

# Creative and cultural industries in Sri Lanka





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## Acknowledgements

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## Institute of Policy Studies of Sri Lanka (IPS)

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# Forewords and Preface

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# Shaping the future: why this report matters

Foreword by Shelagh Wright

The creative and cultural industries (CCIs) are one of the fastest growing economic sectors in the world. In many countries they are growing at double the rate for the economy as a whole. In the UK they contributed £101.7 billion to the economy, that is £11.5 million an hour in 2018 (DCMS, 2017). They generate quality jobs faster than any other sector. Global figures from the United Nations tell us that in 2015 they contributed US\$2,250 billion to the global economy and employed almost 30 million people. But they are more than just economic generators.

Most governments recognise the creative industries as essential to a successful 21st century economy and society, even if their definitions vary, because CCIs are more than just another sector. They are future-proof – the more a job is dependent on creative thinking and social and emotional intelligence, the less easy it is to commodify or be done by machines. Moreover, they play fundamental role in story-telling – film, craft, photography, design, architecture, fashion, music, dance, theatre ... all project a sense of culture, identity and values beyond the purely commercial. The creative industries play a central role in economic development but they also tell a unique story about a place and its people.

Creative ideas are increasingly important in almost every part of the economy and society. Products, services and working methods developed in the creative industries are changing many other business sectors and driving innovations in tourism, health, education and environmental practice. This ‘spillover effect’ is how the creative economy contributes to innovation in other sectors including public services, and the identity, experience, growth and development of places and communities.

So, it is worth noting that creative jobs are spread right across the economy, not just in those sectors that are defined as being part of the creative industries. Latest UK figures, for example, suggest that in addition to the 1.9 million jobs in the formal creative sector there are at least one million jobs in the wider economy that can be defined as ‘creative’.

CCIs grow and generate future-proof livelihoods partly because they are agile and often low-cost. Many creative jobs have low barriers to entry; they are labour rather than capital intensive. So the sector can generate jobs more quickly and at lower ‘per job’ cost, a fact evidenced from around the world. The

Chief Executive of British Telecom famously once quipped that to start a creative enterprise all you need is a dog, a chair, a computer and some talent – a chair to sit on, a computer to drive your talent and a dog to wake you up in the morning ... But joking apart, growth can generate from ‘one man/woman and a dog’ micro businesses to global entities via connected supply chains with the help of good policy.

The rate of growth in the creative industries, their reliance on human ingenuity and imagination and scalability, means they can offer opportunities to economically marginalised groups.

‘Development of a creative economy can form an integral part of any attempt to address inequality’ (UNESCO/UNDP creative economy report 2013).

In short, CCIs can:

- generate livelihoods for many
- drive social and cultural as well as economic innovation
- benefit other areas of the economy (from tourism to retail to health and education)
- bring new energy and pride to communities and countries
- reflect and refresh a country’s culture and heritage.

Creative and cultural industries are shaping the future and that is why this report matters to Sri Lanka. It is a small first step on a valuable and vital journey to nurture the health and wealth of the current creative talent and that which is yet to come.

**Shelagh Wright**  
Adviser on creative economy  
development to the British Council



# Creative industries as a new growth driver for Sri Lanka

Foreword by Anushka Wijesinha

There is growing acknowledgement of the contribution that the creative industries make to employment, innovation and economic growth in developing countries. By some estimates, the creative industries (and their trade, globally) are growing faster than many conventional industries. This is true not only for advanced economies but for developing economies as well.

As an economy that recently reached upper middle-income status and is aspiring to reach high income, Sri Lanka needs to continually find new and sustainable sources of growth, to create new dynamism in the economy and create new jobs for young people matching their rising aspirations. The creative industries provide fresh opportunities for inclusive growth, with a focus on greater female participation and greater environmental sustainability.

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**Creative industry workers, industry specialists and entrepreneurs, and public policy leaders must now come together, and embark on a private–public dialogue process to harness the sector’s full potential.**

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Many of the existing prominent export sectors in Sri Lanka – apparels, electronic components and IT services – have shown that it is the creativity and ingenuity of our workers that have given us a global edge over our competitors, even as costs in the country have risen. Therefore, focusing on growing the creative industries will not only drive growth in new sectors but also fuel a new wave of growth in existing sectors that may be under strain. Sri Lanka’s growing recognition as a top tourism destination, and our reputation for ethically manufactured and sustainable exports (in apparels, spices, and food and beverages for instance), lends itself nicely into the new creative industries push.

This report provides a pioneering first look at the creative industries in Sri Lanka and I congratulate the team that put it together. I am glad to see this come to fruition, following initial discussions held at the British Council a few years ago. During those discussions, I was impressed and excited by the enthusiasm shown by the participants to embark on a public policy push for this sector. This bodes well for growing this sector and getting the national recognition it needs.

Creative industry workers, industry specialists and entrepreneurs, and public policy leaders must now come together, using this report as an anchor and embark on a private–public dialogue process to harness the sector’s full potential. It can help identify new economic opportunities that must be pursued (especially in exports), identify solutions to policy and regulatory pain points, bridge skills development and curriculum gaps to gear the sector for the future, and elevate the sector’s prominence and recognition among policymakers, government officials and citizens.

**Anushka Wijesinha**

Economist and Policy Adviser, and Member of the Global Future Council on Innovation Ecosystems, World Economic Forum





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# A timely opportunity for Sri Lanka

Preface by Gill Caldicott

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When I first arrived in Sri Lanka two and half years ago, I was immediately struck by the colour, vivacity, dynamism and unique nature of the creativity, arts and crafts, the traditions and the heritage of this beautiful country. It wasn't long before I met practising artists and entrepreneurs who are making a success of these creative and cultural opportunities. Nevertheless, after some time it became apparent to me that Sri Lanka has far more potential than it is currently realising in the arts and creative sectors. To start with, there is currently no formal recognition of the economic and social benefits of creativity and culture in Sri Lanka. Many countries around the world, increasingly in Asia (both South and East Asia), are positioning their 'brand' and their unique identity around their culture, heritage and natural resources. They are also beginning to understand the economic benefit of creativity and adding the 'value' of creativity to the range of economic indicators. When the economic value of creativity is realised then interest, and investment, will frequently follow. Now is the time for Sri Lanka to recognise the value and the potential of its rich and diverse creative heritage and build on its creative and entrepreneurial talent to contribute to its economic and social prosperity.

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**This report is the first of its kind for Sri Lanka and represents a simple attempt to map the current state of the creative and cultural sector in the country.**

**It is a first step – we hope – in a journey of recognition which will result in raised profile and increased real and perceived value of the sector.**

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This report is the first of its kind for Sri Lanka and represents a simple attempt to map the current state of the creative and cultural sector in the country. It does not claim to be entirely comprehensive. It is a first step – we hope – in journey of recognition which will result in the raised profile and increased real and perceived value of the sector. It would not have been possible without the collective collaboration of our partners, who are acknowledged above and to whom we are very grateful. Indeed, collaboration is key to the success of the sector and we sincerely hope that artists of all kinds, creative entrepreneurs and cultural influencers will take the next steps necessary to consolidate and bring to reality the recommendations.

**Gill Caldicott**

Director Sri Lanka, British Council



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## List of abbreviations

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**4As**

Accredited Advertising  
Agencies Association

**DCMS**

Department for Digital  
Culture, Media and Sport

**EUNIC**

European National Institutes of Culture

**GoSL**

Government of Sri Lanka

**GDP**

Gross domestic product

**IAA**

International Advertising Association

**ICH**

Intangible cultural heritage

**IDR**

Indonesian rupiah

**IGC**

Intergovernmental Committee on  
Intellectual Property and Genetic  
Resources, Traditional Knowledge  
and Folklore (established by the  
World Intellectual Property Office)

**IP**

Intellectual property

**JAAF**

Joint Apparel Association Forum

**LKR**

Sri Lankan rupee

**NCC**

National Crafts Council

**NEDA**

National Enterprise  
Development Authority

**NVQ**

National Vocational Qualification

**PPB**

Public Performances Board

**SAARC**

South Asian Association for  
Regional Cooperation

**SLASSCOM**

Sri Lanka Association of Software  
and Service Companies

**TVEC**

Technical and Vocational  
Education Commission

**UI**

User interface

**UN**

United Nations

**UNCTAD**

United Nations Conference on  
Trade and Development

**UNDP**

United Nations Development  
Programme

**UNESCO**

United Nations Educational, Scientific  
and Cultural Organization

**UNFPA**

United Nations Population Fund

**US\$**

United States dollar

**UX**

User experience

**WIPO**

World Intellectual Property Office

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# Executive summary

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# Executive summary

This report is a baseline study into the current state of the cultural and creative industries of Sri Lanka. It is a first attempt at creating a framework to consider industries with a strong 'creative' element in their work and developing an understanding of their current situation and major challenges. These industries are of growing global significance, and so this report goes on to provide recommendations to address some urgent subsector challenges, as well as providing cross-cutting recommendations for growth of the sector as a whole.

Cultural and creative industries are those activities which have their origin in individual creativity, skill and talent, and which have a potential for wealth and job creation through the generation and exploitation of intellectual property (DCMS, 1998). For the purposes of this report, we identified the following thematic focuses, following and developing from the Singaporean model.

Arts and culture	Design	Media
Photography	Software	Publishing
Visual arts	Advertising and branding	Television and radio
Performing arts	Architecture	Digital media
Literature	Interior design	Film and video
Arts, heritage and crafts	Graphic design	
	Industrial design	
	Fashion design	

The study used multiple research methods: analysis of the most recent *Labour Force Survey* (Department of Census and Statistics, 2017b) and relevant secondary literature; a survey conducted with 492 creatives across seven out of nine provinces; eight focus group discussions totalling 75 participants; and 40 key informant interviews using a semi-structured questionnaire guide. Additionally, a steering committee of 12 people was established consisting of creative industry representatives and a mix of local and foreign experts. The committee was involved in consultations to identify creative industries for this report and in meetings to validate findings. Subsectoral analysis was conducted on eight groupings: performing and visual arts; advertising; publishing and literature; photography; crafts; fashion design; IT (graphic design, gaming and digital

creatives); and architecture and interior design.

**Sri Lanka's creative economy has shown steady growth between 2010 and 2014, rising from US\$433.62 million to US\$845.41 million in contributions to GDP; in other words, a 95 per cent growth, calculated from exports of goods and services.** However, consistently higher imports have resulted in a negative balance of trade through the same years. A conservative estimate of the GDP contribution places it at 1.06 per cent contribution at 2014 (calculating with creative goods and services exports as a percentage of GDP). Notably, only 4.6 per cent of respondents to our survey were exporting, meaning this 1.06 per cent GDP contribution is an underestimate that does not account for the domestic circulation. Of the survey respondents, 5.3 per cent stated they catered to both local and foreign clientele. The main exporting countries were Australia (13 per cent of respondents), the USA (nine per cent), India (nine per cent) and Canada (nine per cent).

**Almost three per cent (2.9 per cent) of the economically active workforce are involved in the creative industries. For comparison, the tourism industry, a sector that is a core economic development focus of the government, employs only about 1.9 per cent of the workforce.** Out of the three per cent of creative workers, 36 per cent are women, and 67 per cent of workers in the sector are between the ages of 24 and 55.

