

Provincial Economic Inequalities in Sri Lanka: Challenges and Opportunities

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There is growing concern about the regional economic disparities in Sri Lanka which has experienced three insurgencies in the North and South of the country since 1971 until 2009. In spite of attempts by governments to close the economic gap between different provinces in the country, the most prosperous Western Province accounts for over 40% of the national Gross Domestic Product (GDP).

This paper attempts to map the provincial economic inequalities in Sri Lanka between the period 2006 and 2014 in terms of per capita income, poverty, provincial gross domestic product, unemployment, and any other socioeconomic indicators where data are available and thereby identify the 'leading' and 'lagging' regions in the country. The plausible causes for the status of 'leading' or 'lagging' regions will be descriptively analysed and policy suggestions mooted to rectify the situation. The framework of analysis will be drawn from the sub-discipline of spatial economics. This policy oriented paper will make suggestions to mitigate the politico-economic impact of the economic disparities and promote shared prosperity in Sri Lanka.

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