct studies on environmental issues, NGOs can provide funding for such projects, and local authorities can enforce regulations on environmental matters, while youth organizations can embark on waste recycling projects.

The key message is that collaboration between institutions and youth can result in scalable and sustainable solutions. Collaboration helps make Sri Lanka more resilient and support decentralized development.

Youth quotas could also be incorporated at the local level while making the process of applying for funding easier.

Recommendations for a Sustainable Future

In order to ensure sustainable development, Sri Lanka must employ different stratergies. These stratergies include:

- Universities need to foster research and social initiatives amongst youth and act as an avenue for learning and innovations. Such Initatives bring together theoretical and practical components by incorporating actual projects in the curriculum.
- The government needs to increase initiatives aimed at developing leaders and entrepreneurs and give more funds to businesses owned by young people.
- The private sector is focusing on youth transformation to empower entrepreneurs and SMEs that sustainably grow. The private sector is financing CSR initiatives that encourage youth empowerment and promote economic development through their initiatives.
- Young people must not only raise public awareness but also take concrete steps. They must build collaborative networks, actively participate in volunteer work, and community leadership activites, and translate social media campaigns into personal actions.

It lies in the fact that sustainable development needs a joint effort, not an individual one. All universities, governments, organizations, and young people may produce a synergy effect if they collaborate. With the help of these collaborations, Sri Lanka may become sustainable and led by young people.

It is important to empower the youth of Sri Lanka for its future success. There cannot be any sustainable development in the absence of youth involvement. The youth have to be viewed as present leaders as well as the future leaders. The communities investing in youth leadership would be stronger in the future.

Social movements initiated by youth are vital in addressing the social, economic and environmental constraints. The innovation and dynamism of youth are beyond the bounds of centralized control and regulation. Working together with universities, government and the corporate sector in creating platforms, youth can make a difference.

However, neither policies nor instutuions will be sufficient to create a sustainable Sri Lanka. There is a need for the young generation who possess exceptional talents, accountability, and the ability to be change agents within their respective communities.

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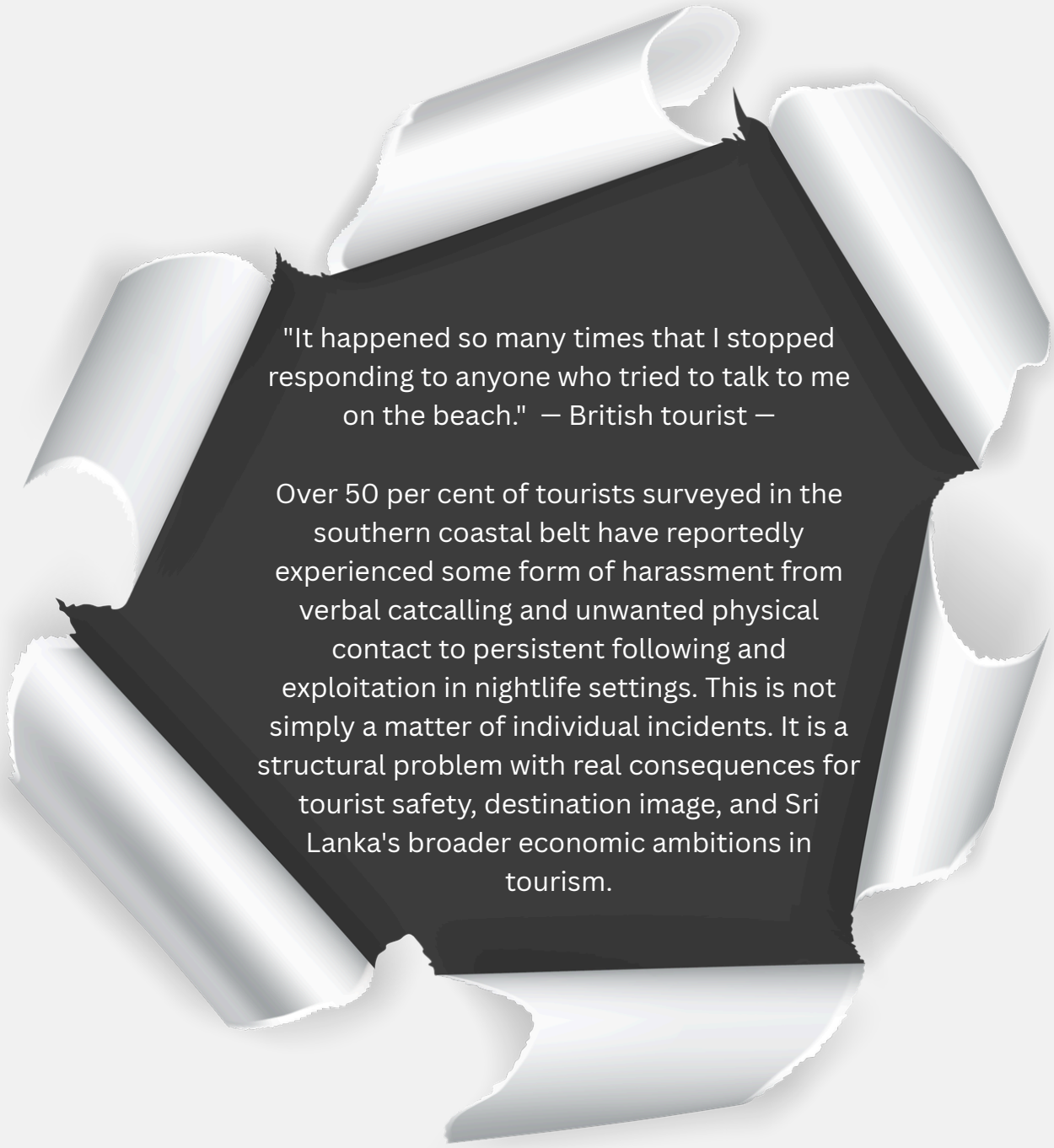
SEXUAL HARASSMENT IN BEACH TOURISM:

EXPERIENCES AND IMPACTS ON FOREIGN VISITORS IN SOUTHERN SRI LANKA


"It happened so many times that I stopped responding to anyone who tried to talk to me on the beach." — British tourist —
Over 50 per cent of tourists surveyed in the southern coastal belt have reportedly experienced some form of harassment from verbal catcalling and unwanted physical contact to persistent following and exploitation in nightlife settings. This is not simply a matter of individual incidents. It is a structural problem with real consequences for tourist safety, destination image, and Sri Lanka's broader economic ambitions in tourism.

WHAT TOURISTS ACTUALLY EXPERIENCE

Research conducted across Hikkaduwa, Mirissa, Unawatuna, and Galle drawing on in-depth interviews with 11 foreign tourists and 7 hotel management staff reveals four distinct patterns of harassment, each operating in different settings and through different social mechanisms.

Verbal harassment is the most commonly reported form. Catcalls, sexually provocative comments, and mocking laughter occur predominantly in public spaces; on the beach, at night markets, along busy streets. Female tourists are overwhelmingly targeted, and repeated exposure produces a corrosive effect: visitors describe losing the ability to distinguish a friendly approach from a threatening one. "A group of local men kept making loud, inappropriate comments about my appearance while I was walking near the beach stalls," recalled one Australian tourist. "It made me feel really uncomfortable and anxious."

Physical harassment means unwanted touching, groping, and invasion of personal space was frequently reported in crowded beaches, bars, and nightlife venues. Perpetrators often disguised such behaviour as casual friendliness, exploiting the social ambiguity of relaxed tourist settings. A male tourist from Italy described a stranger touching his arm while pretending to admire a tattoo: "It felt violating." Hotel management confirmed the pattern: "We receive complaints from female guests about local men touching them or standing too close, especially during beach parties. It is very difficult to control."

Persistent unwanted attention; following, stalking, refusing to accept refusals emerged as one of the most psychologically exhausting forms of harassment. The cumulative weight of daily intrusions wore tourists down. "Every day, on the way to the beach, there was a man who always waited and tried to talk to me," said one Canadian tourist. "It got exhausting." Informal tourism workers tuk-tuk drivers, beach vendors, self-styled guides were frequently identified as perpetrators, using professional proximity to push personal boundaries.

Sexual propositions and exploitation concentrated in nightlife settings beach bars, clubs, open-air parties where alcohol consumption and inadequate oversight created conditions for misconduct. A Bangladeshi tourist described being offered drinks in exchange for companionship at a Mirissa beach party and leaving immediately. A Canadian tourist found that bar staff dismissed her complaint, laughing it off. The normalisation of such behaviour within party environments combined with institutional inaction sends a clear signal to offenders: there are no consequences.

Table 1: Summary of Harassment Types and Impacts

Harassment Type	Setting	Key Emotional Impact	Behavioural Response
Verbal Harassment	Beaches, markets, restaurants	Anxiety, discomfort	Stopped engaging with strangers
Physical Harassment	Crowded beaches, bars, parties	Shock, anger, self-consciousness	Left venues, changed routines
Persistent Attention	Streets, tourist zones	Exhaustion, fear	Avoided walking alone
Sexual Exploitation	Beach bars, nightlife events	Disgust, helplessness	Left early, reported to staff

Source: Compiled by Authors

THE EMOTIONAL TOLL

What makes sexual harassment in tourism particularly damaging is not merely the incident itself it is the transformation it triggers in how a visitor experiences everything that follows.

Participants consistently described intense and lasting emotional reactions: fear, anxiety, anger, humiliation. A German tourist described how, after being harassed, she was "constantly looking around and checking who was behind me." A British tourist said she replayed the incident for days, feeling nervous whenever she went outside or encountered an unfamiliar person. Some guests, hotel staff reported, refused to leave the property at all following a bad experience.

> I felt like I had to hide myself just to move around comfortably.
>
> _ South African tourist_

Behavioural withdrawal followed predictably. Tourists avoided beaches they had planned to visit, changed their clothing to minimise attention, reduced interaction with locals, and cut short activities they had looked forward to. A Bangladeshi tourist stopped attending beach parties and confined herself to daytime exploration. A British tourist stopped speaking to locals altogether: "After what happened, I stopped talking to locals unless it was necessary. Even friendly people made me nervous."

This is the deeper damage. Harassment does not only hurt the individual it severs the connection between visitor and destination that makes travel meaningful in the first place. And when tourists return home and share their experiences online, the reputational damage extends far beyond the individual incident.

A SYSTEM THAT FAILS VICTIMS

What compounds the trauma is what happens or rather, what does not happen when tourists seek help. Bar staff told victims their harasser was "just being friendly." A property owner told a tourist that the behaviour was "normal here." A hotel manager took a formal complaint and took no follow-up action: "I felt like my complaint just disappeared," said the British tourist who filed it. Tourist police units, where they exist, are under-resourced, often lacking training in gender-based violence or the multilingual skills needed to assist international visitors effectively.

Section 345 of the Penal Code criminalises sexual harassment but its focus on criminal proceedings demands a high burden of proof that discourages reporting. For foreign tourists, additional barriers compound the problem: language differences, cultural unfamiliarity, reluctance to engage with legal systems abroad, and the simple reality of a flight home that makes follow-through impractical.

The result is a cycle that perpetuates itself. Incidents are not reported. Perpetrators face no consequences. The behaviour continues. And Sri Lanka's reputation as a safe, welcoming destination quietly erodes- one negative review, one cautionary WhatsApp message, one avoided recommendation at a time.

WHAT NEEDS TO CHANGE

The following policy and operational recommendations are proposed for key stakeholders:

- Establishment of a national code of conduct and an accreditation system for hotels, beach traders, and informal tourism services with serious repercussions for breaches.
- The Sri Lanka Tourism Development Authority (SLTDA) should expand tourist police units and provide specialist training in gender-based violence, victim-centred response, and multilingual interaction.
- Hospitality establishments must implement mandatory staff training on recognising harassment and activating structured reporting procedures moving beyond ad hoc responses.
- Accommodations need to develop mandatory training of their employees in identifying harassment and instituting procedures for formal reporting and action

Sri Lanka's tourism sector has enormous potential and the warmth and hospitality of most Sri Lankans is genuine. But potential is realised only when every visitor can experience it fully, without fear. Making that possible is not only the right thing to do. It is essential for the long-term health of the industry that so many communities depend upon.

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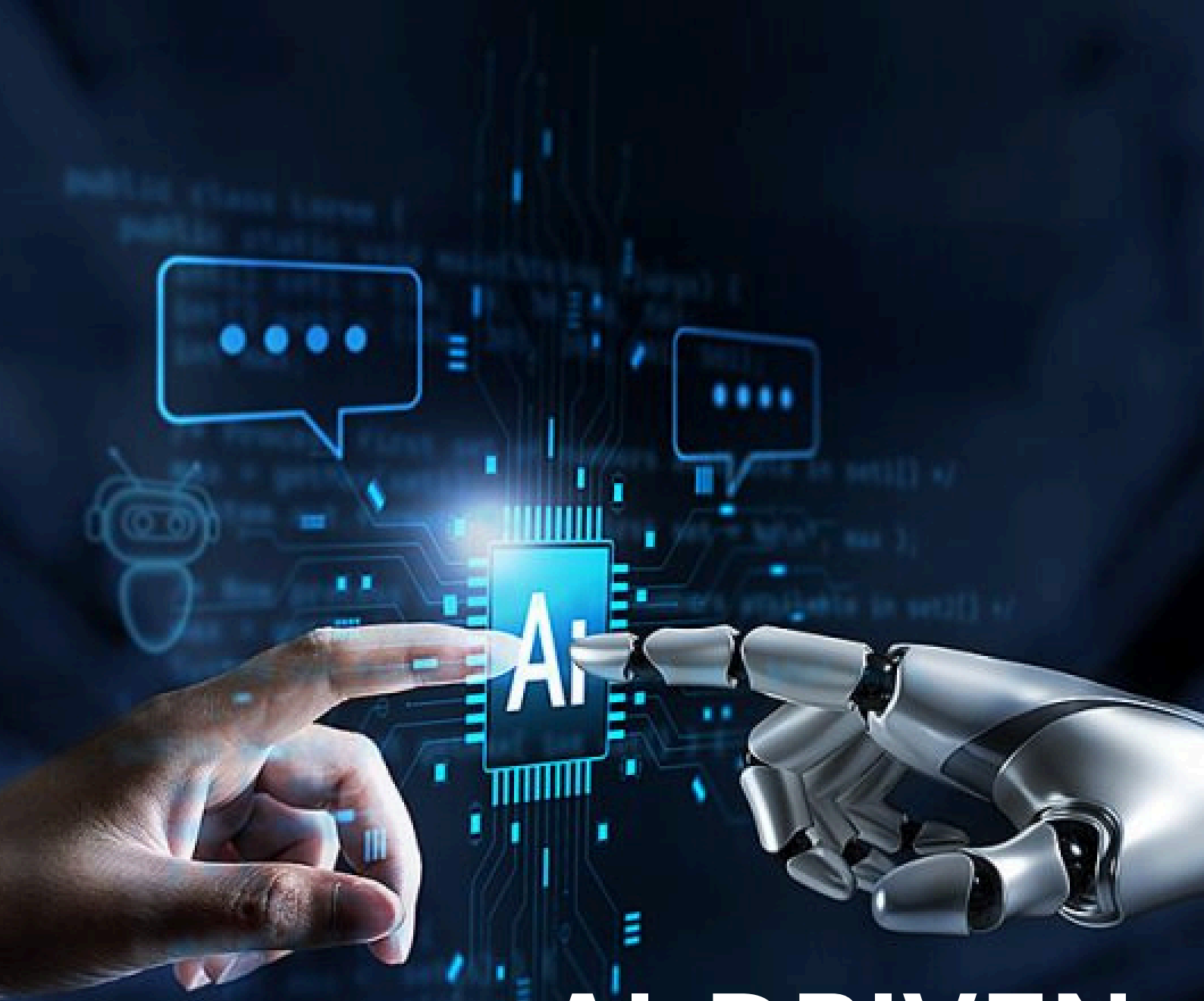

AI-DRIVEN DECISION MAKING AND HUMAN-AI COLLABORATION

Introduction

Artificial intelligence (AI) is transforming the decision-making process of governments and businesses all over the world. AI systems can examine enormous volumes of organized and unstructured data, spot trends, automate routine tasks, and produce predictive insights at a much higher than humans. Like all technologies, wealthier nations were early adopter of AI .

Developing nations have started using AI to solve long-standing structural problems like financial exclusion, healthcare shortages, agricultural inefficiencies, and low governance capacity. AI has the potential to boost productivity and quicken economic transformation in spite of limited resources, and are becoming central to productivity enhancement, public service modernization, and innovation, while simultaneously creating concerns regarding inequality, labor displacement, and governance.

The Stanford AI Index Report revealed quick development in organizational artificial intelligence uptake and investment globally, including growing penetration into developing economies. The advantages of AI are not evenly distributed, as infrastructure, technical know-how, and top-notch datasets are concentrated in wealthier countries.

Human-AI cooperation has developed as a more responsible and ecologically friendly substitute for total automation. Referred to as "human in the loop" models, human-centered AI systems integrate computational intelligence with human judgment, ethical consideration, creativity, and contextual understanding. AI is excellent in handling information and making predictions, but people are needed to understand social realities and deal with ethical issues.

As AI systems are trained mostly on data from developed countries, they might not be able to see the cultural, linguistic, or socioeconomic realities in growing economies, where institutional settings are really volatile. Hybrid intelligence systems combining technological efficiency with human supervision are essential for effective management.

This study looks at global best practices in AI-driven decision making as well as Human- AI cooperation in developing nations. It connects the theoretical foundations of AI-enabled management, reviews key implementation issues, examine industry-specific applications, and gives practical advice for leaders and lawmakers.

THEORETICAL FOUNDATIONS OF HUMAN AI COLLABORATION

AI-driven decision-making applies Machine Learning, Predictive Analytics, and Intelligent Automation to assist corporate decisions and progressively impact recruiting processes, financial services, medical diagnostics, supply chain management, and customer involvement.

Understanding human-AI interaction critically requires socio-technical systems theory. The interaction of technological and human systems determines organizational performance instead of technology alone. AI application is successful, when technological advancement fits institutional goals, organizational culture, and employee skills.

Relating Technology Acceptance Model, Ease of use and perceived usability influences AI adoption. Perceptions of digital literacy, institutional trust, and concerns about employment security shapes them in developing nations. Employees resist to AI due to perception of job loss due to automation or when algorithmic decisions are not clear.

The Unified Theory of Acceptance and Use of Technology connect the role of facilitating factors, social influence, and behavioral intention in technology acceptance. These considerations are significant in developing nations where infrastructure and technical assistance remain unevenly dispersed.

Human-AI cooperation models fall into three classes.

- Human in the loop systems need human oversight before AI outputs are put into use.
- Human-on-the-loop systems let AI function independently and have people observe performance and interfere as required Akinnagbe, 2024.
- Human in command systems keep people in charge of strategic choices while AI works as an analytical tool (Amershi et al., 2019).

AI Adoption is challenged by privacy violations, Algorithmic Bias, Discrimination, and Surveillance.Human-AI collaboration is also influenced by trust. Consumers are more likely to trust AI, when systems seem clear and explainable in high-stakes industries like healthcare or financial services.

Table 1 Major Frameworks Supporting Human AI Collaboration

Framework	Core Idea	Relevance to Developing Economies
Socio Technical Systems Theory	Organizational outcomes depend on interaction between people and technology	Highlights importance of workforce integration
Technology Acceptance Model	Adoption depends on usefulness and ease of use	Explains resistance caused by mistrust or low digital literacy
UTAUT	Technology use shaped by facilitating conditions and social influence	Relevant where infrastructure and institutional support are limited
Human in the Loop Systems	Humans supervise AI outputs	Essential in healthcare, finance, and governance
Ethical AI Governance	AI systems must remain transparent and accountable	Protects vulnerable populations from algorithmic bias

Source: Compiled by author

Global Best Practices in Developing Economies

1. Agriculture and Food Security

AI in agriculture enhances food security and resilience against climate change, by managing resource, forecasting weather, monitoring crop, and controlling pests.

Apollo Agriculture provide farmers personalized loans, weather forecasts, and agricultural advice using satellite, machine learning, and mobile technologies, in Kenya. While human agricultural counselors continue to evaluate local circumstances, and build confidence inside rural populations, farmers get guidance via mobile phones. CropIn in India employs remote sensing technology and predictive analytics to increase crop management and supply chain effectiveness. These systems illustrate how AI enhances local knowledge instead of replacing human decision making.