**The overwhelming majority of workers (71 per cent) are in the private sector, as opposed to belonging to government or semi-government institutions, which means those working in this sector are generating wealth and creating public earning through taxation rather than drawing down state resources.** Importantly, self-employment is high in this sector, with 40 per cent of the workforce identifying themselves as 'self-employed', as opposed to being 'employees' (47 per cent), employers (five per cent) or unpaid family workers (seven per cent). The awareness about, uptake and exercise of intellectual property (IP) rights among those surveyed was poor. Only 8.8 per cent of respondents had any form of IP protection, out of which 48 per cent had copyrights, ten per cent had patents, 26 per cent had trademarks and 16 per cent had others. Copyrights and trademarks were taken up in each sector whereas

patents were only adopted in a few subsectors.

**The creative sector employs both the highly educated and least educated ends of Sri Lanka's labour force.** Of this workforce, 78 per cent has its highest education level at Ordinary Level (first public examination taken at age 16); 14 per cent have studied only up to primary education while 22 per cent have completed high school education (Advanced Level) or beyond.

The mean monthly wage of the creative sector is LKR 29,418 per month (US\$192.40) while the national mean is LKR 33,894 (US\$221.70). Excluding crafts and product, graphic and fashion design, all other sectors earn above LKR 40,000 (US\$261.60) on average, showing that this sector has a strong ability to provide workers with a decent salary and retain workers. Most of the workforce in the creative industries are between ages 24 and 55, which mirrors the national trends. The IT, design and advertising sectors have a younger demographic, with 82 per cent, 76 per cent and 74 per cent respectively being under the age of 45. This may be because of the higher earning potential as well as prestige of working in urban companies. Only 24 per cent of craft workers are above the age of 55, indicating that craft-making is decreasing in uptake among younger generations, possibly due to poor work conditions and low wages or as a form of income in old age. The development of this sector could be an important solution for Sri Lanka to support its imminent ageing crisis and provide an option for old-age income.

**The conclusion of this report is that the creative and cultural industries of Sri Lanka have considerable potential to contribute to the economy. For this to become a realisable ambition, our top recommendations are:**

- **Position Sri Lanka as an ethical and sustainable creative hub.** The growth in ethical and responsible consumerism presents a great opportunity for Sri Lanka since the country has strong labour legislation and environmental regulations that support the guarantee of ethical production. Sri Lanka is unable to produce at mass scale so the value addition of guaranteeing ethical and green production can be the draw for buyers and investors to prefer Sri Lankan creatives over other competitors. This will be a unique selling point for the country, positioning the country as a standout leading creative production hub within South Asia, and competing with East Asia.
- **Support Sri Lanka's position in global value chains.** Creatives working alone or in small, local companies struggle to tap into the global market even though they may have the capacity to cater to foreign demands. Connections to global value chains need to be made easier to access and streamlined. This can be achieved through the following measures: (a) enable internal remittances from international payment systems such as PayPal

and Stripe; (b) improve exposure opportunities of local creatives through funding attendance at international trade fairs and exhibitions, improving exposure opportunities locally and supporting international professional exchanges; and (c) entering into bi- and multi-lateral agreements that connect Sri Lankan creatives to target countries such as within the SAARC (South Asian Association for Regional Cooperation) region or export market countries such as Australia, Canada and India.

- **Improve data on cultural and creative industries.** The Ministry of Industry and Commerce must treat the creative industries as a sector and include it in its next National Industrial Survey. This report recommends which subsectors should be included in Sri Lanka's creative industries definition. The survey can create a mapping to understand the value of this industry, the economic contribution and revenue, and the nature of its workforce.
- **Develop a strong professional association for cultural and creative industries.** To address the lack of networking, collaboration and industry-wide support for the creative industries, a strong professional association should be created by the sector so that the sector itself can voice overall concerns, monitor growth, steer development and act as a collective bargaining body to represent industry interests.
- **Strengthen knowledge about and access to intellectual property (IP) rights. IP theft was a major concern spanning all creative subsectors.** Litigation on formal IP rights is challenging due to the ineffectual nature of the justice system in Sri Lanka so, as a more immediate remedy, a culture of recognising and respecting IP rights must be created. The professional association for creative industries could be instrumental in this through establishing a code of ethics and holding members accountable. Both the general public and businesses who employ creatives must also conform to this respect for IP.
- **Value creative education, strengthening the teaching of creative skills across the curriculum.** Skills learnt from creative arts education such as creative, critical and lateral thinking are vital soft skills for any form of employment and are increasingly required by employers across all sectors. Creative education must be strengthened by improving teacher training and resources and making school curricula more contemporary. This will elevate the social standing of creative arts, develop a population that values creativity, support students who wish to pursue this field professionally and produce a workforce better able to meet the demands of the changing nature of work.

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# Section One

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# Introduction

The creative and cultural industries (hereon referred to as the creative industries) are those that centre on the use of creativity to provide goods and services, ranging from literature and crafts to software and industrial design. These industries depend on the ability to use intellectual production to create jobs and wealth and as such are a central part of a knowledge-based economy. Although some cultural industries such as visual and performance arts are often publicly subsidised, there is now recognition worldwide of both the lateral and direct contribution of these industries to overall economic growth. In mapping documents carried out in the Australia, the EU, New Zealand and the UK, the creative industries were seen as ‘economically significant’ and comparable to high-investment sectors such as agriculture in terms of their contribution to income, employment and trade (Potts and Cunningham, 2008: 234). In a 2015 study by Ernst & Young, UNESCO and CISAC, this sector generated US\$2,250 billion in revenues in 2013, or about three per cent of the world’s GDP, and 29.5 million jobs. The sector has been especially important to developing countries, which have shown rapid and substantial growth in the 21st century. For the Philippines, the creative industries jumped from contributing five per cent of the total GDP in 2009 to 7.34 per cent in 2017, while in Indonesia, the industries grew from contributing 528 trillion IDR in 2010 to 922 trillion IDR in 2016, and in Singapore, as at 2014, it contributed 5.7 per cent of the country’s GDP.<sup>1</sup>

For Sri Lanka, the public policy shift towards creating a knowledge-based economy presents an opportune time to reconsider the potential value of the creative industries as a sector for investment, development and growth. Outside of the potential financial gains of this sector, the lateral benefits are many. The development of grassroots cultural industries has been shown to have wide-ranging benefits in Malaysia, the Philippines and Thailand, including fulfilling the cultural needs of promoting and protecting traditional knowledge, crafts and national heritage, as well as livelihood stability for workers and contribution to national economy (Nam, 2009). Cluster approaches have been used across the world to develop ‘creative hubs’ or ‘creative cities’ that have multiple effects: they bring creatives together in a symbiotic environment and thus grow the creative sector but they also create stimulating

environments for people (workers and visitors alike) outside of the creative sector, particularly those in new enterprise development or start-ups (Zheng and Chan, 2014; Hesmondhalgh, 2008). The direct and indirect benefits of investing in the creative industries are thus wide-reaching and deep.

**“Creative industry workers, industry specialists and entrepreneurs, and public policy leaders must now come together, and embark on a private–public dialogue.”**

In the spirit of seeing the creative industries as a potential growth direction for Sri Lanka, this report provides an exploratory mapping of the state of cultural and creative industries in Sri Lanka. It uses a mix of qualitative analysis methods to fulfil the following objectives:

- Establish a picture of the current size and scale of the creative industries sector in Sri Lanka.
- Provide information to inform the design of interventions to support sector recognition, growth and development.
- Provide information to stakeholders to enable the development of policies and strategies that can promote sector development.

The report begins with a brief explanation of the methodology used in the research and country context. It then moves to an overview of the creative industries in Sri Lanka before exploring each subsector in detail, identifying its current state and activities, existing constraints and potential opportunities for growth. Each section has sector-specific recommendations and the report concludes with a set of wider-reaching recommendations for all stakeholders, including government, civil society, enterprises and private sector, and interested parties of the international community.

1. Author calculations based on UNCTAD (2018) and the World Bank (2019).



Academy of Design international award-winning alumnus Amesh Wijesekera showcases at Berlin Fashion Week, January 2019.

© Mercedes-Benz Fashion Week, Berlin, 2019.

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## Case study

# Linda Speldewinde —Design Corp

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Pioneer entrepreneur Linda Speldewinde, winner of the UK Young Creative Entrepreneur Award 2009, was determined to bring the UK's creative industry knowledge and design thinking to Sri Lanka. Guided by a thirst for design and inspired by her early collaborations with apparel giants MAS Holdings and Brandix, Linda saw the potential for design to influence the fashion manufacturing industry and realised the importance of developing a unique Sri Lankan fashion design identity. Founder of the Design Corp group of companies (comprising the Academy of Design (AOD), Fashion.lk, Sri Lanka Design Festival, Island Crafts and Mercedes-Benz Fashion Week Sri Lanka), she recently inaugurated the 21-storey Colombo Innovation Tower (CIT), which houses AOD 3.0, and the Museum of Modern and Contemporary Art. Linda is pursuing her vision to position the Academy of Design and Colombo Innovation Tower as a hub for South Asia, where innovation, technology, design and business meet to foster future generations of global design thinkers.

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# Section Two

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# Methodology

## Definitions

**Creative and cultural industries.** In this study, ‘creative and cultural industries’ are understood to be the ‘those activities which have their origin in individual creativity, skill and talent, and which have a potential for wealth and job creation through the generation and exploitation of intellectual property’ (DCMS, 1998).

**Creative industry subsectors in Sri Lanka.** In order to determine the subsectors relevant to the Sri Lankan context, the research team carried out literature reviews comparing other national models analysing creative industries as well as a consultation with local and foreign experts in Sri Lanka. The research team identified 16 subsectors, which are tabulated below according to the thematic focuses, as per the Singaporean model.

Arts and culture	Design	Media
Photography	Software	Publishing
Visual arts	Advertising and branding	Television and radio
Performing arts	Architecture	Digital media
Literature	Interior design	Film and video
Arts, heritage and crafts	Graphic design	
	Industrial design	
	Fashion design	

The administration of the research methods used in this study attempted to scope the 16 subsectors tabulated above. However, the organisation of information presented here follows a slightly different form, which is a result of limitations on the ability to disaggregate national level data and constraints on focus group participation. As such, the subsectoral analyses are of the following eight groupings: performing and visual arts; advertising; publishing and literature; photography; crafts; fashion design; IT (graphic design, gaming and digital creatives); and architecture and interior design.

This study began with 20 subsectors, including event management, Ayurveda, beauty culture and culinary arts. However, it was later decided that these subsectors will be omitted from this

report because although creativity plays a role in each of these, it is not the central tenet of these subsectors and therefore they were not taken as core subsectors in the creative industries. Summary findings from these sectors are in the Appendix.

## Research methods

This study used a combination of primary and secondary research methods.

Primary research was gathered through a survey administered to 492 participants across seven provinces; eight focus group discussions totalling 75 participants; and 40 key informant interviews using a semi-structured questionnaire guide. For the national survey, the sampling used data from the 2017 *Labour Force Survey* (Department of Census and Statistics, 2017b) to identify the district-wise distribution of workers in each subsector. The total number of workers was then weighted by the target survey sample size and by district-wise distribution to arrive at the sample size of each subsector in each district. The three most populous districts for each subsector were then selected as locations for sampling. Focus group discussion participants and key informants were selected through a combination of nominations from the British Council, artists’ guilds and associations, relevant ministries and public directories.

Secondary research material consisted of the 2017 *Labour Force Survey* and a literature review using reports, academic literature, journals, working papers and web-based publications. The 2017 *Labour Force Survey* was used as it is the most recent publication. It provides the basis of information for the descriptive statistical analysis included in the Overview.

