

# Lanka's financial literacy, still low - Senior lawyer

Financial literacy among still land, even among the business community leaves much to be desired and needs to be addressed immediately as the country looking towards broadening its market access. The country could also make maximum of its strategy location by creating a platform for international arbitration.

Senior lawyer and a chartered arbitrator, a member of the board of Governors of the Sri Lanka National Arbitration Centre (SLNAC), Hiran De Alwis highlighted the need to improve financial literacy among Sri Lankan public to ensure the country is fully geared to engage in international trade in a larger scale.

"The revolutionary Chinese Leader Deng Xiaoping once said that 'Not a single country in the world, no matter what its political system has ever modernized with a close door policy'. We may be now faced with the reality of opening up our markets, trade and employment opportunities for our professionals which will bring more income opportunities. But going forward we must be fully geared for it," De Alwis said in an interview with Daily News.

Knowledge and awareness among the people has to improve and is critical, in order to reap the benefits of the opportunity before the country today.

"Even though we have a high literacy rate, Sri Lanka's financial literacy is very low, It is imperative that financial literacy is inculcate in

the people, they should be made aware of even the mundane details like how a loan should be obtained, signing a document."

Sri Lankans, responsible officials and ordinary citizens alike have little knowledge many of the standard practices, de Alwis says.

"Sri Lankans have a very bad practice of signing documents first and then asking questions, from the national level hedging document to simple agreement of taking a vehicle loan."

He highlighted that if Sri Lanka is going for cross border trade, international trade, free trade agreements Sri Lankan authorities have to be fully equipped with understanding of the law, to protect Sri Lanka and its people.

The responsibility is not limited to AG's Department which is competent on its own to handle such matters, but other government institutes which are also involved in attracting investments should also be brought up to date, he said.

"The foreign ministry is now focusing more on getting the diplomats to focus on economic diplomacy, and with this comes the necessity of developing the knowledge on benefits and pitfalls of cross border economic activity," De Alwis said.

The business community should also be better equipped with better knowledge on international laws governing trade and agreements, as the country move forward to broaden its markets.

The Private sector going into



**Hiran De Alwis**

business, and the services sectors which may open up, should be properly advised and groomed to handle the future situations to avoid negatives while getting the maximum on new agreements.

"If properly advised we can reap the benefits from cross border trade to maximising returns through proper knowledge and proper legal awareness."

Drawing from his experience as a member of the board of Colombo Stock Exchange De Alwis said that that majority of Sri Lankans do not have the knowledge to reap the benefits of economic development.

The country also needs an efficient and effective dispute resolution mechanism, if Sri Lanka is to move forward in development and encourage investments. "We have a well placed dispute mechanism with excellent laws, what is lacking is effective enforcement of the laws," he, claimed. However he

pointed out that it is imperative to 'avoid inordinate delays currently experienced in the system.

According to De Alwis with a history of over 100 years the country has a sound legal base for arbitration with laws based on Uncitral model laws. This is complemented by the competent judiciary and legal professionals, providing the necessary elements for arbitration.

Added to this the physical placement of the country the trade routes will also help develop the country as an international service centre for dispute resolution, De Alwis said.

However going forward authorities need to develop infrastructure to accommodate growing numbers. The number of court houses need to be increased explained De Alwis. Further the attitude towards dispute resolution needs to change as well, he said. The sector also need state support to development of arbitration centres.

"There is a great opportunity for Sri Lankan professionals to develop themselves into income generating body as a international dispute resolution centre," De Alwis explained. However this process should be led by the private sector he insisted.

There is potential for arbitration centres around the country to be developed into a hub similar to Singapore, however the role of the state should be carefully managed to that of a facilitator to provide infrastructure and necessary legal reforms when needed.