2. Financial Inclusion and Fintech

Financial exclusion continues to be a huge problem in many developing countries. Conventional banking networks sometimes exclude those without official credit histories, particularly in rural and informal industries. Using alternative credit ratings and fraud detection, AI-driven fintech solutions progressively close this gap.

M-PESA in Kenya employs AI-powered monitoring systems to spot fraud among millions of daily mobile money payments. For underprivileged groups, this technology has increased financial access. When looking into questionable activity and settling consumer complaints, human supervision is absolutely vital.

Brazilian fintech firms using AI for automated credit risk assessment and customer support. AI-driven fintech solutions improves operational effectiveness and promotes financial inclusiveness. However, algorithmic lending systems could replicate historical disparities when training data include embedded societal biases.

3. Healthcare and Public Services

Many developing nations' healthcare systems suffer from a lack of qualified workers, inadequate infrastructure, and poor diagnostic capability. By means of disease identification, medical imaging analysis, and patient management systems, AI technologies can lessen these issues.

During the COVID-19 pandemic, AI systems also helped with epidemiological modeling and disease surveillance campaigns. AI diagnostic tools are used to identify tuberculosis, diabetic retinopathy, and maternal health concerns in India, and a number of African countries .

However, Human control is absolutely essential, as medical decisions often require moral judgment, emotional support, and contextual interpretation that computers cannot fully duplicate.Table 2 below gives the examples of Human-AI collaboration in developing countries.

Table 2 Examples of Human- AI Collaboration in developing countries

Sector	AI Application	Human Role	Country Example
Agriculture	Predictive farming analytics	Farmers validate recommendations	Kenya, India
Fintech	Fraud detection and credit scoring	Staff review disputes and anomalies	Kenya, Brazil
Healthcare	AI diagnostics	Doctors interpret results and provide care	India, Nigeria
sSMEs and Retail	Inventory forecasting and chatbots	Managers oversee strategy and customer relations	Indonesia, Brazil
Public Services	Digital governance systems	Officials supervise implementation	Rwanda, India

Source: Compiled by author

Challenges Facing Developing Economies

Developing countries run several impediments to successful AI acceptance notwithstanding great opportunities.

1. Infrastructure Limitations

Reliable electricity, broadband connection, cloud computing access, and digital infrastructure are still unequally distributed. Limited AI deployment is caused by erratic power supply and slow internet connection in rural regions. Sophisticated computing infrastructure is mostly found in wealthier nations only.

2. Skills Gaps and Digital Literacy

Technical knowledge and staff preparedness are necessary for the use of AI. Developing countries frequently lack data scientists, software developers, and digital specialists, as qualified people move to wealthy countries.

Without adequate training, staff members could find it difficult to understand AI results or operate effectively with digital tools. Organizations have to make investments in workforce growth and ongoing learning.

3. Data Quality & Bias

AI systems need enormous volumes of reliable information. But local datasets in developing countries are sometimes either incomplete or contradictory. Additionally, current data could underrepresent underprivileged areas while overrepresenting metropolitan ones.

A major worry is still bias inside AI systems as algorithms educated mostly on data from developed countries could produce incorrect results in various socioeconomic situations.

4. Organizational Resistance

Often employees fear of losing job on AI adoption and resists, when companies implement AI systems without clear communication or retraining opportunities.

Strategies for Effective Human AI Collaboration

Developing countries run several impediments to successful AI acceptance notwithstanding great opportunities.

Lightweight AI models, Open-source tools and Cloud-based platforms are better than infrastructure-heavy systems. Edge AI devices that operate with little internet connection provide great hope for rural areas.

Organizations should use phased, context-sensitive techniques for sustainable AI adoption. Mobile learning platforms and localized instructional materials can increase accessibility in resource-limited settings. Human in the loop systems must be kept for vital decisions like finance, healthcare, or governance.

Last, ethical governance systems ought to direct every step of execution. Organizations have to set up systems of accountability, carry out bias analyses, safeguard consumer data, and keep openness on algorithmic choices. Building institutional legitimacy and public trust depends particularly on explained AI technologies.

Regulatory and Ethical Challenges

Many developing nations have poor AI governing systems to address risk of privacy breaches, discrimination, and inappropriate use of personal data. UNESCO's Recommendation on the Ethics of AI emphasizes the necessity of inclusive governance, transparency norms, and responsibility mechanisms.

AI driven decision-making is progressively becoming a distinguishing characteristic of contemporary organizational management and economic change. Good management relies on building systems in which human and machine intelligence support one another.

Developing countries have now more chances to apply inclusive and context sensitive AI models suited to local circumstances. But in order to succeed in the long run, one need to make smart investments in infrastructure, education, governance, and the ability of institutions. Ethical norms, employee growth, and cooperative innovation ecosystems should be given top priority by managers and lawmakers if they are to be better placed to realize sustainable and inclusive development in the approaching AI-driven economy.

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Bridging the Funding Gap: Alternative Financing Models for Sri Lankan SMEs

This article explores innovative financing models, such as FinTech and peer-to-peer (P2P) lending, that can address the funding challenges faced by small and medium enterprises (SMEs) in Sri Lanka. By analyzing current trends and their implications, we demonstrate how these solutions can enhance financial accessibility and spur economic growth.

Introduction

Small and medium enterprises (SMEs) are the backbone of many economies, including Sri Lanka's. They contribute approximately 52% of the country's GDP and employ about 45% of its workforce. Despite their significant impact, these enterprises often struggle to secure the necessary funding to thrive. Traditional banks typically have rigid requirements, which can make access to finance challenging for SMEs with limited credit histories or insufficient collateral. As a result, many business owners turn to alternative financing solutions. This article examines how FinTech innovations and peer-to-peer lending can bridge the funding gap faced by SMEs in Sri Lanka.

The Importance of SMEs in Sri Lanka

SMEs play a crucial role in the economic development of Sri Lanka. They foster entrepreneurship, create jobs and stimulate local economies. Despite their contribution, many SMEs encounter barriers to financing, which can jeopardize their stability and growth.

- **Economic Contribution:**

SMEs account for a significant portion of the Sri Lankan economy. They provide jobs, support local industries and contribute to GDP growth. However, challenges like limited access to finance hinder their full potential.

- **Challenges in Financing:**

SMEs face multiple obstacles when pursuing financing:

- **Insufficient Collateral:** Many SMEs lack the assets required to secure traditional loans.
- **High Interest Rates:** The cost of borrowing from conventional financial institutions can be prohibitive.

Limitations of Traditional Financing Solutions

Conventional banks and lending institutions often have stringent requirements that SMEs struggle to meet. Here are some key limitations of traditional financing methods:

- **Rigid Lending Practices:** Banks typically require extensive documentation, including credit histories, business plans and financial statements. This can be overwhelming for new or small businesses.
- **Long Processing Times:** The loan approval process can take weeks or even months, leading to missed opportunities for growth.
- **High Interest Rates:** SMEs often face higher interest rates than larger corporations, making borrowing less attractive.

Alternatives to Traditional Financing

With the limitations of traditional banking, alternative financing models have emerged, providing more accessible options for SMEs.

1. FinTech Innovations

Financial technology (FinTech) has revolutionized the way businesses access funding. Several key innovations are changing the landscape:

- **Telecommunications and Digital Finance:** Mobile wallets like Dialog's eZ Cash and Sri Lanka's LANKAQR offer flexible payment solutions. These platforms enable businesses to manage transactions more easily and reach wider markets.
- **Automated Credit Assessment:** FinTech companies use big data and artificial intelligence to assess creditworthiness. This allows for quicker decisions based on unique data points, rather than reliance solely on past financial records.
- **Crowdfunding Platforms:** Websites like FundMe.lk enable businesses to raise capital directly from consumers. This model allows SMEs to present their ideas to a large audience, gaining support from potential backers.

2. Peer-to-Peer (P2P) Lending

P2P lending presents another innovative solution for financing. It enables individuals to lend directly to businesses, bypassing traditional financial institutions.

- **Concept Overview:** P2P platforms connect borrowers with individual investors. This model often results in lower costs and less stringent requirements for borrowers.
- **Process:** SMEs can apply for loans on a P2P platform, and investors can choose to fund the loan based on the business's profile and potential for growth.

- **Benefits:**
  - Faster Processing Times: Borrowers often receive funding within days rather than weeks.
  - Lower Interest Rates: P2P lenders typically offer more competitive rates compared to banks, as they operate with lower overhead costs.

Examining successful implementations of FinTech and P2P lending in Sri Lanka can provide valuable insights:

- **FinTech Success:** A local textile manufacturer utilized a mobile wallet service to streamline payments and improve cash flow. By adopting this solution, they increased production and expanded their market reach significantly.
- **P2P Lending Impact:** Another company, a startup in the agricultural sector, secured funding through a P2P lending platform. The funds allowed them to purchase new equipment, leading to a 30% increase in productivity.

The below chart shows a clear idea on how the FinTech solutions can impact on SME finance requirements as a comparison with other identified financing types.

Table 1: FinTech solutions for SMEs

Financing Type	Interest Rate (%)	Processing Time	Eligibility Criteria
Traditional Bank Loan	12-18	4-6 weeks	Collateral, Credit Score
FinTech Solutions	8-14	1-2 weeks	Varies, Data-Driven
Peer-to-Peer Lending	6-12	3-5 days	Business Profile, Investor Interest

Source: Author developed

Alternative financing models like FinTech and P2P lending provide viable solutions to the funding challenges faced by Sri Lankan SMEs. By embracing these innovations, Sri Lanka can foster economic growth, empower entrepreneurs, and create a more inclusive financial environment. Policymakers should encourage the development and regulation of these platforms to ensure a robust financial ecosystem that supports the growth of SMEs.

By addressing the funding gap, Sri Lanka can take significant strides toward economic stability and resilience in the face of global challenges.

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Enhancing Consume
Through Visual El
Video Adve

er Decision-Making ements in Digital ertisements

Importance of images when designing video advertisements?

The importance of images in designing video advertisements is significant because video marketing is one of the most effective forms of online marketing. A single well-designed video campaign can generate highly targeted traffic over an extended period. Unlike many traditional marketing research approaches that primarily focus on verbal elements, video advertising must also incorporate incorporate non-verbal forms of communication, as viewers process visual stimuli through the brain's visual systems. Therefore, the careful arrangement of visuals is essential when creating digital video advertisements. Through two qualitative field experiments, this study found that digital video advertisements become more effective and beneficial to viewers when they are designed with consideration of "social cognition."

Social cognition seeks to provide process-oriented and mechanistic explanations for complex social behaviors and interactions. To evaluate consumer visual memory in digital video advertising, the study applied five stages of social cognition: information retrieval, comprehension of information, information encoding, attitude persuasion, and consumer decision-making.

Over two decades ago, researchers identified that consumer research has largely ignored product relevant information stored in visual memory. Even after 20 years later, this concept was echoed by reminding that most marketing research tools are verb-centric and need to be enriched with techniques that accommodate non-verbal expressions of perception and learning as all these stimuli reach the brain through visual systems. However, recently researchers identified that a combination of topics such as visual merchandising; social cognition; visual memory; repeated viewing of visual memory remains relatively unexplored in advertising, as it needs to combine with social psychology. Consequently, this article combines these two knowledge gaps by integrating the two different fields of advertising and social psychology to help digital video advertising agencies to carefully design their advertisements by arranging the images properly within the video.

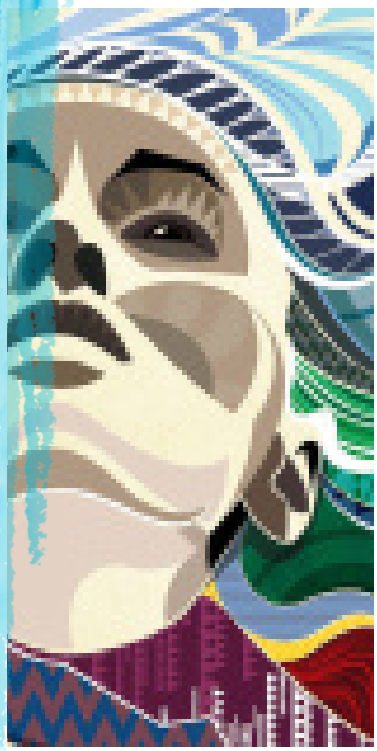
Video captioning traditionally asks for a comprehensive description of videos, although detailed descriptions of individual objects are not commonly included. Most methods employ frame-level intertangled features among objects while training, which makes detecting vision-language relationships difficult. Without identifying the classes and locations of distinct objects nor determining the transition paths among them, these data-driven image-based video captioning methods simply cannot explain the activities based on visual features alone. The objects in a visual are placed to serve a variety of functions, such as drawing the viewer's attention to a certain place or establishing a visual flow from top to bottom. Since the background objects are noticeable in an advertisement, organizing the objects properly throughout the scenes becomes important.

Information Retrieval: Enhancing Object Information Memory in Digital Video Advertisements

Memory research has taught us that human memory is fallible, imprecise, and susceptible to interference. Although observers are capable of recalling thousands of images, it is widely assumed that these memories lack details. In contrast to this assumption, we show here that long-term memory can store many objects with details from an image. Major findings from these two experiments indicated that although participants were able to encode large objects (such as buildings, furniture, walls, garden, trees) with a size of more than a quarter of the visual, smaller objects were not noticed during the video viewing, such as floating brand logo, floating brand quota, or brand name within the advertisement. This was found to be due to the abstract view in digital video advertisements. Thus, digital video advertisements were found to be ineffective in viewing smaller objects occupying less than 2/3 of the screen. Developing an effective system for detecting small moving objects poses several challenges, for example, a non-invasive detection method for honeybees must not interfere with their flight during recording.

Due to the lack of visual information in a high-resolution video, it becomes harder to detect tiny objects. Visuals on object information memory literature supports the contention that viewers remember the object information mostly by activating strategic memory. Research has shown that eye movements are closely associated with cognitive functions such as attention, memory, and decision-making. Besides revealing information about feelings and desires to others, eye movements can also be actively involved in brain functions. Further, strategic memory activation can be done by adding visual details of previously viewed objects, such as repeating the product information in more than one or two scenes within the advertisement.

Comprehension of Information: Using Visuals with Multi-Cultural Symbols in Digital Video Advertisements



Advertising that is multicultural or integrated is a method of advertising that seeks simultaneously to reach culturally diverse audiences through the development of cultural representations (e.g., advertisement sources, symbols, traditions, beliefs, values, attitudes, and/or objects) from multiple cultural backgrounds. In this context, multicultural advertising is regarded as an innovative way to reduce costs while targeting diverse consumer segments. In academic marketing literature, it has been suggested that the marketing practices of firms operating in different cultures would be fundamentally different. Several conceptual arguments have been developed in the literature that are based on the premise that different cultures have a different market structure, demand pattern, and buyer behaviour, which has led to the assumption that marketing practices of companies from diverse cultures will also differ. The visuals depicting locations associated with cultural symbols (for example: Japanese Temples/ The fleur de Lys/ Taj Mahal/ African Elephants) in advertisements played a vital role due to the different atmospheres presented to customers from different countries. For example, Asian advertisements use traditional buildings which shows the unique cultural architecture. This aspect was found to be an attractive attribute for non-Asians as they are not familiar with the locations and the ability to look at a different place makes them curious to watch the entire advertisement by further facilitating information retrieval process.

Consumer Decision-Making: Improving Brand Trust Levels Through Digital Video Advertisements

The visual aspect of video commercials contributes to the understanding and awareness of cultural information by participants. Ability of adding cultural symbols in the advertisement itself helps to develop brand trust levels in a better way. A key component of intercultural communication is businesses adapting their messages according to their target audiences' cultures. As a result, they may use many different aspects of cultural symbols to become more similar to gain the approval of their intended audience. For example, using cultural symbols, when selling global street food products in Tourism sector.

In conclusion, when arranging visuals for standard video advertisements, it is not necessary to spend more time in designing small objects within the visuals. Due to the abstract view of the digital video advertisements, participants will not remember all the details regarding the small objects within the visuals. The visuals depicting locations associated with cultural symbols plays a vital role due to the different atmospheres presented to customers from different countries. Intercultural communication through comparing marketing mix elements can successfully tap into the market along with the consumer choice. As a major visual encoding strategy, it was identified that when arranging visuals for video advertisements, it is necessary to arrange the visuals considering the order of the story. Further adding cultural symbols in the advertisement was found to be a factor which helps to develop brand trust levels.

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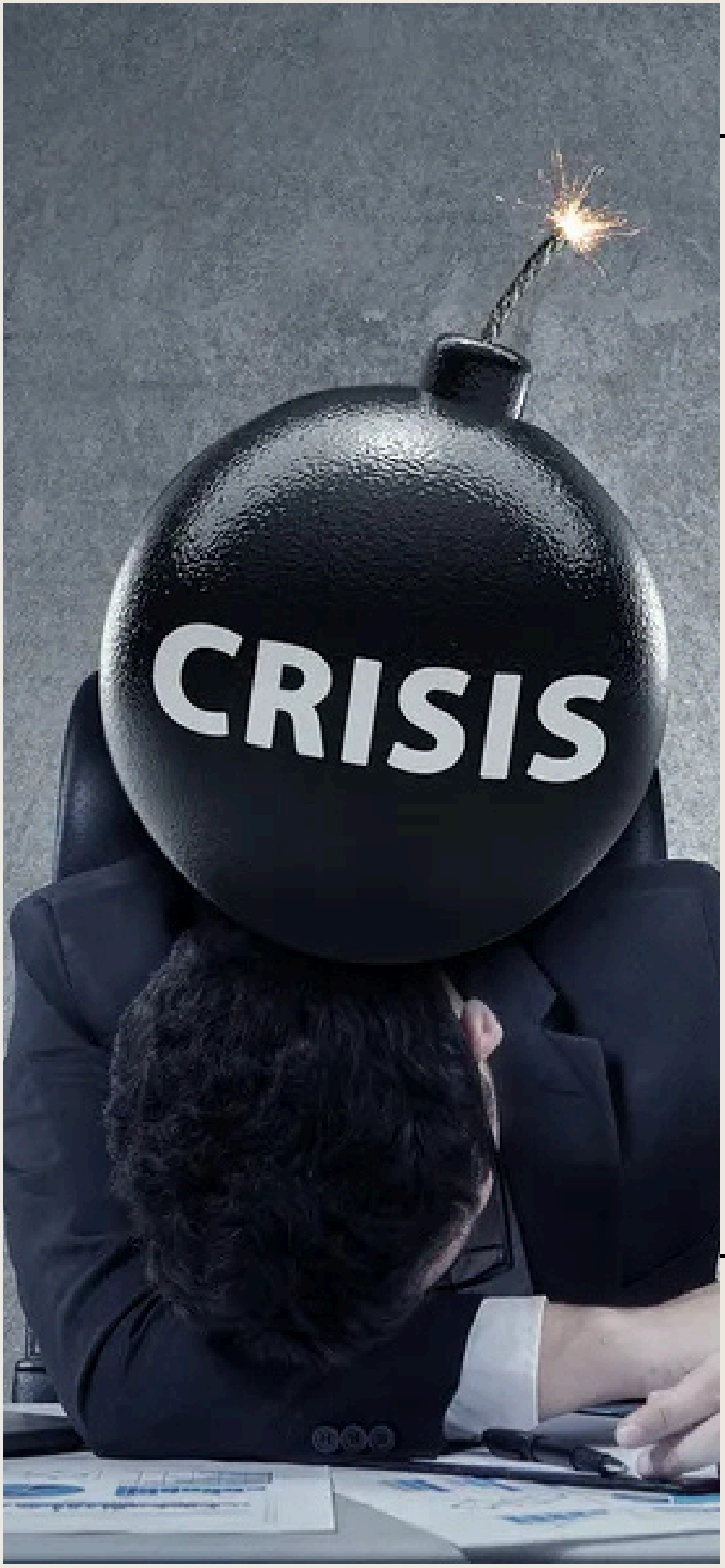
Sri Lanka's Polycrisis and the Future of Strategic Crisis Management



This article critically examines Sri Lanka's polycrisis as a manifestation of systemic governance fragility within an era of global instability. By integrating strategic crisis management, sustainability, and psychological resilience perspectives, the article advances the need for anticipatory, adaptive, and resilience-centered governance frameworks capable of navigating interconnected contemporary crises.