A steering committee of 12 people was established consisting of creative industry representatives and a mix of local and foreign experts. The committee was involved in consultations in identifying creative industries for this report and in meetings for validation of findings.

Content analysis was then carried out on the qualitative findings while descriptive analysis summarises the characteristics of the field survey and *Labour Force Survey* data set.

The multiple methods of data collection, consultation workshops and validation meetings, and a steering committee of creative industry representatives and experts enabled triangulation of the research findings and ensure the quality and accuracy of the research findings.

### Limitations

Due to poor secondary data, it was not possible to accurately estimate the economic value of the creative industry sector. Reluctance on the part of respondents to reveal income or company earnings further exacerbated this issue. However, indicators of value and potential for the creative sector are attempted in section 4.1 based on available data (e.g. past export value).

The sampling mechanism also resulted in Colombo, Gampaha and Kurunegala being selected the most often as sites for survey administration. The lack of geographical diversity is somewhat mitigated by the fact that these are major urban centres with largely internal migrant worker populations (i.e. those interviewed are from all over the island) and for some subsectors, other districts were included such that only two out of the total nine provinces are not represented in the survey findings (North-Central and Eastern provinces).



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# Section Three

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# Country profile

## Geographical overview

The Democratic Socialist Republic of Sri Lanka is an island country in South Asia, located in the Indian Ocean to the southwest of the Bay of Bengal and to the southeast of the Arabian Sea. It is divided into nine provinces (Western, Southern, Eastern, Northern, Central, North Central, North Western, Uva and Sabaragamuwa) and 25 districts. The legislative capital is Sri Jayewardenepura-Kotte while the commercial capital and the largest city is Colombo.

## Demographic profile

Sri Lanka's estimated population (based on the 2012 census) is 21.8 million in 2019 with 11.2 million females and 10.3 million males. Colombo and Gampaha districts are the most populous with a population of 2.4 million each, while 28 per cent of the total population lives in the Western province. Mullaitivu (97,000) and Mannar (111,000) districts in the Northern province represent the least populous districts (Department of Census and Statistics, 2019). The official languages of Sri Lanka are Sinhala and Tamil, and the currency is the Sri Lankan rupee (LKR). The country's major ethnic groups (categorised by the national census) consist of 75 per cent Sinhalese, approximately 15 per cent and nine per cent as Tamils (both Sri Lankan and Malayala Tamils) and Muslims respectively, and several other minorities of small populations such as Burghers, Malays, indigenous Veddhas and recent migrants (Department of Census and Statistics, 2012).

In Sri Lanka, the population growth rate has slowed gradually while population ageing is accelerating at a faster rate than other South Asian countries. Population growth rate stood at 0.7 per cent per annum in 2012. There are 12.3 per cent of the total population, equivalent to 2.7 million people, above the age of 60 years, which is nearly twice that in 1981. The median age of the Sri Lankan population has also increased from 21.4 years in 1981 to 31.0 years in 2012. The life expectancy at birth for males and females is 72 and 79 years respectively showing feminisation of ageing in Sri Lanka (Perera, 2017).

## The governance mechanism

Sri Lanka is governed by three layers of institution: national government institutions, provincial government institutions and local government bodies. The central government is hierarchically led by the ministries and has local representation through regional branches of different line agencies and a system of district administration comprising District Secretariats, Divisional Secretariats and Village Officers. Provincial Councils and Local Government Authorities (Municipal Councils, Urban Councils and Pradeshiya Sabhas) that are governed by locally elected people's representatives operate below the level of central government (Government of the Democratic Socialist Republic of Sri Lanka, 2018).

## Social background

Sri Lanka has gone through several political, social and economic transformations since its independence in 1948 after a colonial rule of more than four centuries by Portuguese, then Dutch and finally British rule. During the post-independence period, Sri Lanka has developed into a welfare state, making significant progress in reducing poverty and ensuring access to basic services such as health and education. Sri Lanka is ranked under the category of countries with high human development, recording a Human Development Index (HDI) of 0.76 (Rank 76) in 2017 (United Nations Development Programme, 2018). This signifies the country's strong base in terms of social development.

Sri Lanka has made considerable progress in reducing poverty in the past decade, with the incidence of poverty declining at the national level. The proportion of the population below the national poverty line declined from 6.7 per cent in 2012 to 4.1 per cent in 2016. Even though poverty has declined to a greater extent at the national level, poverty disparities still exist across the regions and sectors. Poverty headcount index in the estate sector (8.8 per cent) is higher than those of urban (1.9 per cent) and rural (4.3 per cent) sectors. At province level, the lowest poverty headcount index is reported in the Western province (1.7 per cent) and the highest is in Northern province (7.7 per cent). At district level, the lowest poverty headcount

index was reported in Colombo (0.9 per cent) while the highest reported from Kilinochchi (18.2 per cent) (Department of Census and Statistics, 2016).

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**Sri Lanka has shown steady growth over the last decade and graduated to an upper-middle-income country with a GDP per capita of US\$4,102 in 2018 (World Bank, 2019).**

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The entire population is covered by Sri Lanka's public health system which is well known for achieving outcomes such as low maternal and child mortality and rising life expectancy. In 2015, Sri Lanka's maternal mortality rate was 33.7 per 100,000 live births. Additionally, the under-five mortality rate and the neonatal mortality rates were 10 and 5.8 per 100,000 live births, respectively (Department of Census and Statistics, 2017a). Sri Lanka's educational attainments are similarly high, with a net primary enrolment rate of 99 per cent in 2015, while the secondary enrolment rate was also high at 85 per cent. Sri Lanka has also made notable progress on the literacy rate for 15-to 24-year-olds, which rose from 95.8 per cent in 2006/2007 to 97.8 per cent by 2012 thanks mainly to the provision of free state education (United Nations Sri Lanka, 2015).

### Economic profile

Sri Lanka has shown steady growth over the last decade and graduated to an upper-middle-income country with a GDP per capita of US\$4,102 in 2018 (World Bank, 2019). Sri Lanka's economy grew at an average of 5.6 per cent during the period of 2010-2018, although growth slowed down in the last few years (Central Bank of Sri Lanka, 2018). GDP at current market price was estimated at LKR 14,450 billion (US\$791 million) with a 7.7 per cent growth in 2018. However, real GDP growth continued its moderate trend with only 3.2 per cent growth (Central Bank of Sri Lanka, 2019). This growth can mainly be attributed to services activities that expanded by 4.7 per cent and the recovery in the agriculture sector with a growth of 4.8 per cent. Industry activities slowed down significantly to 0.9 per cent during this period, mainly as a result of the contraction in mining/quarrying and construction. The services sector (57.7 per cent in 2018) continued to provide the highest contribution to the GDP while the agriculture sector contribution stayed at a lower level (seven per cent in 2018) (Central Bank of Sri Lanka, 2018). The economy shows signs of transitioning towards a more urbanised economy with increased manufacturing and services orientation.



*Jetwing Vil Uyana Hotel and environment, designed by Sunela Jayawardena, open since 2006.*

© Jetwing Hotels.

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Case study

## Sunela Jayawardene —architecture and environment

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Concern for the environment and a passion for wildlife have always been a priority for architect, artist and author Sunela Jayawardene. Recognised as Sri Lanka's leading environmental architect by *Time* magazine in 2007, Sunela says that 30 years ago when she started her architectural practice there was no real concern for the relevance of environmental sustainability among many of her clients, although they liked her architectural style. Her signature style as is very much driven by consideration for the ecology of the site, the landscape, waterflow, ventilation and light. She also uses her work to showcase traditional building materials and vernacular building systems to validate and enable the resurgence of disappearing materials and styles. The design and construction of Jetwing Vil Uyana Hotel in Sigiriya is one of her most memorable projects. Here, degraded, barren agricultural land was restored as a wilderness for wildlife, and architecture inspired by traditional farmers' dwellings was incorporated into the landscape.

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# Section Four

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# Overview

## 4.1 Economic and legal dimensions

### 4.1.1 Contribution to GDP

Sri Lanka's creative economy has shown steady growth between 2010 and 2014, rising from US\$433.62 million to US\$845.41 million in contributions to GDP, i.e. a 95 per cent growth, calculated from exports of goods and services (see Figure 1). A conservative estimate of the GDP contribution of creative goods and services exports places it at 1.06 per cent contribution at 2014. Notably, only 4.6 per cent of respondents to our survey were exporting, meaning this 1.06 per cent GDP contribution is an underestimate that does not account for the domestic circulation. Particular industries signal high potential for development. Three of the craft companies participating in this study exclusively served an export market and one company (export and local circulation) reported a LKR 220 million (US\$1.2 million) turnover in the 2018–19 financial year. In the design sector, the total average annual revenue for design entrepreneurs was calculated to be US\$7.2 million, using estimates from graduates of two leading design academies (private and government).<sup>2</sup> Finally, in 2018, the IT sector's export revenue stood at US\$1 billion and the 2022 revenue target is projected at US\$5 billion, signalling the expansion of design-related IT services as well.<sup>3</sup>

Notably, for Sri Lanka, the 2005–14 period has seen a negative balance of trade in the creative sector due to higher imports over exports, as indicated in Table 1. However, other comparable regional countries – India, Pakistan, Malaysia

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Three of the craft companies participating in this study exclusively served an export market and one company (export and local circulation) reported a LKR 220 million (US\$1.2 million) turnover in the 2018–19 financial year. In the design sector, the total average annual revenue for design entrepreneurs was calculated to be US\$7.2 million, using estimates from graduates of two leading design academies (private and government).

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and Thailand – have all had consistently positive balances of trade in the same period. Thailand, for example, has shown growth in the 2010s, rising from US\$1,814.22 million in 2010 to US\$3,050.39 million in 2014. This positive growth signals the potential for this sector for Asian developing countries and particularly for Sri Lanka with its increasing renown internationally as a cultural tourism destination.

Table 1: Creative industries trade performance, Sri Lanka, 2005–14

Creative industries trade performance, 2005–14						Value in million US\$				
Sri Lanka	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Exports	159,97	169,08	159,37	177,25	143,21	168,62	193,16	191,76	215,88	217,51
Imports	322,76	338,70	349,22	421,07	364,83	380,95	522,48	502,23	453,08	523,32
Balance of trade	-162,79	-169,62	-189,85	-243,82	-221,62	-212,33	-329,32	-310,47	-237,20	-305,81

2. Calculations made from a combination of research from the Academy of Design, SLASSCOM and JAAF releases.

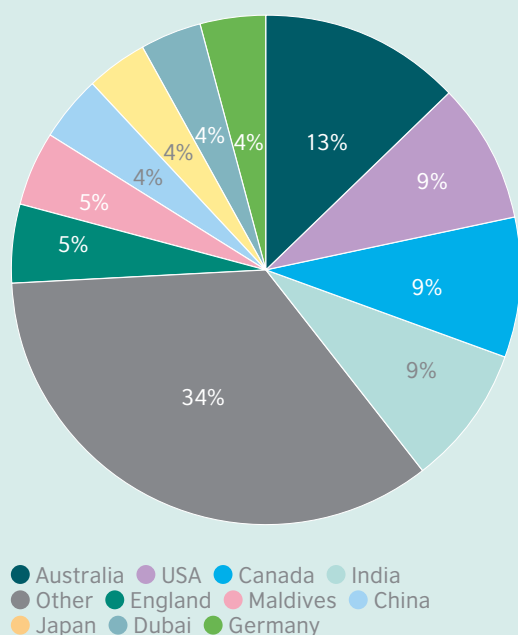
3. Calculations made from a combination of research from the Academy of Design and SLASSCOM releases.

