



FACULTY OF
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Management for Growth and Development

P. S. M. Gunaratne

Chief Editor

Annual research sessions of the Faculty of Management & Finance, University of Colombo 2006 was set aside to make an international platform to identify the importance of management in the context of economic growth and development and associated issues. Both local and international scholars and practitioners were assembled for the event on 15th September 2006 at the Sri Lanka Foundation Institute under the banner: *International Research Conference on "Management for Growth and Development" (IRCMGD - 2006)*. This well attended successful conference paved the way to launch the "*Colombo Business Journal*" by the Faculty of Management & Finance, University of Colombo. All papers for the first Issue, Volume 01 of the Journal are drawn from the *(IRCMGD - 2006)*.

The theme "**Management for Growth and Development**" is demanding and timely. Issues related to growth and developments are not limited to developing and transforming economies. While they are struggling to achieve a sustainable growth, the developed world is also making concerted efforts to maintain the economic success they have already achieved. The best way to understand the economic growth and development is to analyze the progress of standards of living of the humankind retrospectively. We can be reasonably confident that nearly every generation in history has lived better than its predecessors. Just as most of our standards of living exceed that of our parents, standard of living of our dependents will also surely exceed ours. This march of progress is recognized as economic growth and development in general. However the rate of economic growth varies considerably from decade to decade or from time to time, and from country to country or from region to region. It is not endowed but has to be achieved through collective human efforts. Even a small difference between annual growth rates is enormous as benefits of growth multiply over periods or generations. For example, if Sri Lanka's per capita income grows at a consistent rate of 5 percent per annum, it would rise to the level of US\$10,000 from its current level of US\$1,000 within the next 50 years. If the country could maintain a growth rate of 6 percent a year, by just 1 percent above the initially hypothesized growth rate of 5 percent a year, for next 50 years, the country could reach the level of US\$17,000 annual per capita within this period. Clearly, growth is the engine of economic prosperity. Almost all serious commentators now believe that our economic growth rate has not been adequate to fulfill the aspirations of the people. On the other hand, there is an undeniable relationship between management and economic growth though it is not the only important consideration in this respect. In any country, the scarce productive resources are by and large in the hands of thousands of

managers employed by varying public and private sector organizations today. Among other things, the efficiency at which these managers get the desired work done through limited resources available to them is paramount in bringing the economic prosperity and development. In fact, the improvement of production and managerial efficiency is considered as a necessary condition for the development of less developed and transforming economies. It is a pressing need of the hour.



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