Introduction: From Isolated Crises to Systemic Instability

The contemporary global context is increasingly characterized by systemic instability. Economic disruptions, pandemics, climate emergencies, political polarization, technological vulnerabilities, and social fragmentation no longer emerge as isolated crises confined within predictable institutional boundaries. Rather, these disruptions interact dynamically, amplifying one another through complex feedback loops that destabilize governance systems, weaken institutional legitimacy, and intensify societal vulnerability. Consequently, the defining governance challenge of the twenty-first century is no longer the management of singular crises, but the navigation of interconnected and cascading disruptions within conditions of prolonged uncertainty.

Within contemporary strategic discourse, scholars increasingly employ the term “polycrisis” to describe situations in which multiple crises converge in mutually reinforcing ways, thereby producing consequences greater than the sum of their individual effects. Unlike conventional crises, which can often be contained through sector-specific interventions, polycrises erode the institutional capacities required for effective response. Therefore, such crises represent not episodic disruptions but systemic conditions of instability.

In this broader context, Sri Lanka represents one of the most significant contemporary case studies in strategic crisis management . The country's economic collapse in 2022 did not emerge solely from fiscal mismanagement or external economic shocks. Instead, the crisis reflected the convergence of accumulated structural vulnerabilities across governance, economic policy, institutional trust, environmental sustainability, and public psychology. Fuel shortages, food insecurity, inflation, medicine scarcity, sovereign default, and widespread social unrest collectively revealed the fragility of governance systems operating without sufficient resilience, strategic foresight, or adaptive capacity. Moreover, Sri Lanka's experience possesses significance beyond its national context because the crisis reflects vulnerabilities increasingly confronting many developing and middle-income economies operating within an era of geopolitical uncertainty, ecological stress, and economic volatility. In this sense, Sri Lanka may be understood not as an isolated exception, but rather as an early manifestation of broader global governance challenges.

Accordingly, Sri Lanka's polycrisis exposes the limitations of reactive governance models and demonstrates the urgent need for a new paradigm of strategic crisis management grounded in sustainability, systems thinking, anticipatory governance, and psychological resilience.

Furthermore, the discussion contends that resilience must no longer be understood solely in infrastructural or economic terms because sustainable resilience is simultaneously institutional, environmental, psychological, and societal.

The Structural Logic of Sri Lanka's Polycrisis

The analytical significance of the concept of polycrisis lies in the rejection of linear crisis models. Traditional governance frameworks frequently assume that crises occur independently and may therefore be managed through compartmentalized institutional responses. By contrast, polycrisis theory recognizes that modern crises are deeply interconnected. Economic instability intensifies political distrust; political distrust weakens institutional legitimacy; weakened legitimacy fuels social unrest; and social instability further undermines economic recovery. Consequently, crises become self-reinforcing systems.

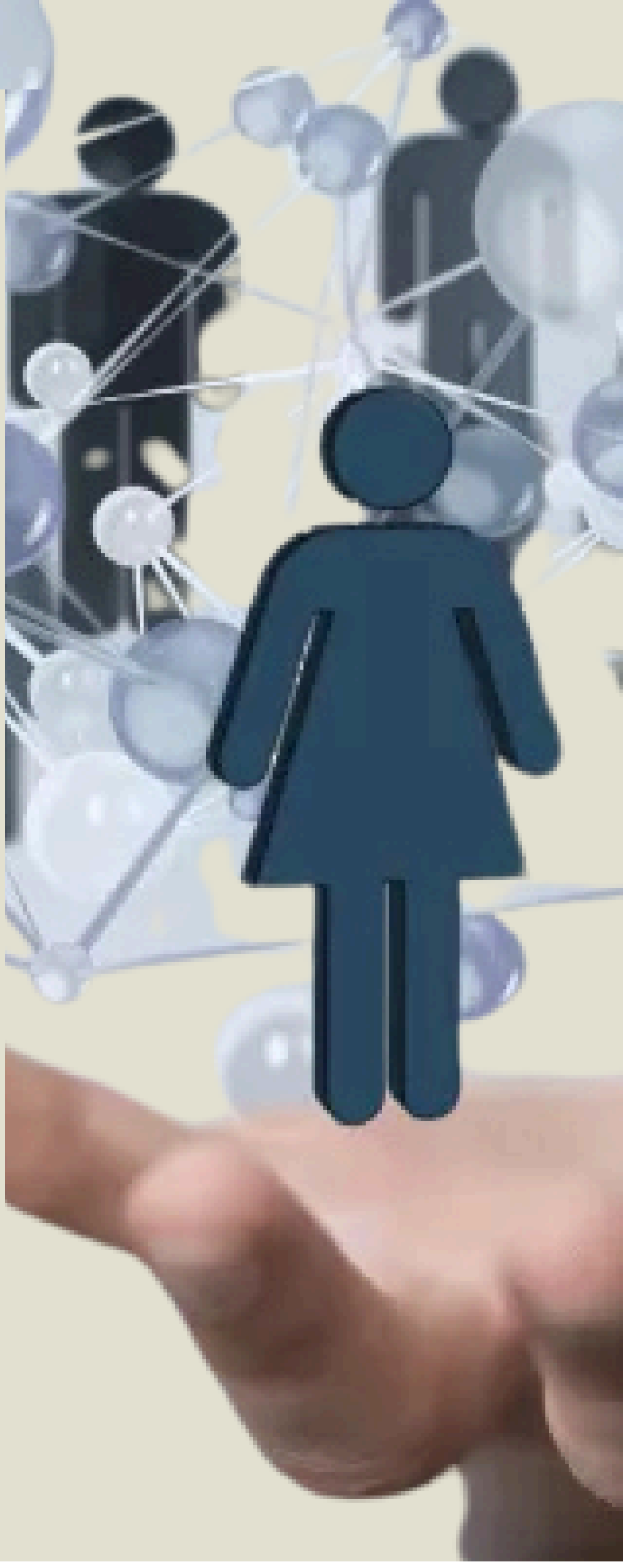
Sri Lanka's recent trajectory exemplifies this dynamic with remarkable clarity. The Easter Sunday terrorist attacks of April 21, 2019, which targeted churches and luxury hotels in Colombo, Negombo, and Batticaloa, constituted not merely a security crisis but also a multidimensional national shock. Beyond the tragic human cost of over 250 deaths, the attacks severely damaged tourism, one of Sri Lanka's principal foreign exchange sectors, thereby weakening economic confidence and fiscal stability.

Subsequently, the emergence of the COVID-19 pandemic in 2020 intensified these vulnerabilities even further. Tourism collapsed almost entirely, global supply chains were disrupted, remittance flows weakened, and public health systems came under severe strain. Simultaneously, the economic consequences of prolonged lockdowns disproportionately affected informal-sector workers and small enterprises, thereby exposing structural inequalities embedded within the national economy.

Nevertheless, the severity of Sri Lanka's crisis cannot be attributed solely to external shocks because internal governance failures significantly accelerated systemic instability. In April 2021, the government implemented a sudden nationwide ban on chemical fertilizer imports in an attempt to transition toward organic agriculture. Although ecological sustainability remains a legitimate long-term policy objective, the abrupt and insufficiently planned implementation of the policy generated severe disruptions in agricultural productivity and food security.Most importantly, this episode revealed the distinction between sustainability rhetoric and sustainable governance. Sustainability cannot be achieved through politically symbolic interventions lacking institutional preparedness, scientific transition planning, or stakeholder adaptation mechanisms. Instead, genuine sustainability requires systemic coordination, long-term policy continuity, and resilience-oriented implementation.

By early 2022, Sri Lanka had entered its most severe economic crisis since independence. Foreign reserves collapsed, inflation accelerated dramatically, fuel shortages generated kilometer-long queues, and electricity shortages resulted in extended daily power cuts. Simultaneously, hospitals reported shortages of essential medicines while public frustration intensified across social classes.Thereafter, the “Aragalaya” protest movement that emerged in 2022 reflected not merely economic dissatisfaction but a broader crisis of institutional legitimacy. The storming of the Presidential Secretariat and the President’s House on July 9, 2022 symbolized the erosion of public trust in governance structures themselves. Furthermore, President Gotabaya Rajapaksa’s resignation on July 14, 2022 represented not only political collapse but also the culmination of accumulated systemic fragilities.

Consequently, Sri Lanka’s crisis cannot be understood as a sequence of isolated events. Rather, the crisis constituted an interconnected ecosystem of instability in which economic vulnerability, political distrust, governance failures, environmental miscalculations, and collective psychological distress interacted recursively.



The Failure of Reactive Governance

One of the central lessons emerging from Sri Lanka's experience concerns the inadequacy of reactive governance under conditions of systemic uncertainty. Traditional crisis-management approaches are frequently event-driven, technocratic, and short-term in orientation. Accordingly, such approaches prioritize immediate stabilization rather than long-term resilience construction.

However, reactive governance becomes profoundly insufficient under conditions of polycrisis because crises evolve more rapidly than institutional response mechanisms. Delayed policy decisions, fragmented communication strategies, and inconsistent institutional coordination therefore intensify uncertainty rather than contain it.

Sri Lanka's governance response frequently reflected this reactive pattern. Economic communication lacked strategic coherence, institutional coordination remained fragmented, and public messaging often appeared inconsistent.

Consequently, uncertainty became psychologically amplified while rumor propagation, public anxiety, emotional polarization, and social frustration spread rapidly within an environment characterized by declining institutional credibility. Furthermore, this Sri Lanka's reality highlights a critical yet often underestimated principle of strategic crisis management: crises are governed not only through policies and resources, but also through legitimacy, communication, and public trust.

Institutional trust functions as a form of strategic social capital during crises. Comparative international evidence demonstrates that societies characterized by high institutional trust generally exhibit greater resilience during periods of uncertainty. Countries such as Finland, Singapore, and New Zealand have consistently demonstrated that transparent communication, anticipatory planning, and policy consistency strengthen collective confidence and reduce societal panic. By contrast, Sri Lanka's experience revealed the opposite dynamic. Citizens were not reacting solely to inflation or shortages; rather, public reactions emerged from the perception that governance institutions lacked foresight, credibility, and adaptive capacity. Consequently, once institutional trust deteriorates, governance itself becomes increasingly difficult because uncertainty generates emotional contagion, social fragmentation, and collective insecurity.

Sustainability and Resilience as Strategic Governance Paradigms

Perhaps the most important lesson emerging from Sri Lanka's polycrisis concerns the necessity of repositioning sustainability and resilience as central organizing principles of governance itself. For decades, many states conceptualized sustainability primarily through environmental discourse while simultaneously treating resilience largely as a disaster-management concept. Contemporary polycrises, however, demonstrate that these domains are inseparable. Economic sustainability, ecological sustainability, institutional resilience, food security, energy stability, and psychological wellbeing are deeply interconnected dimensions of national security.

Sri Lanka's crisis exposed the dangers of structural overdependence. Excessive reliance on imports, tourism revenue, external borrowing, and fragile supply chains intensified national vulnerability to external shocks. Therefore, sustainable governance requires diversification, adaptive capacity, and resilient local systems capable of absorbing disruption. Moreover, climate vulnerability further complicates this landscape. Sri Lanka remains highly exposed to floods, droughts, coastal erosion, and agricultural disruption associated with climate change. Consequently, future crises are likely to involve simultaneous environmental and economic instability. Governance systems that fail to integrate climate resilience into national planning therefore risk reproducing future systemic vulnerability.

Globally, resilience-oriented governance models increasingly emphasize sustainable infrastructure, renewable energy transitions, decentralized food systems, community-based adaptation, and institutional redundancy. Such approaches recognize that efficiency alone does not guarantee resilience because systems optimized exclusively for economic efficiency frequently become fragile under conditions of disruption. Accordingly, the future of strategic crisis management lies not in restoring pre-crisis normalcy, but in constructing adaptive systems capable of functioning under conditions of uncertainty.

The Psychological Architecture of Crisis Resilience

An equally critical yet insufficiently explored dimension of Sri Lanka's crisis concerns collective psychology. Polycrises generate not only material hardship but also prolonged emotional strain. Chronic uncertainty erodes psychological stability, weakens social trust, and intensifies collective anxiety. Sri Lanka's population experienced repeated national shocks within a compressed historical period: terrorism, pandemic disruption, inflation, shortages, political instability, and economic collapse. Consequently, the cumulative psychological consequences of these overlapping disruptions produced a condition of national crisis fatigue. From an organizational and governance perspective, such conditions carry profound implications. In particular, psychological exhaustion affects decision-making quality, productivity, leadership effectiveness, institutional morale, and social cohesion.

Public behavior during the crisis further illustrated the psychology of uncertainty. Panic buying, emotional outrage, rumor dissemination, and protest mobilization represent predictable responses within environments characterized by institutional distrust and perceived loss of control. Recent resilience frameworks increasingly recognize psychological resilience as a strategic governance resource. Therefore, trauma-informed leadership, transparent communication, emotional regulation, and social solidarity should no longer be regarded as peripheral concerns. Instead, such dimensions constitute essential components of crisis management itself. Ultimately, resilient societies are not those that avoid crises entirely, but rather those capable of sustaining institutional functionality, public trust, and collective psychological stability amid prolonged polycrisis disruption.

Conclusion

Sri Lanka's polycrisis represents far more than a national economic collapse. Instead, the crisis reflects the convergence of systemic vulnerabilities across governance, sustainability, economics, psychology, and institutional legitimacy. Consequently, the crisis exposed the limitations of reactive governance models while simultaneously demonstrating the urgent necessity of resilience-oriented strategic management frameworks.

Indeed, Sri Lanka's experience offers globally significant insights into the future of governance within an era increasingly defined by systemic uncertainty.

Effective crisis management in the twenty-first century therefore requires systems thinking, anticipatory governance, sustainability-centered planning, institutional trust, adaptive leadership, and psychological resilience. Most importantly, the central lesson emerging from Sri Lanka's experience is profoundly strategic: resilience cannot be improvised during moments of collapse. Rather, resilience must be institutionally cultivated through long-term investment in sustainable systems, adaptive governance, and collective trust before crises emerge. In an era increasingly defined by polycrisis, resilience is no longer an optional developmental aspiration. Instead, resilience has become the defining condition of efficient crisis management and sustainable governance.

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PAYPAL'S SRI LANKAN ARRIVAL:

THE TRUTH BEHIND THE HYPE

A Limited Gateway Opens for Export Businesses, and Freelancers Must Wait

INTRODUCTORY HOOK

For over a decade, Sri Lankan freelancers and digital entrepreneurs have watched from the sidelines as their counterparts in neighbouring India, Bangladesh, and the Philippines easily received international payments through PayPal. That wait has finally ended, but not quite in the way most hoped.

On May 15, 2026, PayPal officially launched in Sri Lanka. The announcement sparked celebrations across social media, with headlines proclaiming that the nation's digital economy had arrived. Yet behind the fanfare lies a more complex reality: PayPal's initial rollout is restricted exclusively to B2B transactions for registered exporters and businesses and not the general public. For the vast majority of Sri Lanka's 150,000+ freelancers dreaming of receiving payments from global clients, the door remains firmly closed. This isn't the complete digital revolution the country hoped for; it's a carefully controlled first step that reveals the deep structural challenges holding back Sri Lanka's digital transformation.

THE DECADE-LONG DEADLOCK

PayPal's journey to Sri Lanka reads like a bureaucratic thriller. Since at least 2014, successive governments under President Mahinda Rajapaksa, the Yahapalana administration, and President Gotabaya Rajapaksa publicly pledged to enable PayPal services. Yet over twelve years of negotiations, proposals, and promises yielded nothing. The obstacles were not technical but philosophical: the Central Bank of Sri Lanka (CBSL) maintained a deeply protectionist stance toward foreign exchange flows, foreign payment platforms, and cross-border digital transactions.

The CBSL's concerns, though understandable from a monetary policy perspective, were outdated. Officials worried about:

- Capital flight and foreign exchange leakages
- Money laundering and AML (Anti-Money Laundering) compliance
- PayPal's closed-loop global system operates outside local banking channels
- Loss of governmental oversight over international transactions

Meanwhile, neighbouring economies were capturing the digital commerce opportunity. India's freelancers and digital service providers were thriving on Upwork, Fiverr, and other platforms, receiving payments instantly via PayPal. Sri Lanka's best talent either migrated abroad or resorted to informal payment methods, including risky cash transfers and proxy arrangements that actually increased foreign exchange leakages and financial opacity.

The frustration was palpable. In 2024-2025, social media exploded with rumours that PayPal was "finally coming." Some posts explicitly claimed that individual freelancers would gain access. These claims circulated so widely that many young professionals updated their résumés and LinkedIn profiles, preparing to enter the global digital economy. The anticipation was almost unbearable.

Then came May 15, 2026.

WHAT ACTUALLY LAUNCHED:
THE B2B FRAMEWORK

When PayPal officially opened its doors in Sri Lanka on May 15, the disappointment was immediate and tangible. Initial banking partners are Bank of Ceylon, Commercial Bank of Ceylon, and Sampath Bank, which were onboarded, but access was strictly limited to B2B exporters and registered businesses receiving international payments.

WHO CAN USE PAYPAL (PHASE I):

- Export-oriented businesses with formal registration
- Companies providing services internationally (ICT, BPO, construction services)
- Registered SMEs in export categories
- Businesses invoicing foreign clients

WHO CANNOT USE PAYPAL (PHASE I):

- Individual freelancers
- Small-scale digital service providers
- Content creators
- Gig workers on platforms like Fiverr and Upwork
- Online teachers and consultants
- Any B2C (business-to-consumer) transactions
- Personal money transfers

The services available are limited to:

- Receiving inward international payments
- Direct bank account transfers
- Foreign currency conversion
- Payment reconciliation

Noticeably absent are the features that would benefit freelancers: no personal wallet functionality, no peer-to-peer transfers, no shopping capability, and critically, no individual account creation for everyday users.

WHY THIS MATTERS FOR SRI LANKA'S EXPORT SECTOR

While disappointing for freelancers, the B2B framework is genuinely significant for Sri Lanka's export economy, and the statistics are compelling.

According to the Sri Lanka Export Development Board (EDB), services exports reached US$1,259.76 million during January-April 2026, which is a growth of 3.13% year-on-year. This sector comprises ICT/BPM, construction, financial services, and logistics. These are exactly the businesses that can now legally receive international payments through PayPal.

The ICT and BPO sectors are particularly crucial. Sri Lanka's IT exports were valued at US$31.9 billion in 2024, though data shows volatility in this sector. More importantly, according to government targets announced in 2024, the BPO industry alone was targeting US$3 billion in export revenue for 2024, making it a significant foreign exchange generator.

For these established businesses, PayPal's arrival removes a significant operational bottleneck. Previously, many Sri Lankan exporters had to:

- Maintain overseas bank accounts
- Use third-party payment processors
- Rely on informal banking channels
- Wait extended periods for international fund transfers

With PayPal's B2B gateway, they can now:

- Receive payments directly from foreign clients
- Access funds within days rather than weeks
- Operate through a transparent, internationally recognised platform
- Comply with CBSL's regulatory framework
- Track foreign exchange inflows formally

This translates to real economic benefits. Faster, easier international payments incentivise businesses to export more services, invest in digital infrastructure, and hire more skilled workers. For a country still recovering from a severe economic crisis, every dollar of foreign currency inflow matters.

THE SME REALITY CHECK

Here's where the narrative becomes complicated. The government and media have repeatedly emphasised that SMEs benefit from this initiative. Sri Lanka's MSME sector contributes approximately 52% of the country's GDP and employs millions of workers. However, the vast majority of these SMEs, particularly small digital service providers, online shops, and service-based enterprises, fall outside PayPal's B2B eligibility criteria.

The gap between the rhetoric and reality is stark. An SME with 5-10 employees providing web design to Indian clients cannot use PayPal. A small Sri Lankan e-commerce business selling to international customers cannot use PayPal. A freelance translator working with international publishing houses cannot use PayPal. Only larger, formally registered export-oriented companies qualify.

This creates a two-tier system: large enterprises gain access to global payment infrastructure, while small businesses and individual service providers who arguably need PayPal more are left out. It's a classic case of policy benefiting the already advantaged while maintaining barriers for those trying to climb the economic ladder.