Figure 1: Creative economy country profile of Sri Lanka, 2005–14 Source UNCTAD (2018)



### 4.1.2 Export characteristics

Of the survey respondents, 84 per cent stated that all their clients are local buyers. However, 5.3 per cent of the respondents provide for both local and foreign buyers, and 4.6 per cent export their products, the majority of which are exporting to Australia, Canada, India and the USA, as shown in Figure 2.

Figure 2: Main exporting countries<sup>4</sup>

Architecture, interior design and fashion design had the lowest amounts of export activity, with only five to six per cent of the survey respondents having some amount of export business. Advertising

and branding, software (including graphic design) and crafts all have between 18 and 20 per cent of their respondents having some degree of export activity. Three craft businesses had a 100 per cent export market, which suggests the immense potential of ventures in this industry.

The low connections to the export market are better explored in the subsectoral analysis. In summary, most creative workers find it difficult to connect directly to export markets (lack of knowledge, access). Those who are connected are either the large, successful companies, or small-time producers who are connected to the former via value chains. However, access to and information on connecting in these value chains is also poor; improving this would be a rich opportunity for interventions from the private sector and international stakeholders.

### 4.1.3 Uptake of intellectual property rights

The exercise of IP rights is of special relevance to the creative industries since it relies on the use of intellectual production to create its goods and services. Sri Lanka has an intellectual property rights legal framework that recognises patents, trademarks and copyrights, and it is working towards developing a framework that also recognises IP rights for traditional knowledge, traditional cultural expressions and genetic resources.

The awareness about, uptake and exercise of IP rights among those surveyed was poor. Only 8.8 per cent of respondents had any form of IP protection, out of which 48 per cent had copyrights, ten per cent had patents, 26 per cent had trademarks and 16 per cent had others. Copyrights and trademarks were taken up in every sector whereas patents were taken up only in visual/performing arts, crafts, advertising

4. Other countries included Bangladesh, Saudi Arabia, Singapore, South Africa and other European countries.

and film/photography/television. Interestingly, even though original software development is prevalent in Sri Lanka's IT industry, none of the IT survey respondents reported possessing patents.

There are some potential opportunities in the IP domain. The use of geographical indicators can be especially potent for this sector, since many forms of dance, music, craft and design are location-specific. Indeed, handloom weaving from Dumbura in the Central province has become so renowned that the weavers are saturated with demand from buyers of all sizes and from local and export markets. Adding geographical indications would strengthen their value and place a premium on their work and reputation.

Additionally, the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC), established by the World Intellectual Property Office (WIPO), is developing an international legal instrument that would empower traditional communities to gain recognition for their community knowledge, which has otherwise been exploited and commercialised unfairly in the global market. International cultural organisations who are interested in supporting the creative sectors of developing countries like Sri Lanka can push their governments to support the IGC's work and come to a consensus on the legal instrument, such that exploitation on the global markets can be curbed.

## 4.2 Workforce characteristics

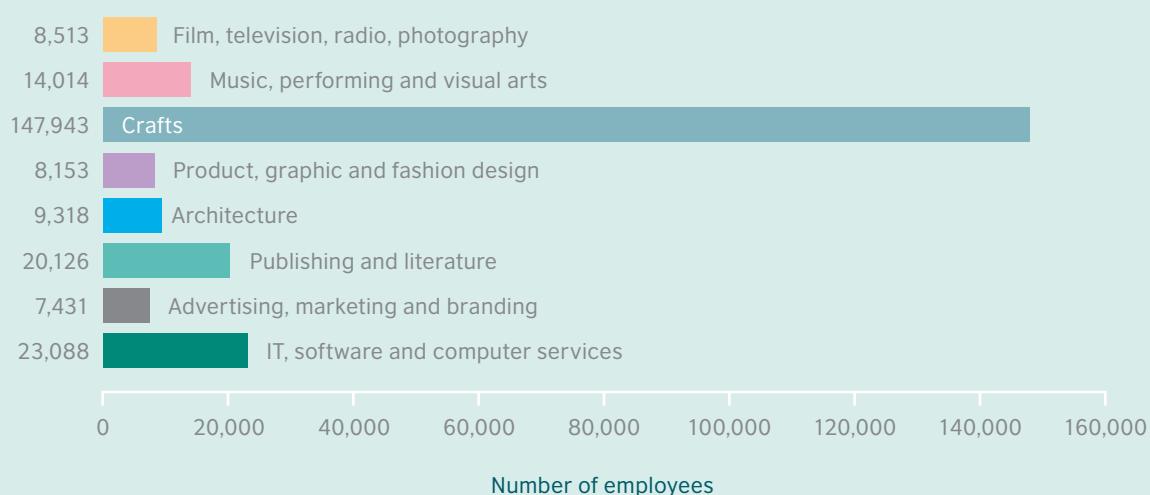
The survey findings estimate that 238,586 workers are involved in the creative industries. With 8,208 million employed workers nationally, that amounts to almost three per cent (2.9 per cent) of the economically active workforce. For comparison, the tourism industry, a sector that is a core

economic development focus of the government, only employs about 1.9 per cent of the workforce. Out of the three per cent of creative workers, 36 per cent are women, and 67 per cent of workers in the sector are between the ages of 24 and 55.

The Sri Lankan workforce's income is quite low on a national level: the national mean income is only LKR 33,894 (US\$221.70) per month. The earnings of workers in the creative sector are on average lower, with a mean monthly wage across the sector of slightly less than LKR 29,500 (US\$192.90) and 79 per cent of workers earning less than LKR 50,000 per month (US\$327.10).<sup>5</sup> However, the wage disaggregation between sectors (see section 4.2.1 below) will show that this skew towards low salaries is because of one or two subsectors, while most subsectors show a mean wage above LKR 40,000 (US\$261.60), which is high in comparison to the national average. The survey also requested that participants stated their salary but only five out of the 492 respondents who earned above LKR 500,000 (US\$3,271.20) disclosed their income. Since national data also caps the highest earning bracket at anything greater than only LKR 250,000 (US\$1,635.60), it is difficult to gauge the upper trends of earning potential in this sector. It was also difficult to get turnovers from individual companies in this sector but one textiles and fashion company stated that their 2018–19 turnover was LKR 220 million (US\$1.2 million), thus showing the enormous potential earnings if this sector is developed and invested in.

An overwhelming majority of workers (71 per cent) are in the private sector, as opposed to belonging to government or semi-government institutions, which means those working in this sector are generating wealth and creating public earnings through taxation rather than drawing down public

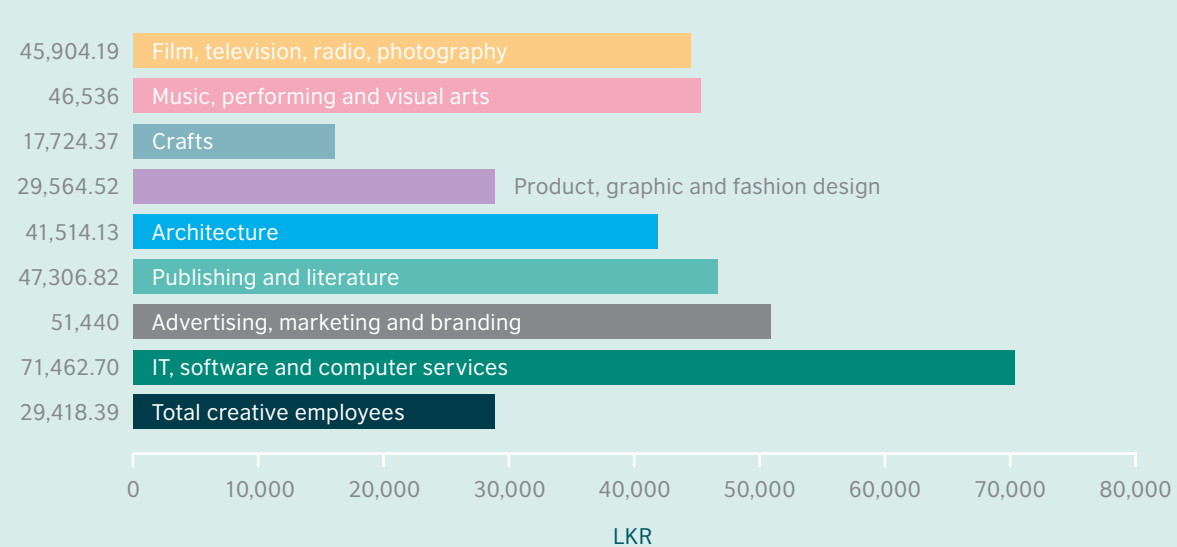
Figure 3: Number of employees in each sector<sup>6</sup>



5. Figures calculated from the *Labour Force Survey* (Department of Census and Statistics, 2017b).

6. Please note that the figures and tables throughout section 4 are taken from analysis of the *Labour Force Survey* (Department of Census and Statistics, 2017b). The groupings of subsectors correspond to this survey rather than the subsector separations this report follows.

Figure 4: Average wage in each sector



resources. Importantly, self-employment is high in this sector, with 40 per cent of the workforce identifying themselves as 'self-employed', as opposed to being 'employees' (47 per cent), employers (5 per cent) or unpaid family workers (7 per cent). It is thus important to note that the 71 per cent of workers in the private sector also include this vast number of self-employed persons.

Sixty-two per cent of the workers in the creative industries belong to the crafts sector. While this is the most populous sector, higher earnings come from IT and software, advertising and branding, publishing and literature, performing and visual arts, and film, television and photography.

Importantly, we note here that although the data is separated by subsectors, the synergies between sectors are inherent to the nature of the creative industries. As the subsector analyses in the conclusion and case studies will show, there is an inextricable interplay between design, craft and industries such as fashion and architecture: the latter build off traditional crafts knowledge and these subsectors' success depends very much on the existence of a craft workforce.

#### 4.2.1 Wages

The mean monthly wage of the creative sector is LKR 29,418 (US\$192.40), while the national means is LKR 33,894 (US\$221.70). The mean monthly wages of all the creative industry subsectors are above the national mean, with the exception of crafts, and product, graphic and fashion design (see Figure 4). All other sectors earn above LKR 40,000 (US\$261.60) on average, showing that this sector has a strong ability to provide workers with a decent salary and to retain workers.

#### 4.2.2 Gender

The economically active population of Sri Lanka is 63.4 per cent men and 36.6 per cent women. A 2016 report by the International Labour Organization found that women's labour force participation rate was low primarily due to social and cultural factors, although legal factors and education access did also play a role (International Labour Organization, 2016). Negative stereotypes still exist around women in public, women's responsibilities in the home or family, and what type of work is deemed suitable for a woman.

The gender distribution in the creative industries almost exactly mirrors the national distribution but the variation within sectors is noteworthy. Since the creative sector is a very public-facing sector, similar sociocultural constraints as felt on the national level may be affecting women's participation as well. Women are predominantly employed in the design and crafts industries. Considering crafts are often completed within the home, this is likely to be a socioculturally 'acceptable' form of economic activity for women. Men overwhelmingly dominate the performing and visual arts sector, with a mere ten per cent of the workforce consisting of women (see Figure 5).

#### 4.2.3 Age

Most of the workforce in the creative industries is between ages 24 and 55, which mirrors the national trends. The IT, design and advertising sectors have a younger demographic, with 51 per cent, 47 per cent and 36 per cent respectively being under the age of 35. This may be because of the higher earning potential, as seen in Figure 4 above, as well as prestige of working in urban companies.

