



STRUCTURAL CHANGES IN ECONOMIC DEVELOPMENT IN SRI LANKA AFTER 1977

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The overall aim of this study was to evaluate the structural changes in economic development in Sri Lanka after 1977 with the introduction of open economy policy. The study attempted to investigate the structural changes that occurred in development process in terms of production, employment level and foreign trade in Sri Lanka after 1977. In order to accomplish the objectives set for this study secondary data over last 36 years (from 1977 to 2013) are employed. Percentages, frequencies, and descriptive analyses were used to analyse the data. The results clearly show that the share of the agriculture sector to the GDP has decreased to 11.1% in 2012 from 26.7% in 1977. Share of industrial sector to the GDP in 1950 was about 24% and it has decreased to 22.5% in 1977 and increased to 30.4% in 2012. Service sector contributed 55% to GDP during 1961-1965, and 58% during 1971-1977. The highest contribution was recorded in 2007 as 59.6% after 1977. Employment in the agriculture sector has declined to 29.7% in 2013 from 46.8% in 1990 while the industry and service sectors' employment are increased as to 26.2% in 2013 from 14% in 1997 and 37% in 1946 to 44.1% in 2013 respectively. In 1950, 90% of export earnings was given by the agriculture and it was declined to 32.1% in 1991. While the industrial export earnings to the total export earnings was increased to 61.8% in 1991. In 1977 the expenditure on import of consumer goods was 42% out of the total import expenditure and it has declined to 17.7% in 2013.

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