REGULATORY HURDLES: THE 18% VAT BOMBSHELL

Adding another layer of complexity is a regulatory change that has received minimal media attention: Sri Lanka's 18% VAT on non-resident digital services, effective April 2026, just one month before PayPal's launch.

This VAT applies to foreign clients accessing Sri Lankan digital services through platforms like PayPal. The implications are significant:

Example Calculation:

- A freelancer receives US$1,000 for a digital service from a foreign client
- 18% VAT is charged: US$180
- The freelancer receives only US$820
- Additional transaction fees from PayPal apply.

For established businesses with formal accounting systems, VAT compliance is routine. For individual freelancers and small operators who couldn't use PayPal anyway, this creates another barrier should Phase 2 eventually expand access.

Moreover, the CBSL will impose strict transaction monitoring on all PayPal activity. Every inflow must be tracked, reported, and comply with foreign exchange regulations. While necessary for financial stability and AML compliance, this centralised oversight may discourage some users from utilising the platform.

STATISTICS THAT TELL THE STORY

Several data points illustrate both the opportunity and the disappointment:

Global PayPal Reach:

- As of Q1 2024, PayPal had 427 million active users globally
- PayPal transaction volumes in the US alone are projected to reach US$1.52 trillion by 2027
- PayPal operates in over 200 countries and territories, yet Sri Lanka was conspicuously absent until May 2026

Sri Lanka's Digital Economy Context:

- Card-based e-commerce spending grew 27.4% YoY in 2024, reaching Rs. 367.6 billion
- Digital commerce market transaction value reached US$4.61 billion in 2024
- Expected to reach US$3.2 billion in B2C e-commerce alone by 2029 (though currently restricted)
- Services exports during January-April 2026: US$1,259.76 million (3.13% growth)

The Freelancer Gap:

- Exact numbers are unavailable, but conservative estimates suggest Sri Lanka has between 150,000 and 200,000 active digital freelancers
- Most use alternative platforms like Wise, Upwork's in-platform payments, or informal methods
- None of these freelancers can currently use PayPal for receiving payments

PHASE 2: THE UNCERTAIN FUTURE

Officials have hinted that Phase 2 will eventually expand access to SMEs and potentially individual service providers, but no timeline has been announced. Government statements mention "the coming months," but given the decade-long wait for Phase 1, scepticism is warranted.

Several unknowns remain:

Timeline:
Will Phase 2 launch in 2026, 2027, or later? No official date exists.

Scope: Will it include freelancers? Will it allow B2C transactions? Will peer-to-peer transfers be enabled? These questions remain unanswered.

VAT Integration:
How will the 18% VAT on digital services integrate with Phase 2? Will individual freelancers be subject to VAT reporting requirements that deter participation?

Banking Partners:
Currently, only three banks facilitate PayPal. How many additional banks must join before broader access is feasible? The official statement says "coming months," but recruitment of banking partners takes time.

THE GOVERNMENT'S PERSPECTIVE: SLOW BUT DELIBERATE

To be fair to policymakers, their caution reflects legitimate concerns. Sri Lanka's economic crisis of 2022-2023 was partly triggered by foreign exchange scarcity and rapid capital outflows. Allowing unrestricted international digital payments could theoretically exacerbate similar crises in the future.

The CBSL's phased approach, starting with regulated B2B transactions and gradually expanding, is methodologically sound. It allows:

- Time to build regulatory infrastructure
- Monitoring of transaction patterns
- Adjustment of policies based on observed behaviour
- Controlled foreign exchange exposure

Prime Minister Dr Harini Amarasuriya stated at the launch event: "This is indeed a moment of celebration, and I think one that is testament to the fact that Sri Lanka's

role in the digital economy is finally being recognised." She emphasised that the initiative supports "digital entrepreneurship," "SMEs," and Sri Lanka's "ambitious targets for digital economy growth."

However, the gap between these ambitions and the actual restrictions remains glaring.

WHAT COMES NEXT: A REALISTIC OUTLOOK

Short-term (June-December 2026):

- Existing export businesses integrate PayPal into their operations
- Additional banks likely sign on as service providers
- Transaction volumes grow as businesses reduce reliance on alternative payment channels
- No meaningful expansion of access beyond B2B entities

Medium-term (2027):

- Phase 2 may launch, potentially allowing registered SMEs to access PayPal
- Freelancer access remains uncertain
- More comprehensive regulatory guidelines released by CBSL
- Integration with Sri Lanka's tax system (including VAT tracking) becomes more robust

Long-term (2028+):

- Possibility of full PayPal access for individual users and freelancers
- Expanded banking partnerships
- Integration with emerging digital identity systems
- Potential expansion to other global payment platforms (Stripe, for example)

However, these projections are speculative. The decade-long delay in Phase 1 suggests that transforming official stance takes years, not months.

THE BIGGER PICTURE: DIGITAL SOVEREIGNTY VS. OPENNESS

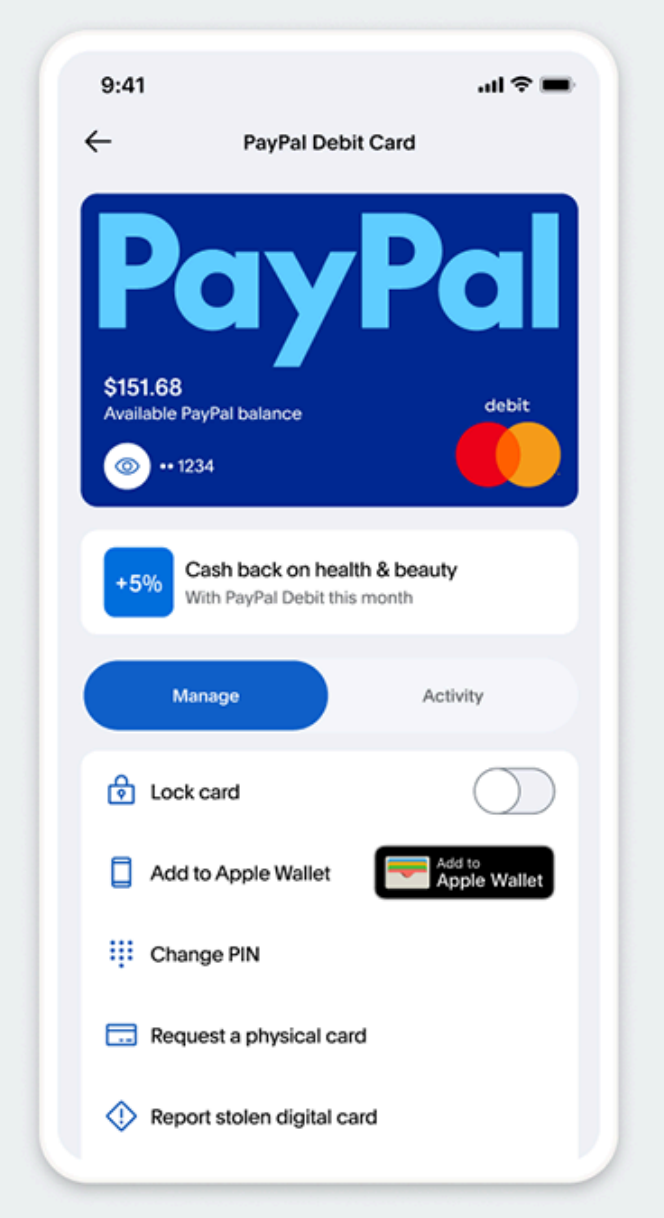
PayPal's restricted launch reflects a broader tension in Sri Lanka's digital economy strategy: the tension between controlling for financial stability and opening for growth.

CBSL Governor Dr Nandalal Weerasinghe has emphasised digital payments promotion, launching the "Digital Payments Promotion Campaign 2025" under the theme "Shaping the Future through Digital Transactions." Yet this campaign focuses on domestic digital payments (card transactions, mobile banking), not international remittances or foreign client payments.

The implicit strategy appears to be to promote domestic digital adoption while carefully gatekeeping international flows.

This strategy has merit in crisis recovery, but it also risks locking Sri Lanka into a slower growth trajectory. Countries that fully embrace international digital payment platforms, even with appropriate regulatory oversight, tend to see faster export sector growth and higher foreign currency inflows.

CONCLUSION: A HALF-VICTORY



PayPal's arrival in Sri Lanka on May 15, 2026, is genuinely significant, but it is not the transformative moment that headlines suggest. For export businesses, it removes inefficiencies and opens new operational possibilities. For the broader digital economy, it represents cautious progress after a decade of stagnation.

For the 150,000+ freelancers and digital service providers who have waited for this moment, however, the disappointment is real. They remain outside the system, waiting for Phase 2, a phase that may take years to materialise.

The question now is not whether PayPal has arrived in Sri Lanka; it has. The question is whether policymakers will accelerate Phase 2 quickly enough to prevent continued brain drain and continued reliance on informal payment methods. The economy, and the nation's digital youth, are watching.

THE DECADE-LONG WAIT OF PAYPAL

For over twelve years, successive Sri Lankan governments promised PayPal access. The Central Bank's protectionist stance on foreign exchange flows and concerns about capital flight delayed implementation repeatedly. Now, Phase 1 has finally arrived, but only for export businesses, leaving freelancers waiting for an uncertain Phase 2.

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SUSTAINABLE CHALLENGES OF ECO-TOURISM IN SRI LANKA:

A Case Study on Udawalawe National Park

Sri Lanka is globally recognized as one of the most biologically diverse islands in Asia. With tropical forests, wetlands, waterfalls, coastal ecosystems, and abundant wildlife, the country has become a major destination for eco-tourism. Among the many protected areas in Sri Lanka, Udawalawe National Park stands out as one of the most visited wildlife parks, famous especially for its large population of Asian elephants. Every year, thousands of local and foreign tourists visit the park to experience safari adventures, observe wildlife, and enjoy the natural beauty of the dry zone ecosystem.

Udawalawe National Park provide sanctuary for wild animals displaced by the construction of the Udawalawe Reservoir. The park covers approximately 30,000 hectares and is located on the boundary of the Sabaragamuwa and Uva Provinces. Apart from elephants, the park is home to various species such as water buffaloes, spotted deer, crocodiles, monkeys, peacocks, jackals, and many migratory birds. The park's open grasslands and reservoir environment make wildlife viewing easier compared to dense forest parks. The popularity of the park has significantly increased over the past decade due to the growth of international tourism in Sri Lanka. Safari jeep services, hotels, guesthouses, restaurants, and tourism-related businesses have rapidly expanded around the park area. Although this growth contributes to economic development, it also creates serious sustainability concerns.

Eco-tourism is often promoted as a sustainable form of tourism that supports environmental conservation while benefiting local communities. However, despite its positive intentions, eco-tourism can also create significant environmental, social, and economic challenges if not managed properly. The rapid growth of tourism activities and around Udawalawe National Park has raised concerns regarding sustainability, wildlife protection, waste management, and community involvement.

MAJOR SUSTAINABLE CHALLENGES OF ECO-TOURISM

1. ENVIRONMENTAL DEGRADATION

One of the biggest challenges faced by Udawalawe National Park is environmental degradation caused by increasing tourism activities. Large numbers of safari vehicles enter the park daily, especially during peak tourist seasons. Excessive vehicle movement damages natural habitats, creates soil erosion, and increases dust pollution. Noise generated by safari jeeps also disturbs wildlife behavior. Animals may become stressed or alter their natural movement patterns due to constant human presence. In some situations, irresponsible drivers attempt to get too close to elephants and other animals to satisfy tourists seeking better photographs. Such behavior threatens both wildlife safety and visitor safety. The construction of hotels and tourism infrastructure near the park contributes to deforestation and habitat fragmentation. Natural ecosystems are increasingly converted into commercial areas to meet tourism demands.

2. WASTE MANAGEMENT PROBLEMS

Improper waste disposal has become another major environmental issue around Udawalawe National Park. Plastic bottles, food wrappers, and other non-biodegradable waste generated by tourists often end up near roadsides and surrounding villages. Poor waste management practices not only damage the beauty of the environment but also threaten wildlife. Animals may accidentally consume plastic materials, causing injuries or death. Waste accumulation can also pollute water bodies and create unhealthy conditions for nearby communities. Although some conservation initiatives and cleanup campaigns are conducted by local authorities and environmental groups, the increasing number of visitors continues to place pressure on the waste management systems.

3. HUMAN–WILDLIFE CONFLICT

Eco-tourism development around the park has indirectly intensified human–wildlife conflict. Expansion of settlements, hotels, and agricultural lands near wildlife habitats reduces the natural movement space available for elephants and other animals. As a result, elephants often enter nearby villages and farmlands in search of food and water. This leads to crop destruction, property damage, and sometimes injuries or deaths involving both humans and animals. Farmers living near the park frequently experience economic losses due to elephant raids. Human–wildlife conflict remains one of the most difficult sustainability challenges protected areas in Sri Lanka.

4. LACK OF COMMUNITY PARTICIPATION

Although eco-tourism aims to benefit local people, many community members feel they are not fully involved in decision-making processes related to tourism development and park management. In some cases, tourism profits are concentrated among larger business owners or external investors, while smaller local communities receive limited economic benefits. Lack of awareness and training opportunities also prevent some residents from participating effectively in eco-tourism activities. Sustainable eco-tourism requires active participation from local communities in planning, management, and conservation activities. When communities feel ownership and receive fair benefits, they are more likely to support environmental protection efforts.

5. CLIMATE CHANGE AND WATER SCARCITY

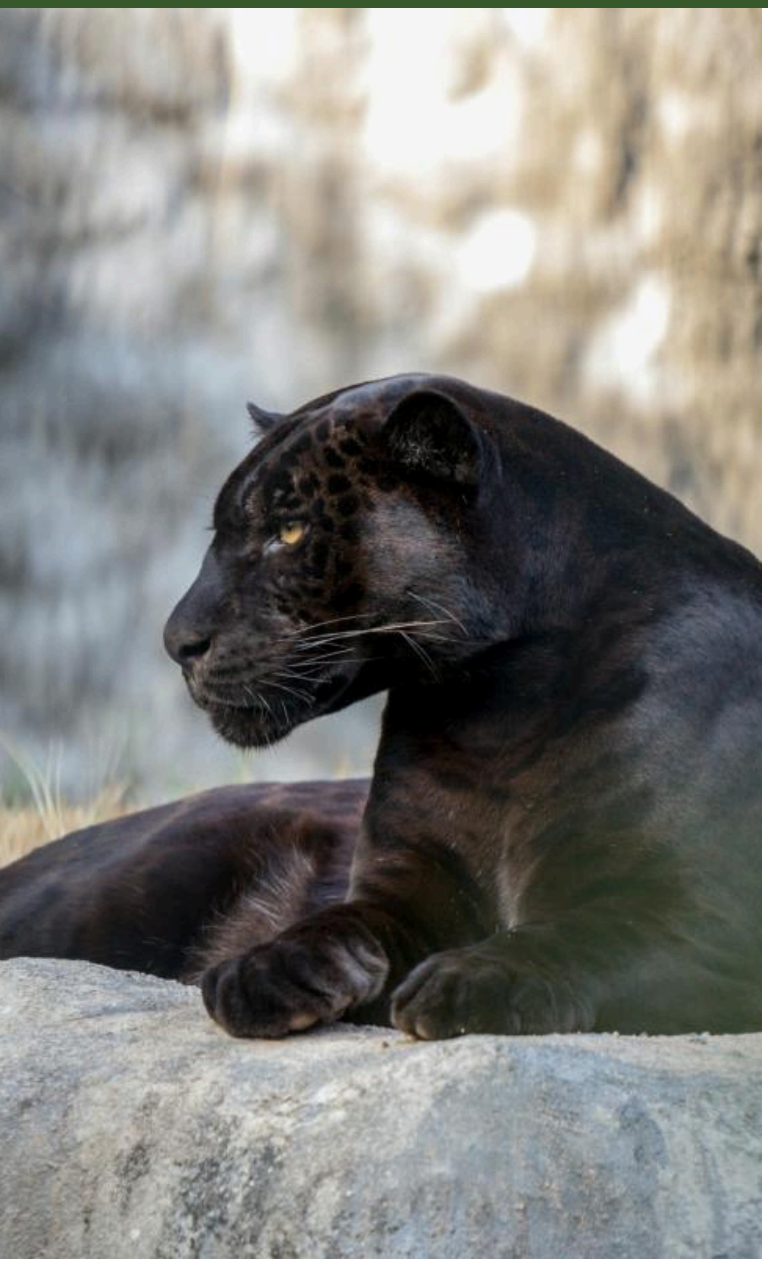
Climate change has become an emerging challenge affecting ecosystems throughout Sri Lanka, including Udawalawe National Park. Rising temperatures, irregular rainfall patterns, and prolonged droughts threaten biodiversity and water availability within the park. Water scarcity affects both wildlife and surrounding human settlements. During dry periods, animals may migrate toward human areas in search of water, increasing conflict situations. Changes in climate can also affect vegetation patterns and reduce habitat quality for many species. Tourism activities themselves contribute indirectly to environmental stress through increased energy use, transportation emissions, and infrastructure expansion.

STRATEGIES FOR SUSTAINABLE ECO-TOURISM

To ensure the long-term sustainability of eco-tourism in Udawalawe National Park, effective management strategies are necessary. Authorities should enforce stricter regulations regarding safari operations, including speed limits, designated routes, and limitations on vehicle numbers entering the park each day. Responsible wildlife viewing guidelines must be followed to minimize disturbances to animals. Proper waste collection, recycling programs, and awareness campaigns are essential. Tourists should be encouraged to reduce plastic usage and follow environmentally friendly practices during visits. Hotels and tourism operators should adopt sustainable waste disposal methods and promote eco-friendly tourism standards.

Community-based tourism programs can help distribute tourism benefits more fairly among local residents. Local people should receive training in guiding, hospitality, conservation, and small business management. Supporting local products and cultural experiences can also strengthen community participation while preserving local traditions. Environmental education programs for tourists, schoolchildren, and local communities are important for promoting conservation awareness. Visitors should understand the ecological importance of the park and the need for responsible tourism behavior. Safari guides can play a significant role in educating tourists about wildlife conservation and sustainable practices. Tourism infrastructure should be planned carefully to minimize environmental impacts. Eco-friendly hotels, renewable energy use, water conservation methods, and environmentally sensitive construction practices should be encouraged. Development projects near wildlife corridors and sensitive habitats should be strictly controlled.

Final Thought



Eco-tourism has become an important component of tourism industry and contributes significantly to conservation awareness and local economic development. Udawalawe National Park serves as a valuable example of how wildlife tourism can attract global attention while supporting regional livelihoods. However, the increasing pressure from tourism activities has also created major sustainability challenges, including environmental degradation, waste management problems, human–wildlife conflict, climate-related impacts, and unequal community participation. Achieving sustainable eco-tourism requires a careful balance between economic development and environmental conservation. Government authorities, local communities, tourists, and private sector stakeholders must work together to implement responsible tourism practices and protect the ecological integrity of the park. If sustainable management strategies are effectively implemented, Udawalawe National Park can continue to remain a successful eco-tourism destination while preserving its rich biodiversity for future generations.