Figure 5: Gender of workers in subsector

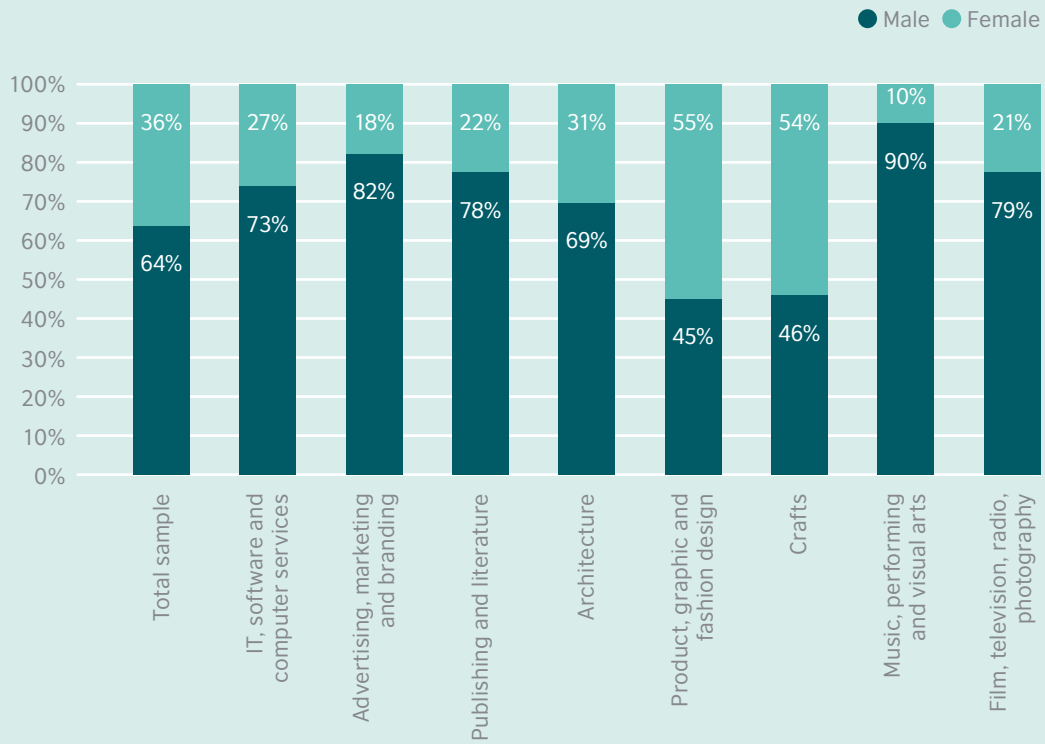


Figure 6: Age distribution in each sector

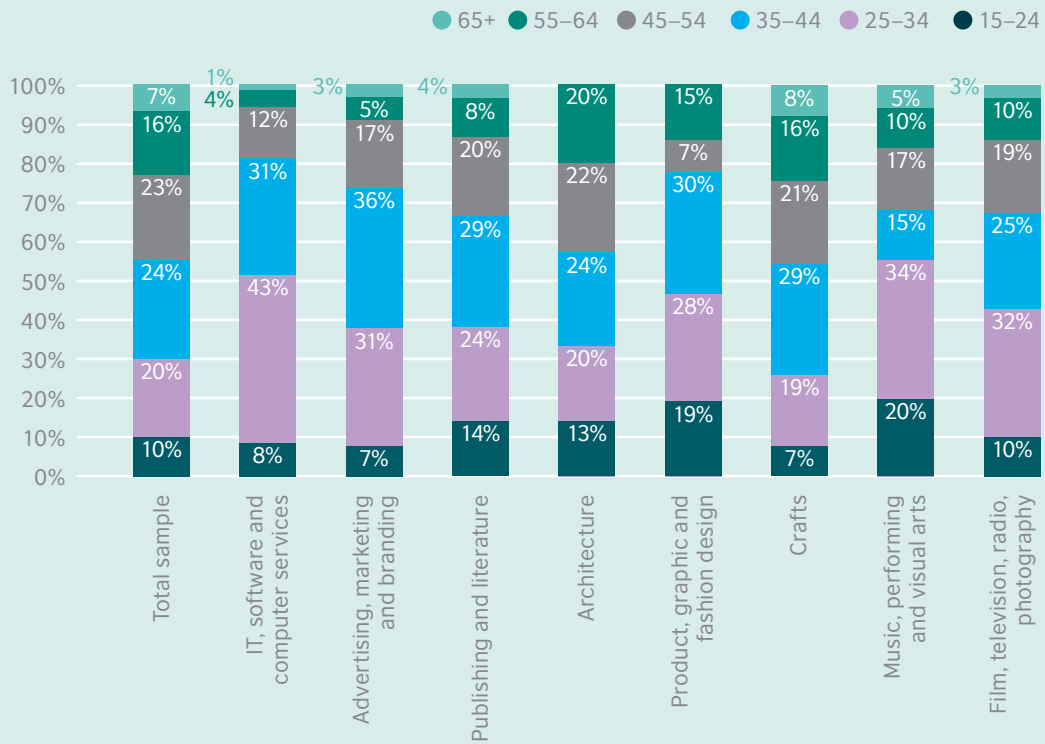
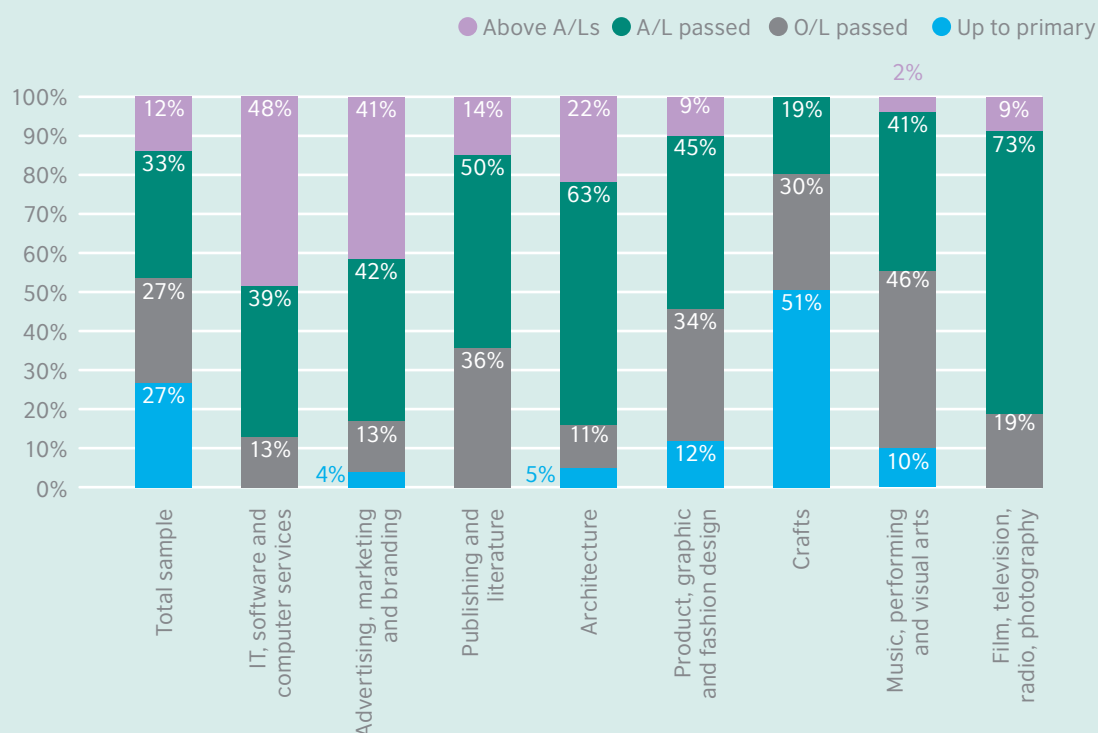


Figure 7: Highest education levels attained for workers in subsectors



Notably, 24 per cent of craft workers are above the age of 55, indicating that craft-making is decreasing in uptake among younger generations, possibly due to poor work conditions and low wages (see Figure 6). Alternatively, it also indicates people are using this as a form of income in old age. In the context of an ageing demographic, a low retirement age (55 years) from formal work and a lack of old-age income opportunities, the development of this sector could be an important solution for Sri Lanka to support its imminent ageing crisis.

#### 4.2.4 Education

The education distribution of the creative industries shows that the sector has the potential to gainfully employ workers with a wide spectrum of education levels. The highest education level is Ordinary Level (first public examination taken at age 16) for 78 per cent of this workforce; 14 per cent have studied only up to primary education, while 22 per cent have completed high school education (Advanced Level) or beyond. These latter two statistics indicate that this sector employs both the highly educated and least educated ends of Sri Lanka's labour force. Figure 7 illustrates this distribution. On the one hand, creative industries such as literary production, advertising, software and architecture have a highly educated workforce. On the other hand, design, crafts and visual arts appear to facilitate the employment of workers who

have not successfully completed minimum levels of secondary education: 53 per cent in design, 78 per cent in crafts and 33 per cent in visual/performing arts have not completed up to Ordinary Level.

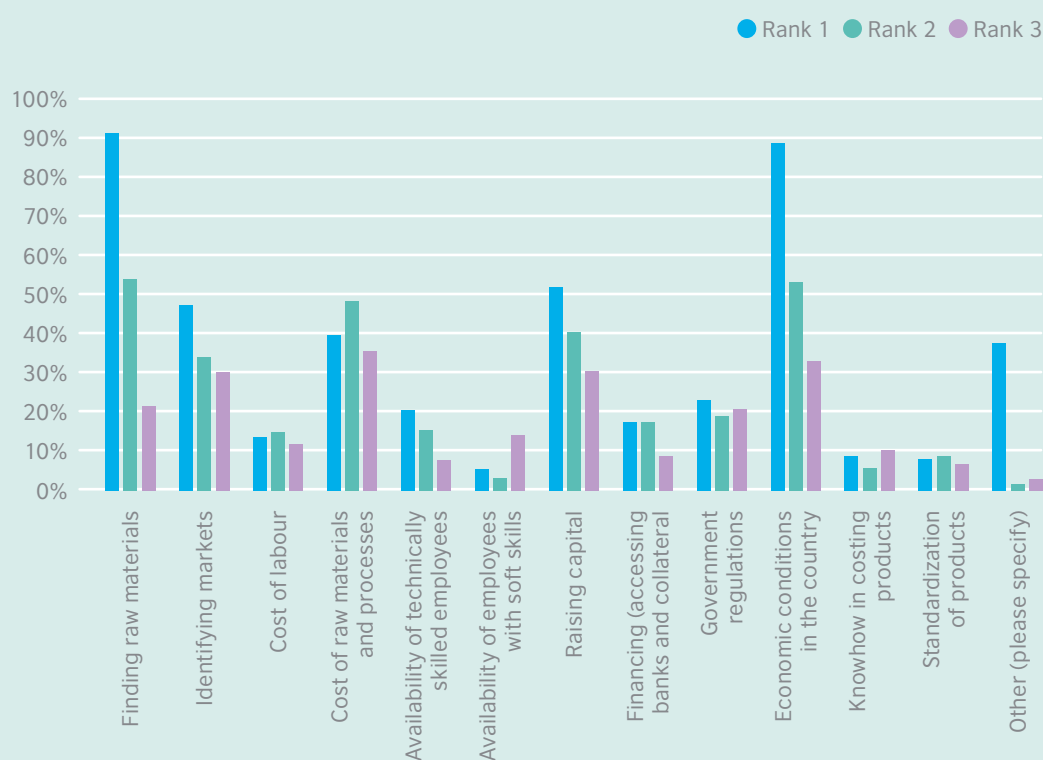
#### 4.3 State support

The majority of respondents worked with the government (65.8 per cent). However, it appears that much of this interaction is limited to attending exhibitions and trade shows organised by government bodies. Survey respondents stated overwhelmingly (more than 70 per cent in most cases) that there was no support for: fostering industry-government collaborations; providing infrastructure and developing an ecosystem; providing support to identify new markets or products; adopting e-commerce policies to promote products; and providing opportunities to facilitate talent. Second to which were connections with business associations (34.1 per cent). Connections with international organisations were lower.

