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BROADENING ECONOMIC INTEGRATION:

SA needs to be wary of impact of liberalisation on the poor - *Dr. Kalegama*

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As developing countries South Asia needs to be wary of the impact of liberalisation on the poor.



Executive Director, IPS Dr. Saman Kalegama and Head, UNDP-RCC and Chief of Policies and Programs, UNDP Regional Centre for Asia and Pacific Omar Noman at the conference. Picture by Saliya Rupasinghe

Marketeters are imperfect and liberalization could result in medium to long term unemployment in certain uncompetitive sectors said, Executive Director, IPS Dr. Saman Kalegama.

He was addressing the international conference on Broadening Economic Integration in South Asia: Incorporating Services Liberalization at a time of Global Economic Crisis yesterday at the Taj Samudra.

He said, "It is important to strike a compromise between the medium term hazards of increased unemployment as well as the longer term benefits of increased competitiveness".

"Domestic regulation is another critical issue for developing countries. South Asia has been historically plagued with over-regulation. However, effective regulation is particularly important in the service sector.

Regulation is very important in services such as health and education. There is an important social impact on services such as telecommunication and finance", he said.

"Liberalisation of services has a profound impact - both positive and negative. A country would be successful if it is able to reap the benefits of liberalisation whilst controlling and minimizing the harmful effects.

This is not an easy task and a great deal of research through dialogue and debate needs to go into this process", he said. "We will have an open forum for discussion with the policymakers, researchers, private sector participants and civil society organizations with the aim of enhancing trade policy in the region", he said .

Advisor to the President on Foreign Affairs and former Secretary General - SAARC Nihal Rodrigo said, "SAARC has an open relationship with several countries such as Australia, China, United States and it augurs well for the future of SAARC"