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Thriving in the Modern Recruiting Landscape

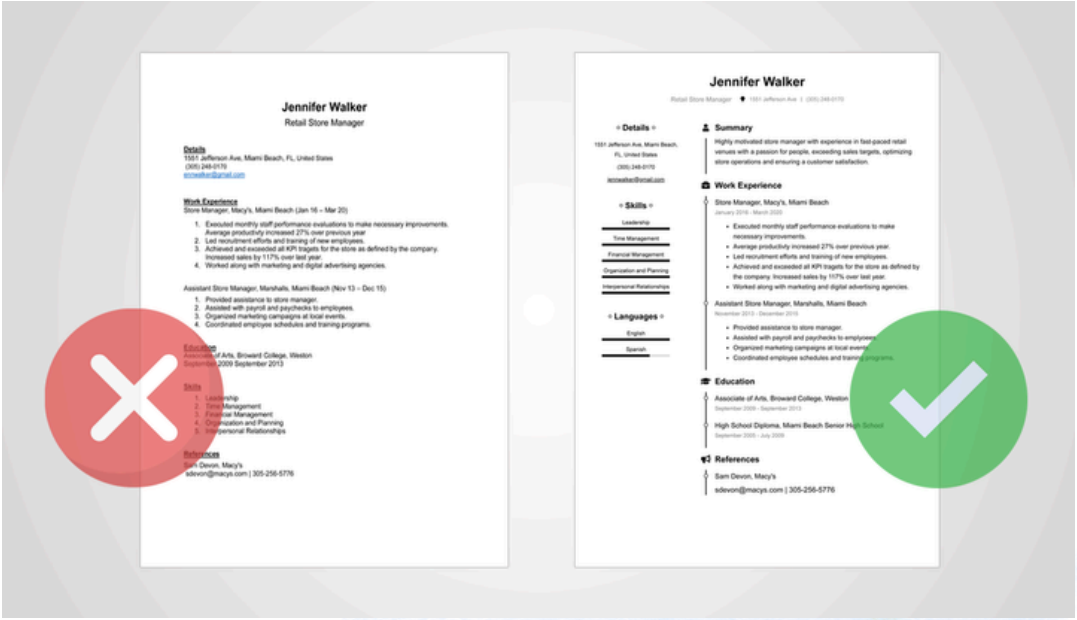
(Tips for Job Seekers)

In the highly competitive job market of today, academic qualifications alone are not enough to get a job. “Successful job seekers blend technical competencies with strategic job search techniques, personal branding, networking, continuous learning and thorough interview preparation.” Candidates who adopt these practices and are receptive to the changes that are a part of the modern workplace will have better opportunities for employability and building sustainable long-term careers. The first thing to understand when seeking advice for job seekers is that most companies around the world consider the skills and abilities a candidate chooses to do the job, not the school or university they attended. Moreover, in the modern world of work, a large number of companies have adopted Applicant Tracking Systems (ATS) to ensure that the right candidate is selected very quickly. Therefore, as a job seeker in today's job world, it is important to be aware of these changes and pay attention to the strategic tips discussed below to make your job search successful.

Strategies writing to cover letter

Most people will send out 100 resumes, and pray. The ones that catch on pick 10-15 companies they actually care about and study. But instead of it, find 1 recent project, product or problem the company has publicly mentioned. Please quote it in your cover letter. It shows you're not focus all vacancies available and just focusing few specific employers with high interest.

As an example, Kamal was looking for a marketing role at a particular company. He saw the company posting on their blog about struggling with user onboarding. Then as a strategy cover letter can be began as "I saw your post about onboarding abandonment in September. In my last role, I reduced signup friction by 22% by simplifying the KYC process. I'd like to apply that here."



Making your resume 6 seconds

A recruiter spends about six seconds reviewing a resume, so every line needs to communicate value and impact quickly. Instead of vague responsibilities like “responsible for social media accounts,” show specific accomplishments with measurable results. Strong resumes typically have three ingredients: the action you took, the measurable result, and the time frame or business result. It makes your experience more compelling and easier to digest in a short period of time. Likewise, experience that is irrelevant or antiquated and does not support the role you are applying for should be reduced or eliminated. For instance, if you’re applying for a data analyst job, a retail job you had in 2012 might not be adding value unless it’s showcasing transferable skills like customer data management, reporting, teamwork, or problem-solving. A focused resume makes it easier for recruiters to see why you are a good fit for the role, rather than having to dig out relevant information.

Looking beyond salary in early career decisions

If you're just beginning in the job market, don't make career decisions on short term financial rewards alone. Salary is important, but a short-term salary focus can sometimes stifle long-term career growth and professional development. The most beneficial opportunities in the beginning stages of a career often offer high quality learning environments, structured training programs, mentoring support and exposure to real industry experience. Organizations that invest in employee development help young professionals acquire technical competencies, communication skills, leadership qualities and problem-solving skills that are valuable throughout their careers. You may end up with a greater career path, higher future earnings and more confidence in your profession by taking a slightly lower starting salary with a company that has excellent learning opportunities. So, job seekers should look at whether a job will help them achieve their long-term career goals, not just salary as the only measure of success. The first years of work are critical for developing a professional identity, work discipline and future employability. Thus, choosing organizations that encourage continuous learning and professional development can yield significant long-term benefits for young professionals.

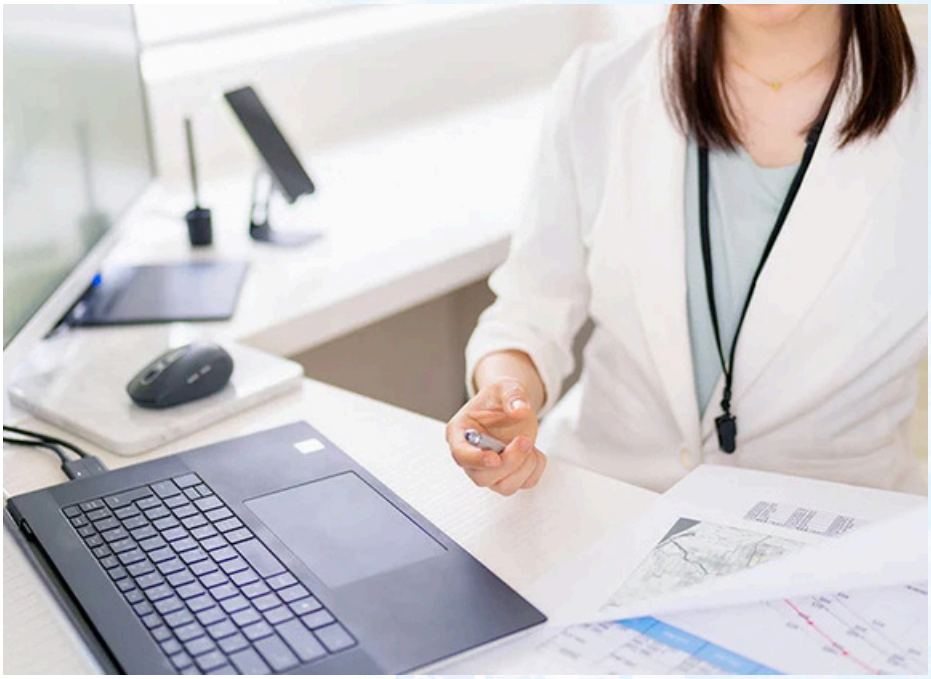
Personal branding

In today's highly competitive job market, academic qualifications alone are not sufficient to distinguish one candidate from another. You may have many graduates with the same degrees, certifications and technical know-how, so building a strong personal brand is becoming increasingly important. Personal branding is the image, reputation and value that a person projects to employers, colleagues and professional networks. It shows how well a person presents their skills, achievements, communication style, personality and professional interests. Today employers are looking beyond the qualifications on a CV to a candidate's online presence, professional engagement, confidence and ability to articulate value. Platforms like LinkedIn have become essential tools for professional visibility and networking opportunities.

A strong personal brand can include having a professional online presence, sharing industry-related knowledge, attending workshops and seminars, creating portfolios, participating in professional discussions, and demonstrating leadership or teamwork experiences. By creating a positive and memorable professional impression, effective personal branding helps candidates to stand out in a competitive job market. It also shows initiative, self-awareness and professionalism - qualities many employers value highly when deciding on potential recruits. Interview preparation is also a crucial part of career success, especially for graduates and first-time job seekers who may not have professional interview experience.

Networking and relationship building

Nowadays not all jobs are announced publicly. Professional networking is very important to career development and job searching. Building genuine relationships with industry professionals, lecturers, former colleagues and mentors can provide useful insights into career opportunities and industry trends. “Candidates can leverage platforms like LinkedIn to expand their professional networks and get involved in relevant industry discussions. Effective networking is not about directly asking for jobs, but about developing meaningful professional relationships over time. This means that if we want to achieve success or aspirations in any situation, it is very important to build a network that is suitable for that. Therefore, by getting the relevant exposure before doing any work, we will be updated with innovation. Therefore, when searching for a job, we should also make sure to get the necessary exposure.



Preliminary preparation

Many candidates don't recognize the importance of preparation and think that simply knowing their subject well is sufficient to perform well in interviews. During the interview process, employers are looking for a lot of things such as communication skills, confidence, critical thinking, professionalism, body language and the ability to respond well under pressure. Good preparation for an interview helps candidates to organize their thoughts, boost their self-confidence and appear more professional. One of the most effective modern approaches to interview preparation is practicing with mock interviews, video recordings, and AI-based interview simulation tools like Gemini. These tools help candidates to practice common interview questions, get feedback on their answers, identify the weaknesses in their communication and improve their presentation skills in a low-pressure environment. Furthermore, video practice sessions can be useful in helping people see their own body language, tone of voice, eye contact, and clarity of speech, all important non-verbal considerations in interviews. Moreover, regular practice helps to alleviate nervousness and allows the candidates to

respond more naturally and confidently during the real interviews. In a competitive job market, those who prepare well often show higher levels of professionalism and readiness which can increase their chances of successfully securing employment opportunities. Therefore, Artificial Intelligence is a useful career development tool for job searchers. AI-powered tools can help you optimize your resume, prepare for interviews, research companies and communicate professionally. Candidates are encouraged to use these tools responsibly and to edit and verify any content produced before submission. Employers want the real deal and AI should be used as a tool for support, not a replacement for personal effort and thinking.

Finally, when behaving as a job seeker, move away from traditional job search methods and prepare for interviews by properly utilizing AI technology as discussed above, be sure to make logical changes based on the relevant job advertisement when creating a CV, and creatively enhance your self-reputation, thereby laying the foundation for the world of work in a more competitive and professional manner.

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THE SUSTAINABLE EVOLUTION OF SOUTH ASIAN BUSINESSES (2026)

As of May 2026, South Asia continues to be the fastest growing economy in the world, yet this growth is in an unprecedented era of climatic volatility. In a nutshell, "Sustainability" has gone from always being an afterthought Corporate Social Responsibility (CSR) cost center to the Competitive Edge for the regional manager. The article describes how leaders in India, Bangladesh, Sri Lanka and Pakistan are leveraging renewable energy, circularity and ESG-linked finance to create resilient organizations that are future-ready.

The Energy Pivot:

Securing Operational Stability For decades, South Asian industrial hubs have been vulnerable to global fossil fuel shocks. In 2026, the strategic focus has shifted to energy autonomy.

Regional Progress: India has scaled its non-fossil electricity capacity to approximately 275 GW as of February 2026.

Management Action: Leading firms are now utilizing Virtual Power Purchase Agreements (VPPAs) and AI-enabled grid management to hedge against energy price volatility.

Table 1: 2026 Regional Energy Transition Status

Industry Segment	2022 Energy Intensity Index	2026 Target Index	Primary Efficiency Lever
Textiles (Bangladesh)	100	78	AI-driven steam recovery
Cement (India)	100	82	WHRS (Waste Heat Recovery)
Tech Parks (S. India)	100	70	24/7 Renewable energy via Green Hydrogen

Source: Authors compilation

Action-Oriented & Modern

Modern companies in South Asia share a clear, two-part vision for the future. First one, they want to cut down their carbon emissions to reach net-zero, and they want to grow their businesses without wasting natural resources. Current data shows an encouraging trend across the region. even though South Asian economies are growing rapidly, their absolute carbon emissions are starting to rise much more slowly. This positive shift is happening because businesses are aggressively switching to renewable energy like solar and wind power. This is because businesses are aggressively tackling all three areas of carbon pollution, known as Scopes 1, 2, and 3.

Scope 1 (Direct Footprint): Companies are reducing the pollution they cause directly, such as upgrading factory machinery to stop chemical leaks or switching delivery trucks from diesel to electric

Scope 2 (Energy Footprint): Businesses are drastically cutting down the pollution caused by the electricity they buy. Instead of relying on coal-heavy local power grids, factories and office tech parks are switching to cleaner options like solar panels, wind power, and waste-heat recovery systems.

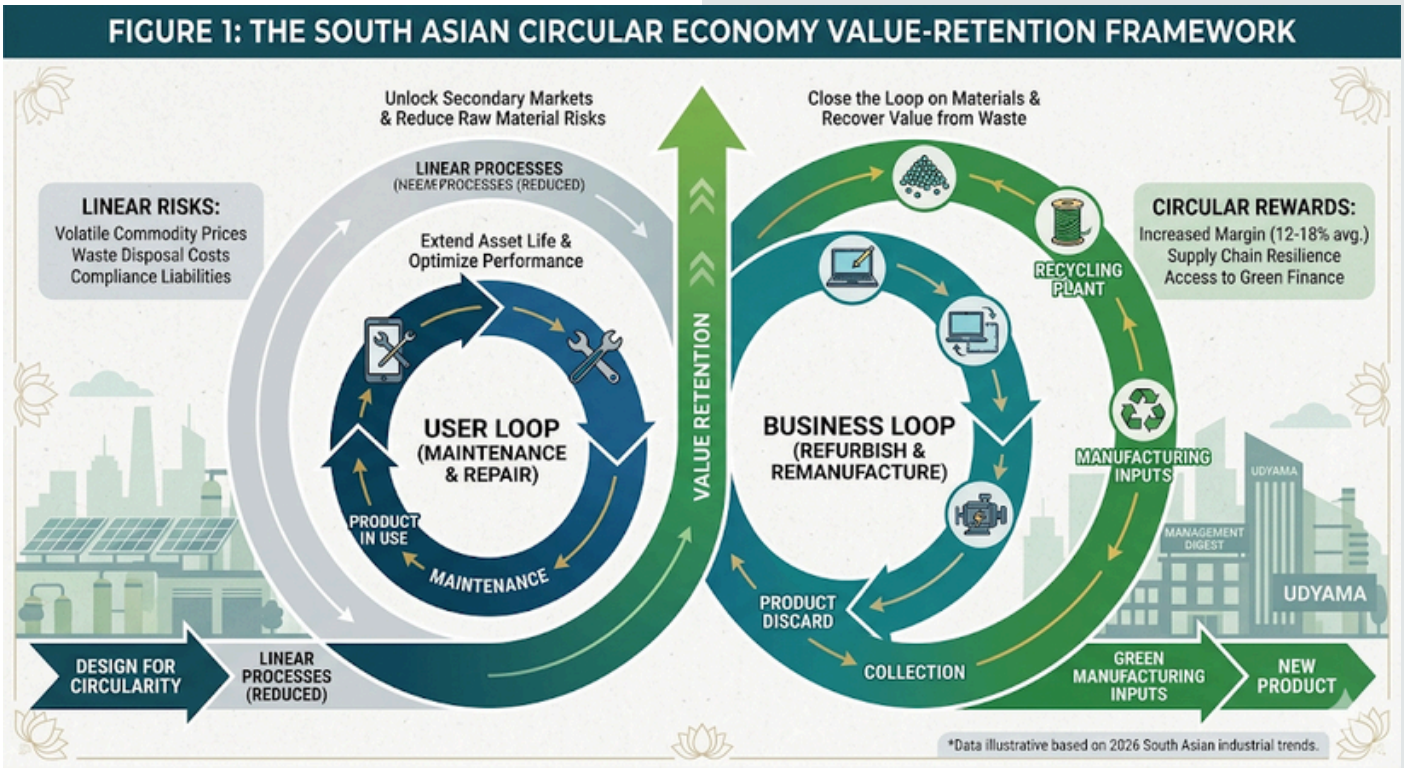
Scope 3 (Supply Chain Footprint): Instead of just doing the bare minimum, forward-thinking companies are now tracking hidden pollution across their entire value chain. This includes the emissions generated by suppliers who grow raw materials, third-party cargo ships, and even the waste created when consumers throw products away.

By utilizing tools like blockchain to track these suppliers and setting up smart systems to collect, fix, and reuse materials, businesses are transforming trash back into valuable resources. This strategic shift allows South Asian companies to save money, protect themselves from unpredictable market prices, and actively reverse local climate damage.

The Circular Revolution: Value Recovery

Probably the single biggest change for 2026: Circular Economy is finally mainstreamed. South Asian companies have discovered the key to unlocking $1.1 trillion in value locked in their waste streams by using "Reverse Logistics".

Figure 1: The Value-Retention Framework



Source: Authors compilation

The diagram below illustrates how South Asian firms are moving from "End-of-Pipe" waste management to "Front-of-Mind" circular design. By re-integrating waste as a secondary raw material, firms are hedging against commodity price spikes.

Inner Loop (Maintenance): Extending asset life via predictive maintenance (IoT-Internet of things-enabled).

Middle Loop (Refurbishment): Re-manufacturing electronics and machinery for secondary markets.

Outer Loop (Recycling): Closing the loop on plastics and chemical waste to reduce virgin material dependency.

ESG Maturity and Data Sovereignty

In 2026, "Greenwashing" is a legal liability. The introduction of the Business responsibility and sustainability reporting(BRSR) Core in India and similar frameworks across SAARC has forced a shift toward "Data Sovereignty"—where companies own and verify every carbon molecule in their supply chain.

Management Perspective:
The ESG Maturity Curve

Compliance (2022-2024): Meeting basic regulatory filing requirements.

Optimization (2025-2026): Using ESG data to find operational efficiencies (e.g., water reduction leading to lower utility bills).

Leadership (2027+): Sustainability-led innovation where "Green Products" command a price premium.

5. Green Finance:
Capitalizing on the Transition

The capital stack for South Asian firms has fundamentally changed. By mid-2026, Sustainability-Linked Loans (SLLs) have become the preferred instrument for corporate expansion.

Table 2: Comparison of Financing Instruments (2026)

Instrument	Traditional Debt	Green Bonds	Sustainability-Linked Loans
Interest Basis	Market LIBOR (London interbank offered rate)/SOFR (Secured overnight financing rate)	Fixed Coupon	Floating (Tied to ESG KPIs)
Reporting	Financial Audit/ PTR (Project Technical Report)	Project-specific Audit	Real-time ESG Dashboard
Investor Base	Universal	ESG-mandated Funds	Diversified Inst. Investors

Source: Authors compilation

Regional Collaboration: The "SAARC Green Grid"

The way forward is not solitary. In 2026, the integration of the BBIN (Bangladesh, Bhutan, India, Nepal) Power Grid is a case study in regional sustainability.

Hydropower Synergy: Nepal and Bhutan act as the "Green Battery" for the Indian and Bangladeshi industrial heartlands.

Management Takeaway: Cross-border energy trade allows companies to claim a higher percentage of "Green Power" in their mix, even if their local grid is coal-heavy.

Conclusion: The Leadership Checklist for 2026

To conclude this digest, we propose a five-point checklist for the South Asian C-Suite:

Transition to "Circular Lean": Integrate waste reduction into TQM (Total Quality Management) protocols.

Invest in "Scope 3" Visibility: Use blockchain to track the environmental footprint of Tier-2 and Tier-3 suppliers.

Climate-Proof Your Assets: Conduct a physical risk assessment for all manufacturing facilities against 2030-2050 climate scenarios.

Green Skills Development: Upskill the workforce to manage automated, low-carbon technologies.

Monetize Carbon Credits: Explore the voluntary carbon markets to turn emission reductions into a new revenue stream.

"The South Asian manager of 2026 is no longer a steward of resources, but a designer of ecosystems. The 'Way Forward' is a journey from being climate-vulnerable to being climate-resilient through data and circularity.

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Department of Commerce
Christ University Bangalore
India

PREPARING FOR A SILVER ECONOMY

A Strategic Imperative for Sri Lankan Organizations

Sri Lanka has become the fastest aging country in the South Asian region. Comparing the statistics of 2012 and 2024, a press release issued by the Department of Census and Statistics of Sri Lanka (30-10-2025) revealed that the proportion of the Sri Lankan population below the age of 15 had declined by 4.5 percent, while the population aged 65 and above had increased by 4.7 percent during this period. Furthermore, the dependency ratio had increased by 0.2 percent. This portrays a picture not only of an aging population, but also of an aging workforce. Although this issue is not new to contemporary discussions and debates, the main concern has largely focused on healthcare costs and welfare issues, thereby treating population aging as an economic burden rather than viewing longevity as an economic opportunity and a potential new market. However, most countries facing similar demographic challenges are already preparing for the Silver Economy.