While respondents in this study found great value in the trade fairs, exhibitions and awards provided by the government, the government has the potential to play a greater role supporting this sector in terms of revising taxes and tariffs, improving legal frameworks (compliance with labour regulations, strengthening IP regimes, and supporting small businesses through easier processes and supportive regulations) and promoting Sri Lankan creative industries overseas.



Figure 8: Business constraints as ranked by survey participants



Additionally, the state can work in partnership with private and international stakeholders who are interested in supporting the sector.

#### 4.4 Constraints

As Figure 8 shows, the major constraints felt by creatives in descending order are as follows:

1. the economic condition of the country (meaning inflation, rising costs)
2. creatives' ability to raise capital (access to loans, personal capital)
3. finding raw materials and the cost of buying and processing them
4. identifying markets.

These observations show that entrepreneurial know-how needs to be strengthened across the board in the creative industries. Materials-heavy creative industries (crafts, fashion design, architecture, literature and publishing, and visual/performing arts) listed finding and processing raw materials as a major constraint, while raising capital (access to loans, personal capital) was a major constraint for those in software and film/television/photography as well as architecture, fashion and crafts. Those in fashion and craft also felt constrained by the ability to identify markets.

Creatives in all subsectors felt only very minimally that know-how in costing products, standardisation of products, or the availability of employees with soft skills was a problem. Both the survey and focus group discussions also revealed that creatives felt strongly that there was no support for their work, particularly to perform and the availability of performance spaces, as well as a low level of appreciation for or awareness about their products/industry.



*Graduation Ceremony  
Military Technical College,  
Muscat, Oman, 2015.*

© Cyber Illusions.

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Case study

## **Lalindra Amarasekera —Cyber Illusions**

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New media design and production company Cyber Illusions was co-founded in 2011 by visual technologist and entertainment designer Lalindra Amarasekera and Imran Saibo. Collaborating to design websites and provide content in the online space, they soon found themselves going beyond the screen. Driven by a desire to create extraordinary experiences, Cyber Illusions specialises in creating and delivering exciting, live sensory experiences. Audiovisual technology and entertainment design combine to bring live digital technology to the real world and in real time to live audiences. Lalindra and his team work with commercial entities as well as the creative communities, both locally and internationally, constantly innovating and experimenting with diverse mediums. Creativity is key in pushing boundaries and combining mediums, says Lalindra. He is of the opinion that while Sri Lanka has no shortage of talent, creative and critical thinking is a weak point and needs to be addressed and nurtured, starting from the education system.

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# Section Five

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# Subsector insights

## 5.1 Performing and visual arts

The visual and performing arts sphere in Sri Lanka include expression through painting, installation art, sculpture, theatre, dance, music, film, puppetry and so on, and also include country-specific performance arts such as naadagam (a form of street theatre), koothu (a story-telling dance), response poetry and many traditional forms of dance and song. In 2018, Sri Lankan string puppet drama, rookada natya, was added to UNESCO's list of World Intangible Cultural Heritage, alongside such arts as reggae and yoga. There is a rich tapestry of art forms in Sri Lanka, both continuing traditional styles, innovating on tradition, and purely modern and contemporary ventures.

The state has several bodies overseeing this subsector, including the Department of Cultural Affairs, the National Arts Council, the Townhall Theatre Foundation and the National Film Corporation. Any public performance (such as film and theatre productions) must get approval from the Public Performances Board (PPB), which censors based on a set of guidelines. Censorship generally occurs for displays of sexual acts or violent behaviour. There have been cases in the past, however, where state institutions such as the PPB or wartime legislation have been mobilised to halt productions that have been critical of the government and the military.

Film distribution is under tight strictures. Previously only operated by the National Film Corporation, there are now four private distributors that have been given a licence to distribute among their film hall circuits. There has been a recent push, however, to re-nationalise film distribution, which was challenged in court by one of the distributors. Classifications for film still only follow the division of general audiences (U), mature audiences (A) and X-rated for pornographic material (X) but groups of experts have previously tried to introduce a more nuanced classification system to ease the censoring and editing of films to make them appropriate for public consumption.

There are more than 30 television stations in operation. The Sinhala television industry is strong in

Sri Lanka with popular teledramas (serialised dramas) running into the thousands of episodes and spanning generations of audiences. Many of the actors, directors and technical teams overlap between the television and film industry, although there is also a strong arthouse film industry in the Sinhala language sphere. Most Tamil language television and film comes from India but recently there have been some breakthroughs in local production. King Ratnam, a long-time filmmaker, produced *Komaali Kings*, a Tamil language dark comedy blockbuster which was very popular among local audiences. This has inspired and motivated younger filmmakers to do the same and some films are currently being produced. Agenda 14, an association for short filmmakers, has also played a pivotal role in stimulating young talent, many of whom are self-taught. Documentary filmmaking is also a relatively developed sphere, particularly since international aid projects have directly supported its development and given opportunities for funding for documentarians.

A few educational opportunities exist for training in performing and visual arts. Most children learn traditional forms of dance and music in primary education. For tertiary education, departments in some universities exist such as the Sri Palee Campus of the University of Colombo and the Open University, as well as the dedicated University of Visual and Performing Arts. There are also schools of traditional dance and music around the island, providing training for young children as well as professional training, and the Drama and Theatre School at the Tower Hall Foundation that offers diplomas. Contemporary forms of dance are popular in urban centres but are yet to take on a fully professionalised form. The Chitrasena Dance Company and its school has gained international renown in promoting traditional and fusion Sri Lankan dance. Beginning prior to independence in 1944, it has collaborated and toured internationally and also supports young dancers through scholarship programmes and an endowment for creative development. Small-scale academies of dance have sprung up over

the past two to three decades and the Colombo Dance Platform is an annual showcase of curated contemporary dance with invited foreign guests.

The music industry also thrives in Sri Lanka, with original music in both Sinhala and Tamil releases and televised vocal talent reality shows. The Sinhala pop industry is especially strong and has a following among diaspora overseas as well, whereas musicians – traditional and popular alike – have concerts in cities across the world with large populations of Sri Lankan diaspora. Traditional music is also part of the school curriculum although, like dance, there are caste associations with certain forms which have thus started to die out. Revival efforts from communities and activists have created a renaissance in this, as seen with the resurgence of *parai* drumming in the east.

The practice of visual arts is also widespread throughout the country. From painting temples and local school art competitions, it forms a part of everyday culture. Schools are often painted with murals and temples have their statues painted by life-time artists, who do it as a service for their religion. The tourism and hospitality sector has also aided the growth of opportunities for artists, with hotels and guesthouses acquiring artwork to match their interior design and some cafés and restaurants consciously showcasing emerging artists on rotation to provide some exposure and act as a sales facilitator. These opportunities, however, are largely limited to major urbanities such as Colombo, Galle and, to a lesser extent, Kandy and Jaffna.

There are a few high-profile exhibition opportunities such as the Colombo Art Biennale and Colomboscope, both of which were previously funded by major businesses, in partnership with international aid bodies, EUNIC partners or diplomatic missions. As such, they are sometimes seen as inaccessible to the average visual and performing artist and those showcased are artists who have already gained some amount of standing. Several noteworthy local initiatives have been successful in supporting the visual arts and young practitioners. The Vibhavi Academy of Fine Arts, or VAFA as it is popularly known, is an alternative arts school for those who are unable to enter the state university system and has been functioning successfully since 1986. The Theertha International Artists Collective is an independent collective that has been operating for more than 20 years and has its own art gallery. It provides support and a meeting place for young contemporary artists and visual arts graduates from the universities. Both VAFA and Theertha support artists across the island and frequently support their members and students to participate in international exhibitions, collaborations and residencies. In Jaffna, the Archive of Contemporary Art, Architecture and Design also provides a home for vibrant young visual artists from the Jaffna peninsula and frequently organises

talks and seminars with local and international figures to encourage debate and discourse.

A few burgeoning art spaces also exist. Barefoot Gallery, The Saskia Fernando Gallery and Paradise Road Gallery in Colombo act as official galleries, representing selected artists and engaging in the local and international art business sphere. The Sapumal Foundation, which was the home of the famed '43 Group of artists (a group of Sri Lankan modernist artists formed in 1943), is a major exhibition space, as are the Barefoot, Lionel Wendt and Harold Pieris galleries. All these galleries are located in Colombo. Some of the universities in more remote locations, such as the Eastern University in Batticaloa, have some space for exhibitions. However, commercial galleries are largely limited to Colombo.

**“While performing and visual arts are all quite staple dimensions of everyday Sri Lanka, these domains are still not seen as viable employment sectors and youth are often actively discouraged from pursuing these.”**

Sri Lanka has a strong theatre tradition in Sinhala and Tamil languages, from popular street dramas to proscenium theatre productions. English theatre is still fledgling compared to the theatre production in the vernaculars but is growing and a few directors have gained some renown, and it currently boasts 19 theatre companies. With the building of a large auditorium, the Nelum Pokuna Theatre, international shows have also been brought to the country, such as *Mamma Mia! The Musical* and *The Sound of Music*.

While performing and visual arts are all quite staple dimensions of everyday Sri Lanka, these domains are still not seen as viable employment sectors and youth are often actively discouraged from pursuing these. Even full-time actors and performance artists will engage in other work to fund their artistic pursuits. Although there are regulatory bodies, there is no funding body to support independent arts, akin to a National Endowment for Arts, for example. The National Arts Council does not provide funding opportunities. Two philanthropic foundations promoting the arts exist, the Esufally Foundation, from a business family, and the Sunethra Bandaranaike Foundation, which is through individual philanthropy.

Some associations exist for networking among similar professions. The Outstanding Song



Creators Association and the Sri Lanka Singers Association exist for Sri Lankan voice artists. Regional associations also exist, such as the Kandyan Dancers Association, the Kandyan Singers Association and Moratuwa Visual Artists Association. Some visual artists are members of international associations such as the International Association for Museums, the International Council of Museums and the International Association of Museums of History. Although the National Arts Council consists of advisory panels dedicated to several subsectors (music, drama, literature, visual arts, crafts, and research and publications), the connection made with individual practitioners across the island is poor and, due to constant government changes, the constitution of the council is always in flux with little stability in policy. The National Arts Council is the issuing body for certificates to be considered for exemption from entertainment tax, which is otherwise deducted by the respective Municipal Council or Divisional Secretariat for the location of a performance.

Several awards festivals also exist to support the sector including the State Television Awards Festival, the Kalabhooshana Award Festival, the National Drama Festival, the State Short Drama Festival and the State Children's Drama Festival. Cultural centres have also been established in each district under the purview of the Cultural Affairs Ministry. Additionally, each Provincial Council organises its own awards ceremonies as well.