The Silver Economy

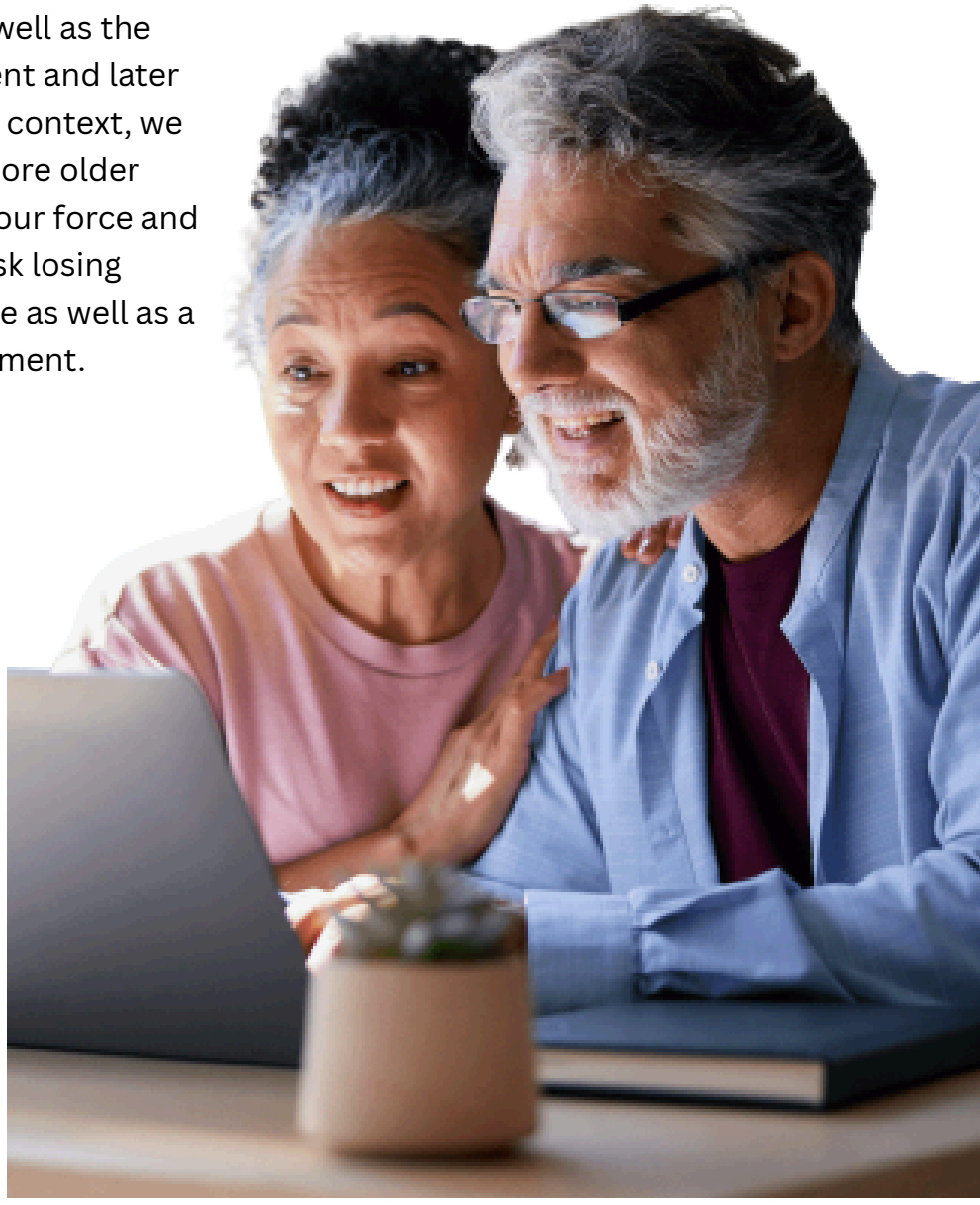
The Silver Economy (SE) is considered a part of the general economy that serves the needs and demands of older adults. The European Commission [EU] (2018) defines older adults as individuals aged 50 years and above. According to the EU, the Silver Economy is the entire set of economic activities across all three sectors; manufacturing, services, and trade, directed toward fulfilling the needs of older people. In addition to production, market and consumption activities, some scholars have also linked the concept of the Silver Economy to the labour market, thus recognizing older adults as contributors to the economy through their continued engagement in economic activities. Therefore, the Silver Economy does not regard older people merely as consumers, but also as active participants in economic development.

The concept of the Silver Economy has become increasingly relevant to Sri Lankan organizations in the context of the country's current demographic transition from three perspectives. The first is the demographic shift characterized by increasing life expectancy of people, and declining birth rates. The second relates to labour market realities, including the migration of young workers, workforce aging, labour shortages, the loss of experienced employees, talent shortages, and the erosion of organizational memory. The third concerns the economic opportunities emerging through the growing senior consumer market for products, demand for age-friendly services, and the potential of the silver talent workforce. Therefore, this will be the time for our organizations to redefine their missions and prepare strategic responses to the emerging trends in both labour market and the product and service markets within the forthcoming Sri Lankan Silver Economy.

The Mistake

However, one of the biggest mistakes continuously made by our society has been viewing older adults merely as dependents within their families and the society. The traditional narrative has portrayed retirees and older adults as economically inactive, physically unhealthy, cognitively deteriorated, and preferring dependency, while aging has been associated with “decline” and retirement with “withdrawal”. Nevertheless, these stereotypical views have increasingly been challenged by real-world examples, experiments, and scholarly writings. These challenges are reflected in the concepts such as post-retirement engagement, life-long learning, healthy aging, productive aging, and positive aging. Accordingly, the global trend is moving forward recognizing that many older adults remain healthy, skilled and productive, while seeking purpose in life through flexible social engagement, continuous learning, and ongoing contribution.

Therefore, the real nature as well as the conceptualization of retirement and later life is changing rapidly. In this context, we argue that if organizations ignore older adults as part of both the labour force and the consumer market, they risk losing access to a valuable workforce as well as a rapidly expanding market segment.



Organizational strategies for a Silver Economy

There are several important ways in which our organizations can reap the benefits of the Silver Economy. Broadly, these opportunities may arise through the human resources and the market. Human resource strategy and employment strategies continue to play a crucial role in organizations, even in an AI-driven era. Experienced and skilled older and retired workers can be indispensable in supporting organizational change and continuity.

Labour market

Therefore, rethinking retirement and the workforce participation of older employees through phased retirement, flexible work arrangements, part-time engagement, project-based employment, consultancy services, and mentoring can become strategic options for organizations. Such approaches can help organizations mitigate economic burdens while simultaneously fulfilling social responsibilities. Further, these strategies help retain institutional memory and knowledge, reduce the risk of skill shortages, support intergenerational learning, and improve employee morale.

Building an age-inclusive workplace through the implementation of age-friendly policies, anti-age discrimination practices, ergonomic workplace design, and multigenerational work teams would not be difficult tasks for human resource professionals in organizations. At the same time, investing in lifelong learning and workforce reskilling would be both an economically and socially beneficial strategy for organizations. Learning within work organizations should not stop at middle age or near retirement. Thus, digital literacy training, upskilling older employees, and supporting technology adaptation are not mere individually beneficial strategies; they also generate multifaceted positive outcomes that contribute to the smooth functioning of day-to-day organization activities. We must understand that the Silver Economy thrives not only on longer lives, but also on productive and socially engaged lives.

Consumer market

From a market perspective, organizations can experience multiple opportunities within the emerging Silver Economy. Among these, designing products and services for “Silver Citizens” will be particularly important. Some Sri Lankan organizations have entered the Silver Market through a range of offerings such as retirement villas, healthcare services, and medical equipment. However, there remains vast untapped potential across many sectors, including wellness tourism, senior-friendly housing, retirement planning services, senior leisure and recreation, logistics, lifelong education and learning, clothing and assistive devices, insurance, and nutritious and healthy foods, to name just a few. In developing appropriate products and services, organizations must the recognize the diverse nature of the older population, particularly the fact that not all older adults are vulnerable or financially disadvantaged. Therefore, appropriate market research, including opinion surveys and big data analysis, will play a central role in guiding such new developments.

We cannot undermine the shared responsibility of the entire ecosystem, including the government (through policy and infrastructure development), universities and training centres (through senior education), research institutes (through surveys and data generation), and the media (through changing public perceptions), in supporting the broader goal of enabling a Silver Economy.

After all, the question is not whether Sri Lanka will age soon, but whether we are prepared to benefit from it. However, Sri Lankan organizations still have time to prepare and take strategic action. Organizations that respond early will gain competitive advantage. Finally, the Silver Economy is not merely about a society of older people, rather, it is all about redesigning society for longer, healthier, more productive, and more prosperous lives.

As Sri Lanka moves toward an aging society, the Silver Economy presents new opportunities for organizations through age-inclusive workplaces, and senior citizens-focused products and services. Organizations that prepare early can reap benefits from this demographic transition while contributing to the economy through innovation, productivity, and long-term economic growth.

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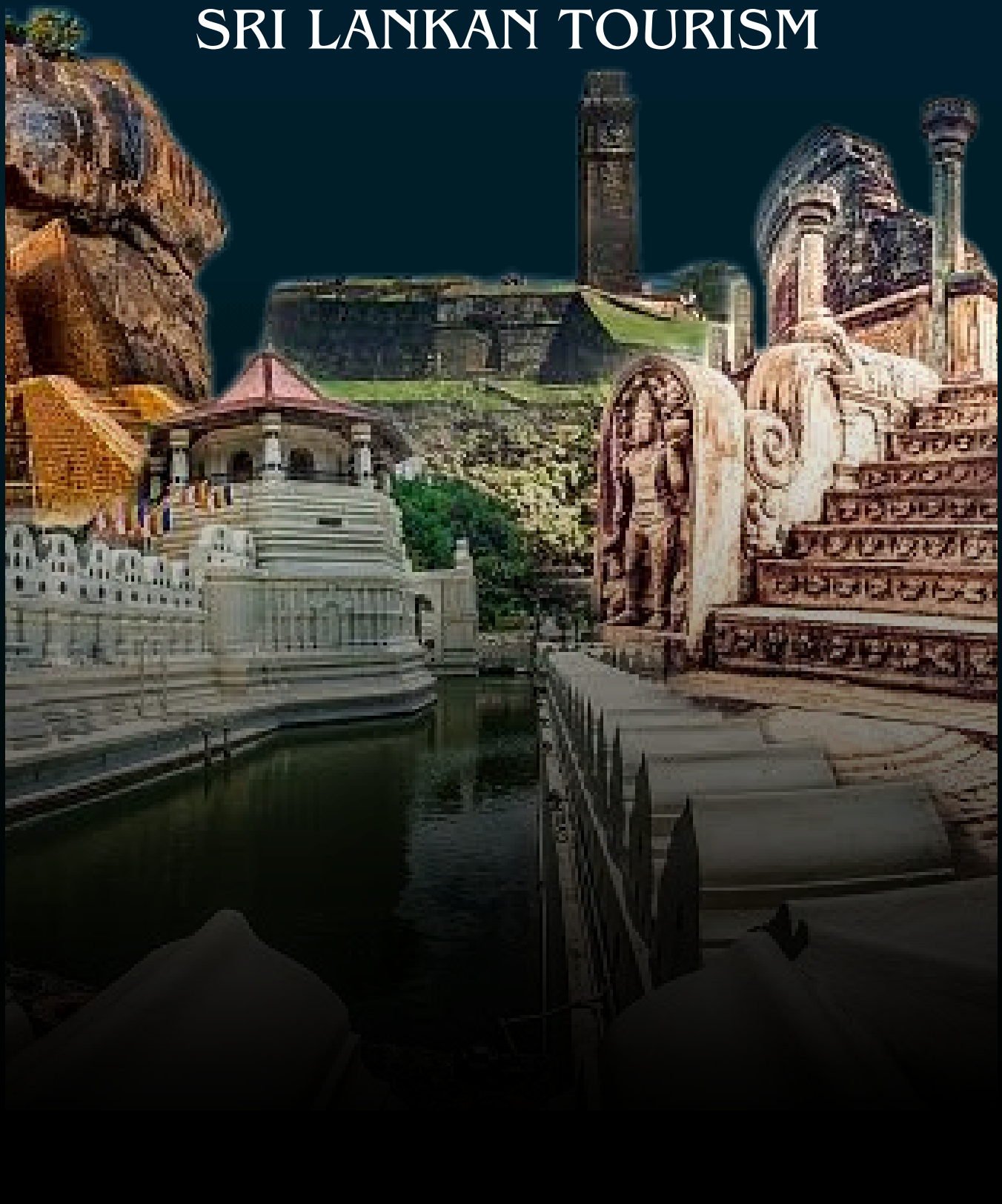
THE CONFLUENCE OF MYTH, HISTORY, AND HERITAGE:

A COMPREHENSIVE ANALYSIS OF SRI LANKAN TOURISM



This article examines the structural composition of Sri Lanka's tourism sector, focusing on the integration of archaeological heritage and the Ramayana Trail. Analyzing data from the Sri Lanka Tourism Development Authority (SLTDA), it evaluates how cultural diplomacy and mythological geography drive regional connectivity and economic recovery.

Introduction: The Pearl of the Indian Ocean

Floating like a teardrop in the Indian Ocean, Sri Lanka occupies a geostrategic position along the maritime highways of the Indian Ocean. Beyond its geopolitical importance , Sri Lanka possesses a dense, multi layered cultural landscape that has magnetised travelers, pilgrims, traders, and scholars for over two decades.

Data from the Sri Lanka Tourism Development Authority (SLTDA) indicates that the country welcomed over 2.36 million foreign tourists in 2025, with India firmly positioned as the top source market. By mid May 2026, arrivals had already exceeded 951,000, confirming that the island's appeal remains robust.

This article explores the diverse landscape of Sri Lankan tourism. It traces the paths of its ancient empires, maps the sacred geography of the Ramayana Trail, examines its colonial coastal strongholds, and analyses the structural frameworks governing sustainable tourism in the island today.

1

The Historical Core: The Cultural Triangle of the Ancient Sinhalese Kingdoms

At the center of Sri Lanka’s heritage tourism is the "Cultural Triangle," a geographic zone These include the ancient sites of Anuradhapura, Polonnaruwa, and Kandy, with the awe inspiring rock fortress of Sigiriya situated between them. This region serves as the cradle of Theravada Buddhism and classical Sinhalese architecture, boasting multiple UNESCO World Heritage sites.

Anuradhapura: The Monastic Metropolis

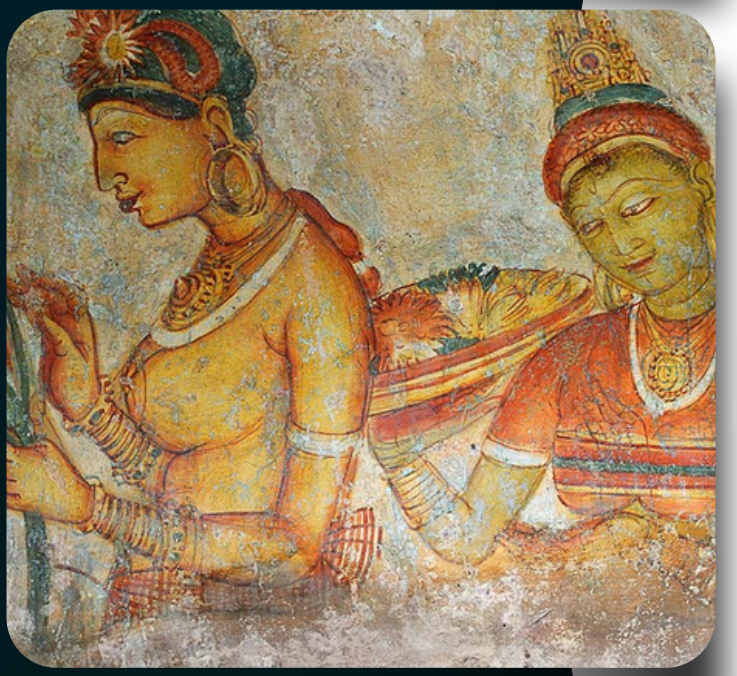
Founded in the 4th century BCE by King Pandukabhaya, Anuradhapura served as the capital of the Anuradhapura Kingdom for over 1,000 years.

The spiritual and historical center of Anuradhapura is the Jaya Sri Maha Bodhi. Planted in 288 BCE, it is documented as the world's oldest human-planted tree with a known plantation date. Brought to the island by Sanghamitta Theri, the daughter of Emperor Ashoka, the sacred fig tree symbolizes the deep, foundational ties between mainland India and Sri Lanka.

Polonnaruwa: The Medieval Splendor

As South Indian Chola invasions led to the decline of Anuradhapura, the seat of power shifted south-east to Polonnaruwa in the 10th century CE Declared a UNESCO World Heritage site, Polonnaruwa showcases a unique blend of Sinhalese Buddhist art and Dravidian Hindu architecture.

Nearby, the Parakrama Samudra (Sea of Parakrama), a massive shallow reservoir built by King Parakramabahu I is a clear example of the statement made during the medieval era that “not a single drop of water falling from the rains should go to waste in the ocean.”



Sigiriya: The Citadel in the Sky

Built in the late 5th century CE by King Kashyapa, Sigiriya is an architectural surrounded by symmetric water gardens and terraces. Halfway up the sheer rock face, sheltered within a natural cave gallery, are the famous Sigiriya Frescoes. Home to the world famous cave frescoes and ancient poetic graffiti written on a polished mirror work , It features two giant stone lion paws carved into the rock base.

2

The Mythological Landscape: Mapping the Ramayana Trail

While the Cultural Triangle represents the empirical history preserved in the Mahavamsa, Sri Lanka possesses an equally potent, sacred geography rooted in Hindu epics. The Ramayana Trail comprises over fifty sites across the island that map the journey of Lord Rama, Princess Sita, and the monkey god Hanuman.

The Western Gateways: Chilaw and the Sites of Absolution

On the northwest coast lies Talaimannar, the point closest to India's Rameswaram. Here lie the submerged limestone shoals known as Adam's Bridge or Rama Setu, with devotees admiring it as the bridge built by Nala and the Vanara Sena (monkey army) to cross the Palk Strait.

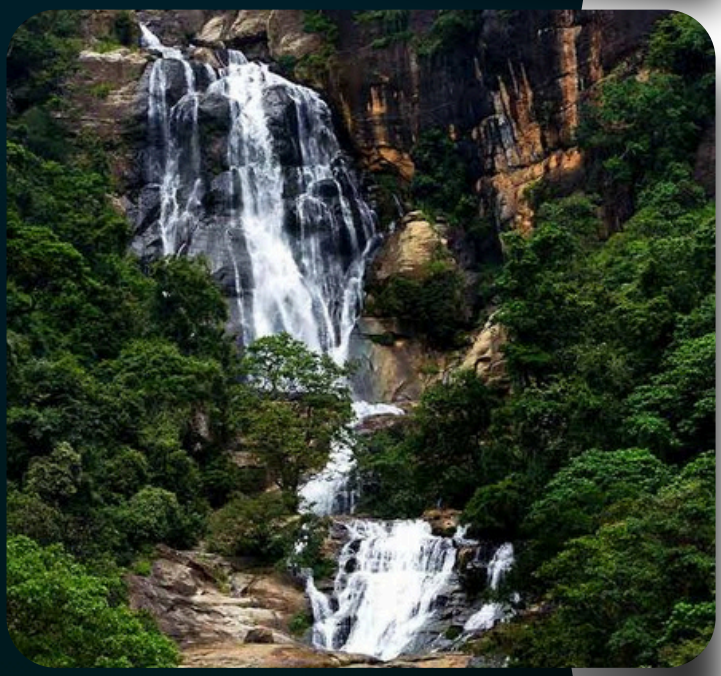
Moving further south to Chilaw, the Munneswaram Temple and Manavari Kovil represent points of spiritual resolution. According to the epic, after defeating the demon king Ravana, Lord Rama was pursued by the Brahmahatya Dosha - the karmic sin of killing a Brahmin.

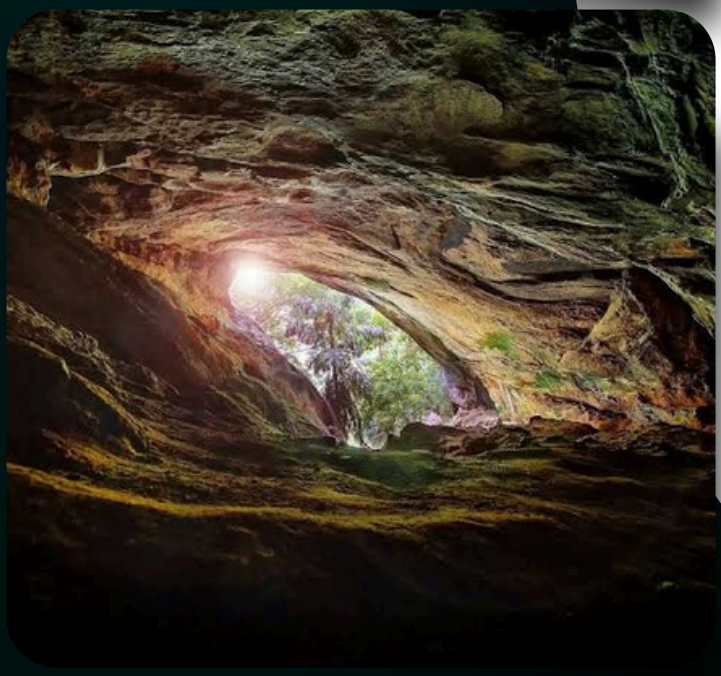
At Munneswaram, Lord Rama prayed to Lord Shiva, who advised him to install four lingams on the island to purify himself. The nearby Manavari Kovil houses the first of these, the Ramalingam.

The Central Highlands: Captivity and Devotion

The rugged, misty terrain of the central highlands provided a backdrop for Princess Sita's captivity. In the hill station of Nuwara Eliya, the Hakgala Botanical Garden is often seen as the historical Ashok Vatika, the pleasure garden of King Ravana where Sita was kept under the watch of rakshasis.

Next to this site is the village of Seetha Eliya, which is home to the Seetha Amman Temple. Located beside a clear mountain stream, this temple features modern shrines and natural rock formations. Devotees point to large, circular depressions in the riverbed rock, calling them the footprints of Hanuman.





Divine Trials and Subterranean Hideouts

Deep in the Uva Province, near Welimada, is the Divurumpola Temple. In Sinhala, Divurumpola means "the place of swearing an oath." This site is honored as the location of the Agni Pariksha, the fire ordeal that Princess Sita underwent to prove her purity to Lord Rama. In contrast to the open temples, the town of Ella is known for Ravana Falls and the Ravana Caves.

The caves are part of a network of tunnels built by Ravana to move through his kingdom without being seen. The water of Ravana Falls cascades over 1,000 feet down rocky cliffs , it marks the spot where Sita is said to have bathed during her captivity.

3
Maritime Heritage and Colonial Architecture

Besides its archaeological sites and pilgrim routes, another aspect of Sri Lanka's tourism that has defined it architecturally and culturally is its long history of interactions with maritime merchants and colonising Europeans.

Galle Fort: The Living Dutch Bastion

Galle Fort stands out as one of the finest specimens of urban area developed by the European colonial powers in South Asia. Originally built by the Portuguese in 1588, the fort was greatly strengthened and reconstructed by the Dutch East India Company in the 17th century.

What makes Galle Fort truly unique is its character as a living historical site. Behind its thick stone walls there exists a functional grid city. The architecture is a fusion of European and South Asian elements, including low Dutch colonial bungalows, large verandas, cobblestone paths, churches, and the famous Galle Light Tower.

4

Tourism as Modern Dynamics, Economy and Sustainable Governance

Tourism is the third biggest foreign exchange earner for the country, making it crucial to ensure its stability for economic well-being of the nation.

The Strategic Value of the Indian Source Market

As observed in the Year-in-Review of the SLTDA, regional tourism has become a stabilizing factor for the country. India remains the biggest source market, having grown by 27.4 percent from 2024 to 2025. The rise proves the importance of bilateral relations through various mechanisms such as visa-free regimes for regional neighbors, increased air connectivity between Indian cities and Colombo, and marketing campaigns.

Navigating Policy and Environmental Sustainability

There are numerous governance issues associated with rapid development of tourism concerning nature protection and cultural heritage preservation. The SLTDA functions within the environmental framework set out at the national level, thus exercising stringent controls over tourism activity.

- **Marine Preservation:** At the Hikkaduwa National Park and Pigeon Island, strict limits have been placed on boat tours and scuba diving to protect fragile coral reefs.
- **Wildlife Management:** In Yala National Park and Wilpattu, zoning laws and vehicle caps have been introduced to minimize tourism-induced stress on the island's leopard and elephant populations.
- **Heritage Preservation:** The Central Cultural Fund manages ticketing and foot-traffic routing at sites like Sigiriya and Anuradhapura, ensuring that tourist revenues are directly reinvested into the physical preservation of brickwork, frescoes, and monuments.

Conclusion:
A Resilient Destination

Tourism in Sri Lanka has has moved beyond mere beach-based tourism to one with cultural significance, history, and spirituality at its core. By effectively combining archaeology and the living culture of Ramayana Trail, the Sri Lankan tourism identity has been developed as something that attracts religious pilgrims as well as heritage seekers.

The island's ability to preserve its ancient past while adapting to modern economic realities ensures its place as a central destination in the heart of Indian Ocean.

Conclusion:
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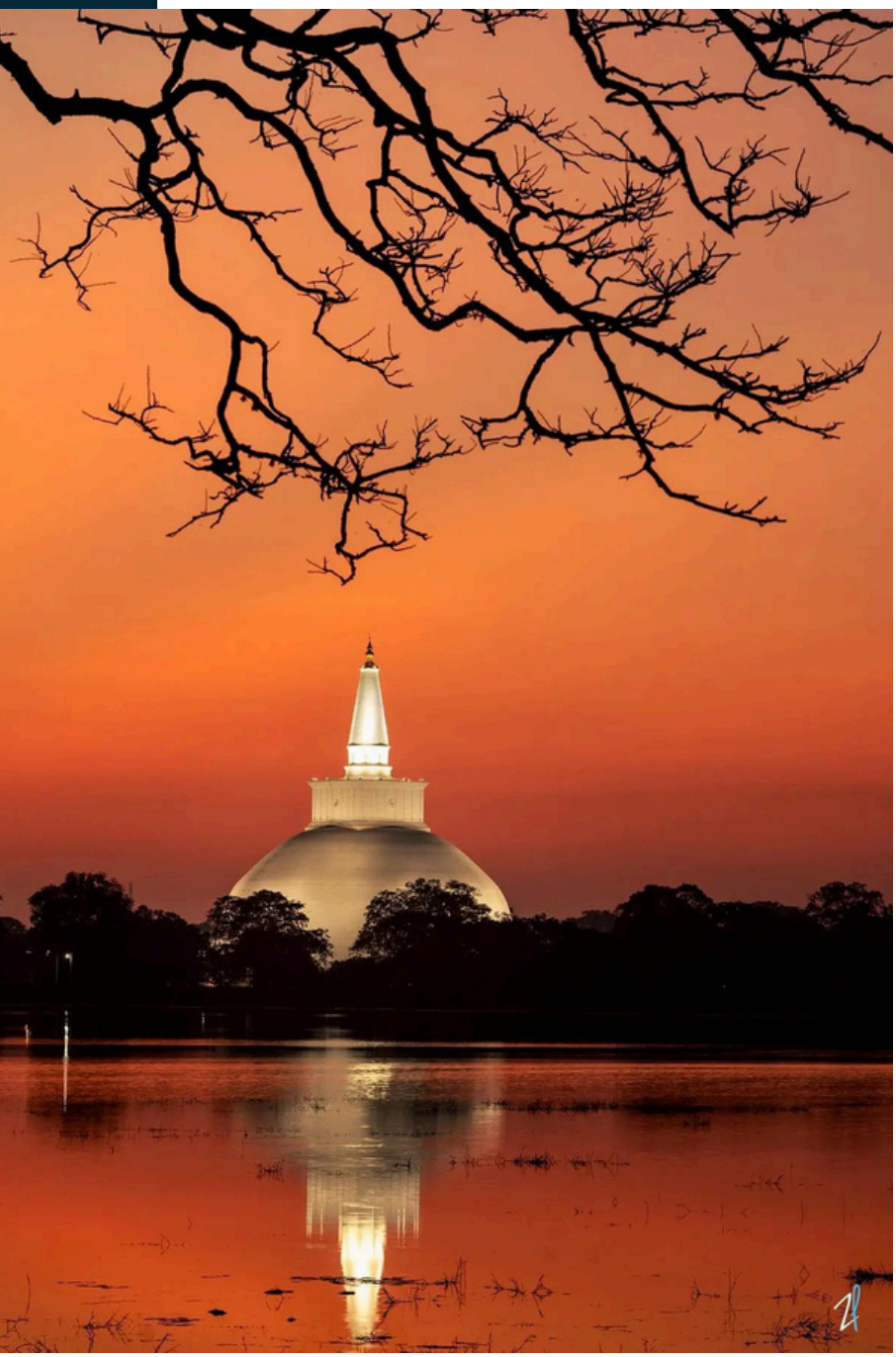

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NEWEST ACADEMIC CONTRIBUTIONS IN EDUCATION:

EMERGING TRENDS AND CHALLENGES IN SRI LANKAN HIGHER EDUCATION

During the past decade, especially after the COVID-19 pandemic, the higher education sector has undergone to a significant transformation. Traditional teaching systems are gradually being replaced by student centered, technology ad employability focused educational models. In 2026, academic contributions are no longer limited to classrooms, examinations but extended to research supervision, digital learning, critical thinking development, and industry integrated education.

In modern education, the most noticeable development has become the hybrid and online learning systems. Many students now mostly prefer to flexible learning modes due to transportation difficulties, employment commitments, rising travel costs, and time management challenges. Hybrid education has therefore become an effective solution to convenience and the accessibility for learners while supporting to the continuity in higher education.

In Sri Lanka, opportunities for the higher education still remains centered mainly in Urban areas such as Colombo, Kandy, and Matara. Students from rural areas often face challenges related to travel, accommodation, financial limitations, and limited institutional access. As a result, when expanding educational opportunities beyond major cities, the hybrid education and digital learning platforms play an increasingly important role.

Another important transformation is shifting from examination-based education towards assignment-based learning systems. Modest academic programs increasingly focus on continuous assessments, coursework, case studies, and practical assignments that encourage self-learning and applications of knowledge. However, this transformation has challenged to both students and academics.

In many programs, modules are now conducted without formal teaching system. As a result, academic institutions and lecturers are introducing presentation-based learning activities, classroom discussions, and group activities to improve students' communication skills, confidence, teamwork and professional interactive skills. These activities are mostly important for the students who are engaging with the online learning environments where students have limited social interaction and engagement with peers.

For the modern academic development, technology has also become a major contributor. Artificial Intelligence (AI), virtual classrooms, Learning Management Systems (LMS), digital research tools, and online platforms are reshaping the learning and teaching practices globally. Technology-enabled education provides students flexibility, access to information, and opportunities for self-directed learning. At the same time, academics are expected to support with their teaching methods to meet evolving digital learning expectations.

Despite these advancements, one of the most challenging issues is the level of critical thinking and independent learning skills among some students. Many learners demonstrate difficulties in critical thinking, academic reading, research engagement, and following structured academic guidance. Students often prefer easy methods and avoid taking risks during research and dissertation activities. This situation highlights the importance of developing educational approaches that improves analytical thinking, creativity, inquiry based learning, and academic responsibility.

Research based learning is therefore become one of the most valuable academic contributions in modern education. Supervision and academic mentoring-based learning are helpful to improve analytical skills, research competencies, and professional confidence to students. Higher educational institutions are increasingly focus on the practical learning experience which connects with the real-world industry expectations.

Another significant trend in the education field is the growing focus on employability and industry readiness. Employers today seek graduates who possesses not only academic qualifications but also communication skills, leadership abilities, adaptability, teamwork, and problem-solving competencies. Therefore, higher educational institutions increasingly focus on the practical learning methods, case-study analysis, collaborative projects, presentations, and industry-integrated teaching approaches.

Furthermore, in the modern education field, sustainability, ethical leadership, and responsible management practices are becoming important. Academic programs now focus to develop future professionals who are capable with balancing organizational performance with social responsibility, environmental awareness, and ethical decision making.

Private higher educational institutions are also playing a vital role in the supporting the development of globally competitive graduates in Sri Lanka. By adapting international educational standards to local contexts, these institutions contribute to develop the educational accessibility, flexibility, and professional development opportunities for students who have diverse backgrounds.

Looking ahead, the future f the higher education is depends on the innovation, adaptability, and collaboration between academics and industry. Academics specially function as facilitators, mentors, and skill developers rather than traditional knowledge providers alone. In preparing graduates for the demands of the modern global workforce, continuous learning, technological integration, and student centered education will remain essential.

In conclusion, the newest academic contributions in 2026 extend beyond the traditional teaching practices and focus on making accessible, technology-driven, practical and employability-oriented learning environments. For the sustainability in the Sri Lanka and the globally highest educations, critical thinking, research engagement, communication skills, and industry integration will remain essential.

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THE ROLE OF DEVELOPMENT BANKS IN POST-ECONOMIC CRISIS RECOVERY OF SMES IN SRI LANKA

Overview of SMEs and the Sri Lankan Economy

Small and medium-sized enterprises (SMEs) are the foundation of Sri Lanka's economy. According to figures, more than 75% of the country's businesses are small and medium-sized enterprises, which account for about 52% of the country's gross domestic product.

They are vital for the growth of Sri Lankan economic productivity, employment, especially in rural and semi-urban areas and social stability. In Sri Lanka, small and medium enterprises operate across a wide range of sectors and industries, including agricultural processing, tourism, garments, retail trade, construction, and information technology. Many of these SME businesses are family-owned and family-managed, and are having difficulties accessing formal banking and financial services. Those small and medium enterprises that operate in Sri Lanka play a vital role but are structurally vulnerable, particularly during economic turbulence and time-to-time dynamic changes.

Sri Lanka faced one of its most severe economic crises from 2022 to 2024, marked by a shortage of foreign currency, food and agricultural crises, a debt crisis, high inflation, fuel and energy shortages, and, eventually, a sovereign debt default. The highest level of inflation was in September 2022, and the Sri Lankan Rupee has devalued by almost 50% in just a few months against the United States Dollar. The Central Bank of Sri Lanka had to take drastic measures to control inflation by hiking policy interest rates to very high levels; for instance, the Standing Deposit Facility Rate (SDFR) was raised to 14.5% and the Standing Lending Facility Rate (SLFR) to 15.5%. This was catastrophic for SMEs. Due to these economic changes in the business environment, credit was unavailable, supply chains were disrupted, businesses that depended on imports ran out of raw materials, and consumer demand decreased in most small and medium enterprises operating in Sri Lanka. Due to this condition, many small businesses that had survived the Easter attack and the COVID-19 pandemic found they could not continue operating amid significant economic challenges.

The economic analysis provides strong evidence of the relationship between development banking and the growth of small and medium enterprises. Stiglitz and Weiss in 1981, laid the groundwork for their argument that credit and lending markets are imperfect, especially for SMEs, due to information asymmetries, adverse selection, and moral hazard. Most commercial banks are unlikely to lend to SMEs due to insufficient financial records and/or insufficient collateral, even if the business appears viable. This is known as the “financing gap”, which was identified in the market of SME credit and the lending market. So, the governments of the respective countries formed public financial institutions, such as development banks, to fill this gap. De Luna-Martinez and Vicente, 2012 in their World Bank report on development banking worldwide, they argue that this is a countercyclical function of these institutions, providing credit precisely when private banks withdraw during economic downturns. This is the essentialness of development banks for the economy, because these recessions generally affect small businesses more severely than large ones.

In the Sri Lankan context, some economic researchers, such as Perera and Samarakoon, (2021); Wijesinha and Perera, (2015) have discussed the ongoing problems SMEs face with institutional credit and lending difficulties. The analysis has consistently shown that many SMEs are unable to comply with banks and financial institutions’ collateral and documentation requirements, which will discourage them from formal lending and credit and lead them to turn to informal credit sources such as moneylenders, informal microfinance groups, informal pawnbrokers, and cheetu. This predisposes a structure that will create a vulnerable situation for SMSs in times of crisis.

Development Banks and Their Role in Post-Crisis Recovery

Several important institutions in Sri Lanka operate as development banks or have development banking mandates. Apart from common commercial banking, the Regional Development Bank, National Development Bank (NDB), DFCC, and the state-owned Bank of Ceylon, People's Bank and National Savings Bank have some responsibility for development financing. The Regional Development Bank, especially, specialises in providing funding to small and medium-sized enterprises in rural and semi-urban areas, including the agricultural, fisheries, dairy development, tourism, transport development, small-scale industrial, and service sectors.

CBSL and the government have requested the banking institutions to assist SMEs in recovery during and after the 2022 to 2024 crisis through various tools. To support loan-making, the government launched credit guarantee schemes, concessionary refinancing facilities, and moratorium schemes in collaboration with the Central Bank of Sri Lanka (CBSL). For example, the Saubhagya COVID-19 Renaissance Facility, the New Comprehensive Rural Credit Scheme (NCRCS) Facility, and the MSME Phase 2 were extended and modified to address the current economic emergency, thereby facilitating large-scale businesses and small and medium-sized enterprises by providing them with working capital loans and refinance loans at a low interest rate.

During the recovery period, there are multiple ways in which the development banks supported small and medium-sized enterprises:

- **Concessionary Loan Facilities**: Refinancing facilities provided by CBSL to development banks offered interest rates below market rates, easing pressure on SMEs from high commercial lending rates.
- **Loan Moratoriums**: Payment deferral schemes enabled companies to postpone repayments of the capital portion of the loan for a limited period (6 months to 12 months), avoiding a wave of new bankruptcies among weak companies.
- **Credit Guarantee Schemes**: These were partially backed loan products that eased the burden of providing collateral for SMEs, allowing banks to lend without a full guarantee of the assets.
- **Advisory and Capacity Building Services**: Some institutions, such as the RDB and NDB, offered advisory services to support SMEs in restructuring their operations and financial plans during the crisis.

These measures were beneficial for small and medium-sized enterprises facing downturns, but not uniformly successful. Many SMEs were either unaware of the schemes or failed to meet the loose eligibility criteria for accessing the above facilities. Many SMEs, especially microenterprises and rural groups, were unaware of schemes or did not meet the relaxed access criteria: bureaucratic delays, unclear details, limited branch coverage, and poor digital infrastructure impacted disbursements. In addition, the concession rates were higher than those of commercial operations, albeit sometimes not as high as the commercial rates.

Despite these remedial measures, SMEs still faced significant barriers, and the availability of credit finance remained the most frequently stated issue. The high interest rate, directly a result of the monetary tightening to dampen inflation, made new borrowing very expensive. In 2022-2024, servicing, which previously ranged from 10% -12% for SMEs, was now 20% to 25% or more. The collateral requirement remains a big hurdle. One of the conventional requirements of banks in Sri Lanka is to provide properties as collateral, and many SME owners, especially women entrepreneurs and young business owners, do not have properties in their names. One of the more intractable structural issues in the financing ecosystem is the mismatch between the competencies required to credit finance SMEs and those available. When considering all the above scenarios in Sri Lanka, the key issue was policy uncertainty. Frequent changes in import restrictions, foreign exchange regulations and tax policies made business planning very difficult in the dynamic business environment. Small and medium-sized enterprises had to suspend operations due to sudden policy changes, without prior notice or a mechanism to compensate some SMEs in the manufacturing and retail sectors that relied on imports for production.

Policy Gaps, Recommendations, and the Path Forward

After the in-depth analysis of the SME credit and financing landscape in Sri Lanka reveals a disconnect between policy-making and the needs of small and medium-sized enterprises. Many supportive programmes are based on formal-sector assumptions that require financial statements to be audited, a tax clearance certificate, formal business registration, and other required special approvals from local authorities. However, a significant share of the SME population in Sri Lanka is economically outside the formal system requirements due to its lack of structure. It is thus less able to qualify for most programmes introduced by policy-makers.

BANK

Secondly, apart from the regional development bank, most of the other facility-offering banking and financial institutions are localised in urban and peri-urban areas. In contrast, most agriculture, cottage industries, and small-scale trade SMEs are in rural and estate areas, particularly. The RDB has taken some major steps to expand in these areas, but it does not go far enough or meet the needs due to the infrastructure and other economic and policy concerns.