Although the state claims to have diverse financial aid mechanisms to support artists, the implementation or effective distribution of it is sometimes questioned. There is the Traditional Painters Project (equivalent to a diploma) that provides aid to register art centres; the National Trust for Artists Grants that provides financial assistance for Buddhist parade (*perahera*) artists in case of death of family members; and, for medical aid, the Kaladevi insurance for artists and the Saraswathi pension scheme.

### 5.1.1 Challenges identified by the subsector

The government appears to have a multitude of programmes to support the arts but there is little evidence of effective co-ordination between institutions and many initiatives are simply duplicated. There are no proper monitoring mechanisms in these institutions either, which may explain why on the one hand duplication occurs but, on the other, many artists have simply never heard of the state-sponsored resources available to them. There is a disjunct especially between national-level programmes and programmes administered by smaller governmental units such as divisional zones and provincial governments.

Although there are higher-end festivals such as Colomboscope and art organisations such as

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**Sri Lanka also has the potential to be an interesting and viable film location supporting international productions such as the recently successful ITV production Good Karma Hospital filmed in Galle district.**

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the Theertha Collective and VAFA, there are few opportunities for visual artists to display their work. High-profile galleries are limited to Colombo, meaning there is limited gallery or exhibition space elsewhere in the country and artists' profiles remain limited. This also results in limited networking opportunities for artists. Most exist in silos in their own villages and do not have access to wider audiences or other artists who may otherwise converge on urban centres.

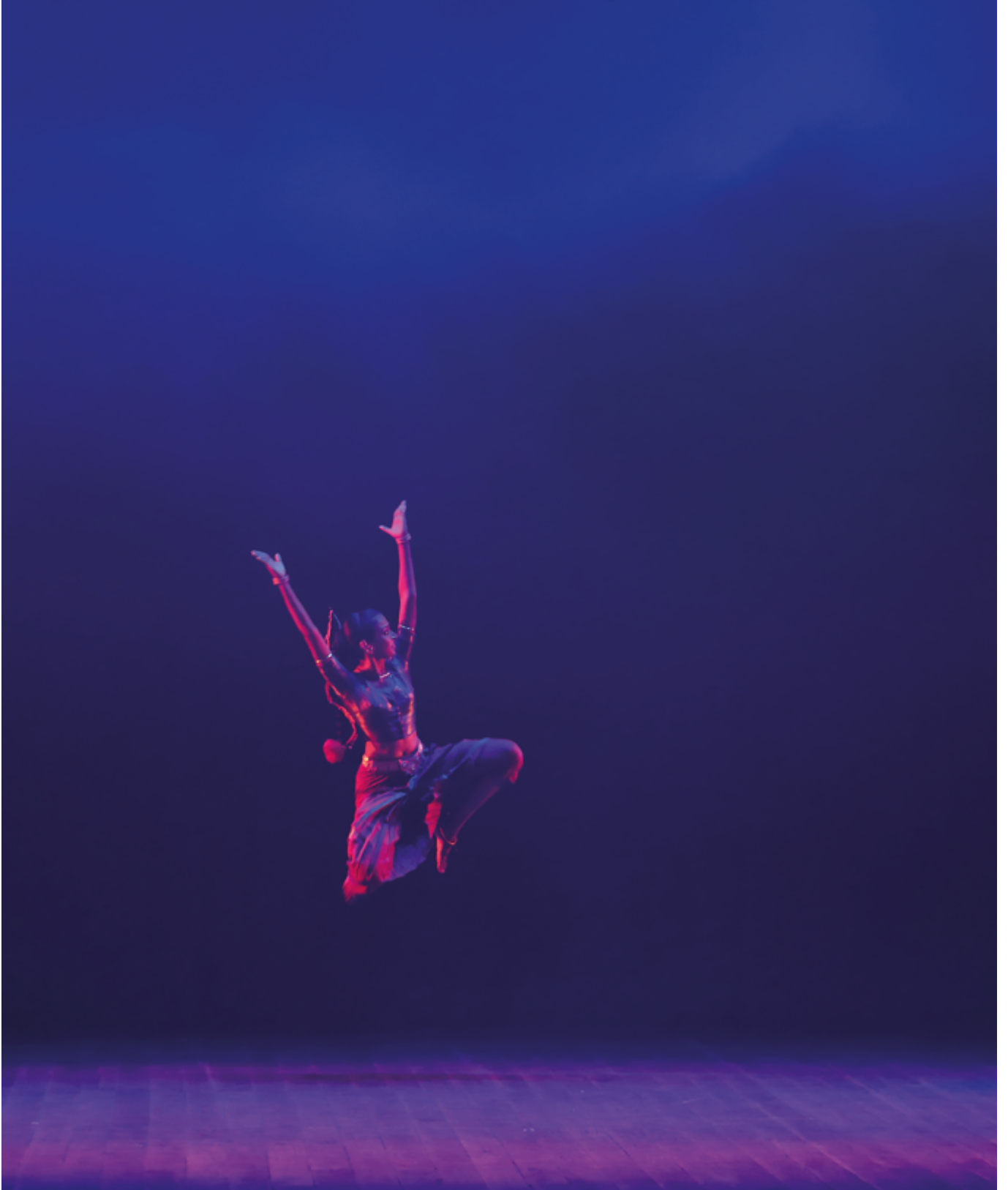
Artists are not recognised socially for the value they bring to society and to the cultural industries. This has diverse consequences. Parents do not encourage their children to pursue these art forms, creating a scarcity in new generations of artists. This results in a lack of qualified arts professionals, including teachers. Although arts education occurs throughout primary school, those teaching are often poorly trained in arts subjects and are unable to motivate passion for the arts in young students. The lack of recognition also manifests as low pay, which makes it unsustainable to be a full-time artist.

### 5.1.2 Recommendations

**Infrastructure for arts and performance needs to be improved so that artists from rural areas can converge on a centre close to them (rather than Colombo) to showcase their work, gain recognition and network with other arts professionals.** Existing government buildings (e.g. community centres, District Offices) can be converted to include a simple gallery and performance area while larger urban areas with access to greater resources can improve their existing buildings. For example, the National Arts Centre in Colombo has had a static display without any dynamism in curation. Private experts can be consulted to create temporary exhibitions and link to rural networks to showcase rural artists and emerging trends.

**Development of a national arts policy with the aims of stimulating and supporting the sector, including a national arts festival and provincial-level art exhibitions as are currently available for the crafts sector.** Gender and linguistic sensitivity should be exercised in executing these exhibitions to ensure that women and ethnic minorities are able to access information about the





*Thaji, principal dancer,  
Chitrasena Dance Company,  
performs in Samhara, 2017.*

© Luxshmanan Nadaraja.

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## Case study

# Chitrasena —from tradition to contemporary

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Chitrasena Vajira Dance Foundation was founded in 1944 by dancer/choreographer Guru Chitrasena, whose vision was to transform Sinhala rural dance forms from ritual practices to performance theatre on a contemporary stage. Chitrasena both created recognition for traditional dance and ritual practitioners and, by using traditional forms in new ways, established a new vocabulary of dance for theatre. Seventy-six years later the foundation continues to innovate within the framework of traditional techniques. Recognised as the foremost dance company and school in Sri Lanka, the foundation has provided opportunities for several generations of dancers to perform locally and internationally. Committed to ensuring the sustainability of their grandparent's multi-faceted legacy, the third generation, Umadanthi Dias (company manager), Heshma Wignaraja (artistic director/choreographer) and Thaji Dias (principal dancer) are dedicated to ensuring the continuity of their heritage and traditions. The foundation also has an endowment fund to support a dance centre and provides bursaries to help dancers continue their training and succeed professionally.

events, attend and adequately promote their work. The national arts policy should also address the welfare and livelihood requirements of artists, as well as development and promotion of the sector particularly to attract the increasing tourism sector and to plan which international networks and funds for arts development the state can access.

**A spectacular film location.** Sri Lanka also has the potential to be an interesting and viable film location supporting international productions such as the recently successful ITV production *Good Karma Hospital* filmed in Galle district.

**Become a signatory to the UNESCO Universal Declaration on Cultural Diversity.** This would open access to funds for a country like Sri Lanka where there is limited state or private sector support and would enable the support of diverse forms of art.

## 5.2 Advertising

Advertising and branding is a major melting pot for creatives, combining those talented in visual, audiovisual, literary, musical arts and styles, creative imagination, as well as knowledge of business, marketing, and local and global trends. In today's context, much of the advertising and marketing is done through social media and digital platforms, so technical knowledge has also become paramount to the profession.

Sri Lanka has several relatively small advertising companies with a few major international players based within the country, including MullenLowe, Leo Burnett, Triad Advertising and Ogilvy. Media and creative agencies act as the third party between clients (owners/handlers of a brand) and the place of advertisement (television, radio, press or online). These agencies advise companies on advertising campaigns, including recommendations on time slots, strategy, messaging and more. The industry is considered relatively 'low barrier' for entry since few professional qualifications are required. The advertising industry consists of an interdependent network of people that include production houses, photographers, printers, voice artists, graphic designers and other vendors such as event management companies. They are also closely linked to film and television and work with an overlapping network of models, actors, singers and directors.

The professional association for advertising is the Accredited Advertising Agencies Association, more popularly known as 4As, which represents advertising and marketing communications practitioners, agencies and related businesses in Sri Lanka. It is a collective body intended to promote collaboration across the industry and at the time of writing has about 47 registered companies. The International Advertising Association (IAA) is another association involved in this sector. A few award ceremonies exist that recognise achievement in advertising, media and marketing. An awards show called Chillies was

previously conducted by 4As, and the Sri Lanka Institute of Marketing hosts the Effie Awards for marketing excellence and the Brand Excellence awards, a highly coveted national business award.

Certain regulations apply to the advertising industry. Alcohol and tobacco are not allowed to be advertised. There are industry standards for clients about their products (e.g. the National Medicines Regulatory Authority regulates medical products and beauty care) but there are no specific regulations for advertising the products specifically. This sector is governed by the Ministry of Mass Media and Information and the Ministry of Digital Infrastructure and Information Technology – Digital Marketing.

### 5.2.1 Challenges identified by the subsector

Advertising professionals claim many instances in which advertising pitches have been made to clients and the clients steal the idea and get the same thing done at a lower price by another team or agency. This constitutes IP theft and it shows a disregard among clientele for the (monetary) value of ideas and intellectual production. Clients will also approach agencies for ideas but then go directly to the target media (e.g. television station or radio) and ask that their in-house team execute the idea.

Since agencies are primarily situated in urban centres in the south of the country and they have relatively low starter salaries, the early career workforce is not diverse enough and lacks representation from rural workers and ethnically diverse candidates. These workers are limited in their ability to migrate for work. Due to the lack of linguistic and cultural diversity, an ad may be produced in one language and then merely translated into another, rather than adapting it holistically for this completely different audience. Additionally, hierarchies within companies leave young professionals discouraged from pursuing this work due to rank and lack of upward mobility.

Local advertisers find it difficult to compete with the large international companies based in Sri Lanka. As one interview respondent stated, multinational companies are able to buy a LKR 300,000 (US\$1,641.60) commercial spot for LKR 75,000 (US\$410.40) due to the size of their contract and bargaining power, while small and medium players must pay the full price. With such gains on airtime, clients are also likely to continue patronising larger firms rather than supporting local industry.