Thirdly, there is a lack of coordination between the government ministries, local authorities, CBSL, and development banks, due to which concerns arise that policy announcements may not be followed by operational readiness in the banking community, and the policies that the governing parties suggest cannot be fulfilled in the practical and ground-level development banking in the Sri Lankan context. Due to all the circumstances, it will result in implementation delays and gaps in credit and financing. During the crisis, for instance, when the government announced relief packages for SMEs, many reported that it took months to access funds.

A few reforms are crucial and feasible for the betterment of SMEs and the development of the banking industry; however, they will also make a meaningful contribution to the role of development banks in assisting SME recovery.

- **Move away from collateral-based lending to cash flow-based lending:** Shift from collateral to cash flow in credit assessments for development banks. This is a common method adopted in many markets, including Kenya, India, and Bangladesh, that considers income generated by a business rather than dependable fixed assets, thereby making credit available to businesses that may not have property as collateral. But before introducing this kind of credit facility, one needs to conduct comprehensive research on the overall environment and should introduce appropriate policies and reforms that can be applied to the development of the banking and finance sector.

- **Further develop digital banking infrastructure:** Digital financial services are among the most powerful tools for the financial inclusion of SMEs. Development banks can leverage and invest in mobile banking, digital loan applications, and e-KYC (electronic Know Your Customer) to reduce the cost and complexity of lending to small businesses. With mobile phone penetration over 90% in Sri Lanka, this infrastructure is already prepared for this change.

- **Set up a dedicated SME Recovery Fund:** The government should establish a multilateral partnership SME Recovery Fund (such as the World Bank and the Asian Development Bank). There is potential to combine grants, subsidised loans, and technical assistance under this fund, targeting the most impacted sectors and regions.

- **Elevate financial literacy of SMEs:** One of the common points that merchants researching SMEs in Sri Lanka highlighted is the lack of financial and business management skills of small business owners. Through cooperation between development banks, vocational training institutions, universities, and chambers of commerce, financial literacy and business management education should be provided practically. SMEs with better preparation are more likely to use their credit productively and repay loans.

- **Ease of regulatory compliance:** The burden of complex business formalities on SMEs, especially in loan applications, tax compliance, and reporting, would significantly reduce the cost of conducting formal business and expand the pool of eligible loan seekers. To achieve greater financial inclusion, a more streamlined, technologically advanced compliance process is essential.

While Sri Lanka's SMEs are on a long journey to recover from the economic crisis that began in 2022, they can navigate it with the right policy and institutional support. So, the development banks have made a meaningful contribution to mitigating the effects of the crisis, but structural constraints and deficiencies have hampered their outreach, product design, and coordination. The reforms required are not costly but simply those that are overly complicated, act on political will from time to time, are fully grounded in institutional commitment, and are truly out of the line with the reorientation towards the needs of the small business community in Sri Lanka. The sustainability and growth of SMEs are critical for creating a stable and inclusive economy in Sri Lanka as it begins to recover from the IMF programme and moves towards macroeconomic stabilisation. If the government can properly empower and suitably reform the development banks, they may be the most important institutional lever of this recovery. They sit at the intersection of both the public policy and private enterprise worlds, and their role at this juncture is to provide finance, build capacity, and instil confidence in millions of small businesses that drive Sri Lanka's economy.

Sri Lanka's SMEs suffered greatly during the 2022 to date economic crisis, facing acute challenges in accessing finance, managing rising costs, and navigating policy uncertainty. This examines the role of development banks in supporting SME recovery, evaluates existing policy gaps, and recommends reforms, including digital banking innovations, to build a more resilient SME ecosystem in post-crisis Sri Lanka.

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Always-On Culture: Good or Bad?

09.30 p.m. – At Home

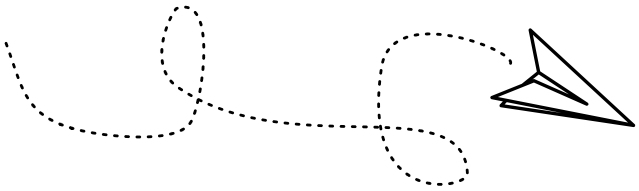
A ten-year-old child asks, *“Mom, can you help me with my homework?”*
“Just a minute, sweetheart. I have an online meeting now, and let’s do it afterwards”, mom replies.
After an hour, another notification appears in mom’s phone *“Sorry to bother you, this one is urgent too.”*
When mom finishes her work, the child is sleeping.

The Most Awaited Weekend

On Saturday morning, wife asks, ***"Aren't you ready yet? Myself and children are ready to go on the trip to Nuwara Eliya"***
"I do...but the thing is I got a call from HR manager that there's an issue with the staff roster. I will sort it out now, just 10 minutes, and then we can enjoy the trip", husband replies.
A few hours later, the family is still waiting.

In a Party: Always Checking the Mobile

"You look stressed?" a friend tells to a newly joined trainee.
"Nothing, my boss always shares some tasks via WhatsApp. If I missed one, I will get blamed," the trainee replies.



These simple conversations reflect the psychological availability of a hyperconnected worker for 24/7 at the workplace. This digital presenteeism at work in today's hyperconnected world is non-negligible. The work of most occupations no longer ends when employees leave the office, in a culture where they are used to communicating via smartphones, instant messaging platforms such as WhatsApp, and email. By the 21st century, technology has undoubtedly advanced to improve organisational efficiency; nevertheless, employees are still not free from work even after completing their assigned tasks. This technology has given rise to a growing expectation of 24/7 availability, not a formal obligation, but one that is, however, unavoidable. With this digital hyperconnectivity, the traditional boundary between work and personal life has been blurred and blended. Employees often find themselves responding to emails during family dinners, attending virtual meetings while on vacation, and checking work-related messages late at night. When employees are reachable at any time and from anywhere, employers can get some tasks done quickly without waiting for the next working day.

Despite this trend, some employees suffer from digital hypoconnectivity, meaning digital disconnection due to a lack of digital skills or basic infrastructure. These employees feel uncomfortable when they can't adapt to the Always-On culture. For example, when they have no smartphone or no digital skills to access official WhatsApp groups, they feel a sense of organisational detachment. Further, employers overlook such employees and reward the Always-On employees.

Research studies have found that both hyperconnected and hypoconnected behaviours are neither good nor bad. Hyperconnected workers feel pride when they are always supervised and tracked by the organisation, even during weekends or holidays. They become ambitious about getting future promotions; hence, they tolerate the burden of this digital presenteeism. On the other hand, some hypoconnected workers try to get connected by learning digital skills or buying required devices, while some remain disconnected to enjoy their off-time leisurely.

Although hyperconnectivity may appear harmless or even demonstrate commitment, research suggests that constant connectivity can have serious psychological consequences, such as poor mental and physical health, loss of psychological well-being, work-family imbalance, feelings of trapped, reduced healthy peer relations, and a lack of interest in high performance. Occupational health experts argue that employees require periods of complete mental disengagement from work to recover from job-related stress. When workers remain mentally connected to their jobs outside working hours, recovery processes are interrupted, leading to fatigue, emotional exhaustion, and eventually burnout. Organisations that foster an "Always-On" culture may experience reduced productivity in the long run. Employees who are exhausted are more likely to make mistakes, demonstrate lower creativity, and exhibit lower engagement.

This digital presenteeism issue is particularly prevalent in sectors that allow both remote and hybrid work arrangements. When employees have no clear work boundaries, they struggle to decide on official on- and off-work times. In most cases, organisations drive the digital presenteeism as a norm, not by an explicit policy. In recognition of these challenges, some countries (E.g., France in 2016, Italy in 2017, Spain and Belgium in 2018, and Chile and Argentina in 2020) have introduced the 'Right to Disconnect', granting employees a legal right to ignore official matters outside working hours. Following this legal protection, many countries practice restricted off-time office hours and respect employees' personal time.

In the Human Resource Management (HRM) context, employee performance should not be measured by either digital presenteeism or absenteeism. HRM policies and procedures should prioritise healthy working boundaries and facilities to work at employees' maximum during the official working hours. It can be further effective with the introduction of 'Right to Disconnect' policy as explained above. At the same time, a practice/ policy such as 'Meeting-free Fridays' can be introduced for executive-level and above employees.

Since technology continually exceeds human capacities, employees' physical presence at work may become questionable in the future; hence, technological adaptation and digital literacy become essential in this tech-savvy world of work. Consequently, the HRM Department can implement training programs to improve employees' digital skills and reduce the digital divide. Consequently, HR managers can adjust performance appraisal systems to measure the quality of the work rather than the quantity. Further, the HR manager can review digital workload, such as the number of off-time emails, telephone calls, and online meeting hours, weekend or holiday official communications, and employee perceptions of digital presenteeism. After that, KPIs can be developed/ amended to reduce off-time workload. Further, managers can be trained to respect employees' personal time and avoid after-hours official communications. They can be asked to lead by example, as employees often mirror managerial behaviour.

In conclusion, hyperconnectivity is not a long-term green light for organisations, as it hinders both individual and organisational performance. Since 'Always-On' culture generates disastrous outcomes, organisational interventions should be strong enough to protect the vital asset of the organisation: human capital.

The "Always-On" workplace culture has blurred the boundaries between work and personal life, creating both opportunities and challenges. While digital connectivity can improve responsiveness and productivity, excessive availability may cause burnout, stress, and work–life imbalance. HR interventions, including boundary-setting policies and digital workload management, are essential for sustainable employee well-being.

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SUSTAINABLE
DEVELOPMENT
GOALS
NO POVERTY
ZERO HUNGER
GOOD HEALTH
QUALITY EDUCATION
QUALITY GENDER
CLEAN WATER
CLEAN ENERGY
ECONOMIC GROWTH
INNOVATION
REDUCED INEQUALITIES
SUSTAINABLE CITIES
RESPONSIBLE CONSUMPTION
CLIMATE ACTION
LIFE BELOW WATER
LIFE ON LAND
PEACE AND JUSTICE
PARTNERSHIPS

BEYOND THE GREEN:

WHY SOCIAL SUSTAINABILITY MATTERS IN ACHIEVING SUSTAINABLE DEVELOPMENT GOALS?

The concept of social sustainability has gained a growing attention in recent years as organizations, government and society understand that long-term development is difficult to achieved through economic development alone. Hence, sustainable development requires a balanced synchronization of economic, environment and social dimensions by ensuring economic prosperity, environmental protection, and social well-being. Within this broader sustainability agenda, social sustainability focuses on improving the quality of life of people by ensuring equality, fairness, inclusion, health & safety, and access to opportunities. The United Nations Sustainable Development Goals (SDGs), introduced in 2015 through the 2030 Agenda for Sustainable Development, offer a globally accepted framework that strongly reflects these social sustainability principles. Therefore, the relationship between the SDGs and social sustainability is significant and inseparable. Social sustainability represents the human focused dimension of sustainability, while the SDGs operationalize these ideals into measurable global goals and targets. In other words, the SDGs provide guidance for organizations, government, and society to convert social sustainability into actions in real-world setting.

Although all 17 SDGs are interconnected, several goals are particularly linked to social sustainability because they focus directly on human welfare, equality, and social justice. SDG 1 (No Poverty), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), SDG 11 (Sustainable Cities and Communities), and SDG 16 (Peace, Justice and Strong Institutions) are among the most relevant. These goals together emphasize improving human capabilities, protecting rights, ensuring fair treatment, and building inclusive societies.

The SDGs most aligned with social sustainability

1 NO POVERTY

SDG 1 is one of the most fundamental aspects of social sustainability, which is focusing on eliminating poverty in all forms. Poverty limits the access to education, healthcare, nutrition, and employment opportunities, thereby creating social inequalities in long term. Organizations can contribute to this goal by providing fair wages, creating employment opportunities for vulnerable groups, promoting local suppliers, and investing in community development programs. Businesses that promote financial security among employees and surrounding communities reinforce social sustainability by reducing economic vulnerability.

3 GOOD HEALTH AND WELL-BEING

SDG 3 focuses on good health and well-being. A socially sustainable society requires physically and mentally healthy people who can participate in social and economic activities actively. Organizations can work on this goal by offering fair and safe working environments, providing healthcare benefits, supporting mental well-being, and promoting work-life balance. Occupational health and safety practices, stress management initiatives, and employee wellness programs are practical examples of how organizations can contribute to social sustainability through SDG 3.

Quality education, which is the SDG 4 is another significant element of social sustainability. It empowers individuals with knowledge, skills, and opportunities for upward mobility. Organizations can support this goal by investing in employee training and development, offering internships and scholarships, collaborating with educational institutions, and promoting continuous learning. Skills development programs can improve both employee well-being and organizational productivity while contributing to broader social advancement.

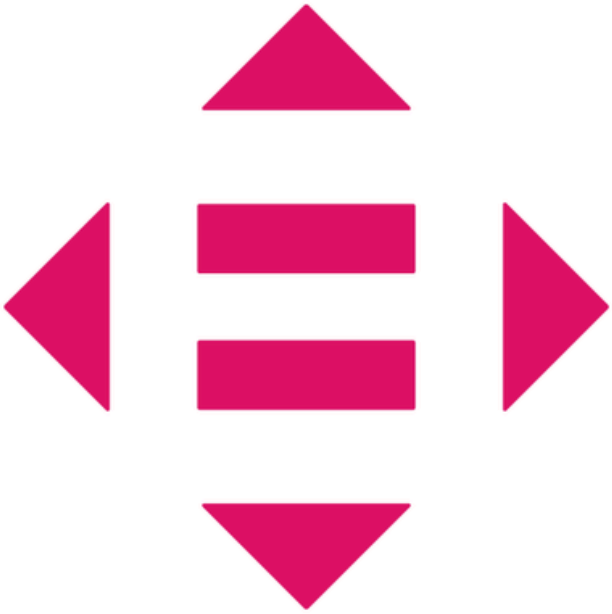
5 GENDER EQUALITY

Socially sustainable organizations ensure equal opportunities, fair treatment, and non-discrimination regardless of gender which is the central focus of SDG 5 gender equality. Operationalizing this goal involves implementing equal payment policies, encouraging women's participation in leadership roles, eliminating workplace harassment, and supportive maternity and childcare policies. Gender-inclusive practices not only improve organizational culture but also enhance social fairness and economic participation.

8 DECENT WORK AND ECONOMIC GROWTH

SDG 8, which promotes decent work and economic growth, is perhaps one of the most directly connected goals to organizational social sustainability. The concept of decent work consists of fair earning, job security, safe working conditions, and respect for labor rights. Organizations can eliminate child and forced labour, excessive over time work, ensure ethical treatment of workers, promote employee participation in decision-making, and maintaining compliance with labor standards in operationalizing this goal. In labor-intensive sectors such as apparel manufacturing, decent work practices are particularly important because employee welfare significantly affects both organizational reputation and long-term sustainability.

10 REDUCED INEQUALITIES



Reducing inequalities, emphasized in SDG 10, is another central dimension of social sustainability. Inequalities may prevail in organizations in terms of income, access to opportunities, disability inclusion, ethnicity, religion or social status. Organizations can address these issues by adopting inclusive recruitment practices, promoting diversity, supporting marginalized groups, and ensuring equal career advancement opportunities. Inclusive organizations tend to build trust among employees and stakeholders while contributing positively to social cohesion.

11 SUSTAINABLE CITIES AND COMMUNITIES

SDG 11 highlights sustainable cities and communities, focusing on creating safe, inclusive, and resilient living environments for people. Although governments and urban planning, are the responsible and connected parties for this goal, organizations also play a significant role. Businesses impact communities through employment generation, infrastructure development, environmental impacts, and social investments. Organizations can operationalize this goal by engaging in responsible community relations, supporting local infrastructure projects, reducing negative social impacts, and participating in community welfare initiatives.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SDG 16 emphasizes peace, justice, and strong institutions, which are essential for long-term social sustainability. Organizations can act upon this goal by engaging in ethical governance, maintaining transparency, respecting human rights, and ensuring accountability in their operations. Corruption, discrimination, and unethical organizational behavior deteriorate social sustainability because it reduces the trust and fairness within society. Therefore, socially sustainable organizations are supposed to assure integrity and responsible business practices throughout their operations and supply chains.

From Commitment to Action

To truly operationalize social sustainability through the SDGs, organizations must move beyond symbolic commitments and embed social considerations into their daily operations and strategic decision-making. This begins with identifying which SDGs are most relevant to the organization's business activities and stakeholder expectations. From there, organizations should establish clear policies, set SMART targets, and track progress through robust monitoring systems; ideally aligned with the 169 specific targets and more than 200 indicators provided under the 2030 Agenda for Sustainable Development, rather than referencing the 17 SDGs in broad terms alone.

Employee engagement, stakeholder collaboration, and transparent reporting are equally important in ensuring that social sustainability initiatives produce lasting, meaningful outcomes rather than short-term gains. Organizations must recognize that social sustainability extends well beyond philanthropy or charitable giving. While community investment initiatives are valuable, genuine social sustainability requires embedding social responsibility into organizational culture, decision-making processes, and value creation at every level.

Sri Lanka at a Glance in SDG Performance

The United Nations tracks SDG performance across member countries through its Global SDG Indicators Data Platform. In Sri Lanka, the Sustainable Development Council provides access to complementary data via its SDG Public Portal, offering insights into national progress and comparisons with regional peers. It is worth noting, however, that there are considerable gaps in data availability across both platforms. For many indicators, the most recent Sri Lankan data dates to 2019–2020, though some indicators on the UN platform have been updated as recently as 2024–2026.

Based on available data, Sri Lanka's poverty headcount ratio stands at 4.1%, representing approximately 844,000 people living below the national poverty line of Rs. 4,166 per month. The country has achieved notable progress in health and education, underpinned by its long-standing systems of free public healthcare and education. Maternal mortality rates are already below SDG targets, and high literacy rates, strong primary school enrollment, and gender parity in primary education compare favourably with regional benchmarks. Nonetheless, significant challenges persist. Rising mortality from non-communicable diseases, growing mental health concerns, and infectious diseases such as dengue and HIV continue to strain the healthcare system. Despite widespread access to public healthcare, out-of-pocket expenditure remains high.

In education, tertiary enrollment remains below the regional average and ranks among the lowest for middle-income countries, a gap that contributes to persistent brain drain. Gender inequality also remains a pressing concern. Despite high levels of female educational attainment, Sri Lanka ranked 71st out of 189 countries in the Gender Inequality Index (2019) and 102nd out of 153 countries in the Global Gender Gap Report (2020), largely due to low female labour force participation. On a more positive note, the proportion of seats held by women in parliament rose from 4.9% in 2000 to 9.8% in 2025. Female-headed households which account for 25.8% of all households remain particularly vulnerable to poverty and marginalization, and gender-based violence continues to be a pressing social concern.

On the economic front, the annual growth rate of real GDP per capita declined from 4.1% in 2000 to -2.9% in 2023, reflecting the severe economic contraction the country has experienced in recent years. While Sri Lanka has maintained unemployment below 5%, significant disparities remain: female unemployment is more than double that of males, youth unemployment is considerable, and 66.7% of employed individuals work in the informal sector limiting their access to labour protections and social security.

Although poverty has declined over the past decade, income inequality and regional disparities in access to education and healthcare continue to challenge inclusive development. Urbanization presents a further concern. Despite being among the world's least urbanized countries, Sri Lanka is experiencing rapid urban sprawl, generating challenges related to housing, transportation, waste management, climate resilience, and disaster risk.

Sri Lanka's post-conflict achievements, including the restoration of peace following the end of the civil war in 2009, the enactment of the Right to Information Act, and the development of the Peace Building Priority Plan represent meaningful milestones. Nevertheless, governance challenges including corruption, weak institutional capacity, policy unpredictability, administrative inefficiency, and constraints on democratic freedoms continue to limit the country's long-term social and economic development.

Social sustainability is no longer a peripheral concern, it is a strategic imperative for organizations, governments, and societies committed to long-term progress. The SDGs provide a globally accepted, measurable framework for translating this commitment into action. Achieving a socially sustainable country demands more than policy intent, requires genuine, accountable engagement from the private sector and civil society. Ultimately, advancing social sustainability is a continuous commitment to building a world where fairness, inclusion, and human dignity are not aspirations, but standards.

Sustainability was never just about planet. It is equally about fairer wages, safer workplaces, and more inclusive societies. Until organizations place people at the heart of their strategies, no development goal, however well-designed, will ever be truly achieved

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