### 5.2.2 Recommendations

The membership of professional associations primarily consists of Colombo-based advertising firms, the most powerful of which are international agencies. **Professional associations such as 4As and IAA must expand their membership to companies outside of Colombo (e.g. to other urban centres such as Kandy and Kurunegala)**

**and must include small and medium companies as well. They can act as a collective bargaining body to mitigate the media buying power of big ad firms** who may have contracts for bulk purchasing, ensuring a more equitable playing field for smaller agencies. **The associations can also implement systems to protect companies against IP theft by clients and other unfair competition practices.**

**Greater geographical diversity is imperative for the advertising sector; more advertising firms in locales other than Colombo must be supported and developed.** Although there is much to be gained from being located in major commercial urbanities, the individual tasks involved do not necessarily have to be office-based work and remote work can enable those geographically disadvantaged to have greater participation in the workforce. This geographical diversity would also mean linguistic and cultural diversity, making this workforce more relatable to target audiences and thus promoting the strategic aims of advertising companies to speak the language and culture of their audiences and create effective marketing communications. It would also stimulate a younger, more rural workforce into this sector, for those workers who are unable to migrate internally due to personal or financial constraints.

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**In the age of growing internet and digital technologies adoption, a new sphere of online literature has flourished in all three languages. Online forums are packed with writers publishing poetry, short stories and even novels in serialised forms. They garner a following within a small community.**

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### 5.3 Publishing and literature

Sri Lanka has a fairly vibrant literary landscape, despite some limitations. There are major publishing houses across the island that publish in the country's three major languages (Sinhala, Tamil and English), and literary studies are part of secondary and tertiary education, with dedicated departments in several of the country's 15 state universities. Although students in the public school system study in any of the three languages, literary studies become an option only at the GCE Ordinary and Advanced Level examinations. There are also literary

competitions in each language organised at school level at different geographical governance levels (zonal, provincial and national). The national winner receives three merit points, which count towards university admissions purposes. The Ministry of Education also purchases books for schools.

Many people are also bilingual and able to read across languages, consuming both print and digital publications. There are also fertile international collaborations, with Sri Lankan writers being published by regional and international publishers. For example, Tamil writer Sharmila Seyyid's book *Ummath* was originally published in Tamil by Kalachuvadu Publishers in Tamil Nadu and consequently translated into English by HarperCollins India. Similarly, English-language writer Shehan Karunatilaka's *Chinaman*, after winning the Graetian Award (a local literary award initiated by the award-winning writer Michael Ondaatje, who is of Sri Lankan origin) in 2012 in manuscript form, went on to be published officially by Penguin India.

In the age of growing internet and digital technologies adoption, a new sphere of online literature has flourished in all three languages. Online forums are packed with writers publishing poetry, short stories and even novels in serialised forms. They garner a following within a small community, whether that is through a particular website (such as *elakiri.com*) or a Facebook group (such as Sri Lanka e-writers). This digital sphere does not yet have formal recognition through mechanisms such as awards but it is flourishing rapidly.

Performance poetry and spoken word has begun to burgeon in some urban centres and universities. Literary festivals and awards also exist in limited numbers. The State Literary Awards, given by the Department of Cultural Affairs, previously only recognised Sinhala and Tamil writers, and translations, but have recently expanded to award English writers as well. Winners of the award are then published locally. The sphere of translated works exists but there is a major human resource deficit in this domain, with few quality literary translators and limited funding for translating and typesetting.

The Sri Lanka Book Publishers' Association acts as the industry representative body for its 155-strong membership. Several writers' collectives and associations also exist, such as the Tamil Progressive Writers Association, the National Catholic Writers' Association, the English Writers' Collective and other associations that support the publishing and disseminating of newspapers and educational materials such as Gnanadeepaya Association and Gurugedara Education Employees Co-operative Thrift and Credit Society Limited.

Industrial regulations on publishing are fairly minimal. Finance loans such as 'Diribala' and 'Jaya Isura', which are available for small and medium enterprises, are also available for budding publishers. Publishers are

required to pay ten per cent of a publication's worth to its author, which is sometimes paid as a lump sum.

There is no legislation specifically for censorship but some pieces of legislation intended for other purposes have been mobilised to persecute some writers. Wartime legislation (i.e. emergency decrees) have been used to include literature in the remit of censorable items. Notably, between 2018 and 2019, two writers were persecuted for allegedly publishing stories that were considered 'an insult to religion'. In the second instance, the clause on religious freedom of the International Covenant on Civil and Political Rights was used to arrest one writer, who was finally released without any charges after four months. International solidarity networks such as PEN International and Amnesty International called for his release, citing unlawful arrest.

### 5.3.1 Challenges identified by the subsector

Although Sri Lanka boasts a high literacy rate, the reading culture is poor. The state provides vouchers and monetary awards that are supposed to enable children to buy books to read but these are often used to purchase stationery, exercise books and other school supplies. This is a reflection of the intense nature of competition among students across education in Sri Lanka, resulting in students and their families prioritising subjects such as science and commerce rather than creative subjects, as these are seen to promise better employment. Literature, like visual arts, is not an encouraged domain of employment for youth.

Supporting services for literary publishing are poor. The lack of competent editors was cited as a major problem to promoting a literary culture in Sri Lanka. Publishers may exist but editors to see a product through from start to end are lacking. There is also little support to enable publishers to attend international book fairs or festivals. While governments in the USA and UK provide grants for travel, publishers in Sri Lanka receive no support from the state, publishing industry or other stakeholders to attend these events. There is also little to no infrastructure from the state to promote Sri Lankan books and publishers internationally. Finally, translation services are poor. Although translators exist for administrative translations, far fewer literary translators exist. Those who do literary translations are often older generation workers who do it out of interest or personal favour. Networks of writers and translators are also poor. In one instance, a writer only found out their work was translated after the translated work was awarded a prestigious prize.

Focus group participants cited plagiarism as a major problem. Plagiarism is hard to detect due to the low awareness and knowledge of critics, reviewers and publishers, such that if a foreign work is translated into a local language,

it can pass undetected as an original.

The market for Indian books is high in Sri Lanka. Shortcomings in paper quality, design and covers make it difficult for Sri Lankan publishers to sell books at a competitive price.

Writers generally do not make financial gains on their work being distributed. However, for the ten per cent royalties they receive, they must pay an additional 14 per cent withholding tax. Since publishers are reluctant to take on writers who are just starting out, many writers are self-published and incur financial losses for the sake of getting their work out. Moreover, support for local publishers and writers is relatively low. For example, school syllabi largely consist of foreign writers (translated works or from the classical British English literature syllabus). Thus the overall environment is not conducive for supporting local literary production and circulation.

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**The value of reading and creative writing needs to be fostered at an education level.**

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### 5.3.2 Recommendations

**Build a wider market for literature.** The annual international fair at the Bandaranaike Memorial International Conference Hall is a very popularly attended event, as are other book fairs. Although the majority of attendees come to buy textbooks and school supplies, there could be peripheral events added to this to promote local literature, such as writing competitions and awards for up-and-coming writers and translators, which is a common practice in other international fairs such as the Kolkata Book Fair. Large swathes of the general public will witness the awards, performances and other recognitions for writers, translators, editors and publishers. This will encourage and support those with an interest in getting involved and will also elevate the stature and social recognition of those involved in this industry. This therefore has the potential to impact how parents view their children's interest in literature.

**Remove withholding tax for writers.** Writers must pay a 14 per cent tax on royalties they receive from publication sales. Given the personal financial risk of becoming a writer, alleviating measures such as the removal of withholding tax would support Sri Lanka's creative writing talent.

**Support services complementary to literary publishing.** Editing and writing workshops can be established to support writers and editors to hone their crafts. These also become good networking opportunities to create literary communities. Greater conversation in these spaces about literature helps to promote the sector as well. Finally, private sector



and international stakeholders can also support publishing by raising local publishers' profiles at international fairs, supporting them financially to attend these fairs, and supporting technical training of editorial and translation capacities, for example through scholarships for technical training and exchanges. The Sri Lanka Publishers' Association can play a key role in supporting all these complementary services, especially funding attendance at international fairs.

**The value of reading and creative writing needs to be fostered at an education level.**

Developing reading and creative writing skills during formative years improves expressiveness, literacy, agency and wider communications skills, all of which are vital soft skills for the general job market as well. **Employers are increasingly searching for and hiring people with these competencies rather than only technical skills.**

## 5.4 Photography

Photography is a growing sector, evidenced by the blossoming of small-time photography studios throughout the country. Although equipment is expensive, the field has relatively low barriers for entry and many photographers are self-taught. It is difficult thus to estimate the number of photography studios or photographers, particularly in absence of any formal registration process or an accredited professional photographic regulatory body. The consumer market is primarily domestic, with wedding photography accounting for the majority of the demand and the most significant source of income for photographers.

At present, a few institutions provide training options. The University of Kelaniya, a state university, offers a degree and one-year diploma in photography. Diploma courses are offered by the Sri Lankan Foundation Institute, the Lionel Wendt Photographic Society and the National Photographic Arts Society, which is linked to the *Fédération Internationale de l'Art Photographique* (FIAP) in France, an international organisation of national associations of photography that also provides a rare Master's of Photography (MFIAP). Around ten to 15 students obtain diplomas annually from the National Photographic Arts Society, while only one Sri Lankan has obtained MFIAP qualifications. The lack of degree-level education has hampered the development of critical discourse and practice, the development of reportage and documentary practice.

One of the main representative bodies of this sector is the Photographic Society of Sri Lanka, established in 1906 with the objective of promoting photography as a hobby, art and craft. The Press Photographers Association in Colombo acts as the sole professional association, although no professional body exists to control and regulate the sector. Other (non-professional) associations

and societies operate in different provinces, which are informal in nature and more akin to clubs.

The Department of Cultural Affairs, under the Ministry of Higher Education and Cultural Affairs, is responsible for the photography sector. There is an established State Advisory Board for Photography under the Ministry, with the long-term objectives of:

- establishing a formal educational entity at the national level in order to promote photography as an artistic and scientific medium of communication
- planning and implementation of programmes at the national level to maintain the art of photography as a qualitative medium.

The State Advisory Board has initiated exhibitions and programmes targeted at skills development for amateur photographers and meetings with studio and colour lab owners to foster industry–government collaboration.

### 5.4.1 Challenges identified by the subsector

Photographers lack any representative body that can voice industrial concerns to government or other stakeholders. Sectoral concerns include the lack of well-trained technicians, high import taxes on specialist equipment, lack of accreditation or oversight on educational programmes, and IP theft.

Plagiarism or IP theft is common in this sector. Photographers' work is taken and reproduced without copyright permissions or even attribution, including by mainstream media. No IP laws currently govern this sector.

Across this subsector there is still inadequate private investment and financing to develop a global presence and market expansion, foster innovation and digital transition, provide training and support to attend trade shows and exhibitions, and adopt e-commerce policies to promote products.

There are insufficient opportunities for Sri Lankan photographers to showcase their work nationally and limited recognition (e.g. through awards). There is no financial support to attend fairs and exhibitions overseas. These combined factors also result in limitations on the ability to build professional networks nationally and internationally to promote the domestic industry.

### 5.4.2 Recommendations

**The establishment of a photography council within the Ministry of Cultural Affairs as a state body with powers to register photographers as professionals based on qualifications and experience and facilitate activities aimed at supporting and promoting photographers.** This council can also act as an accreditation body for institutes offering photography training and establish awards for different photography categories. The





*Preparing the warp to be set  
into the handloom for weaving,  
Wayamba province, 2017.*

© Selyn Sri Lanka.

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## Case study

# Selyna Peiris —Selyn Fair Trade

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Lawyer, development worker and diplomat Selyna Peiris gave up a promising career in the public sector to take up the challenge of transforming her family's traditional handloom business into a sustainable, ethical venture and the only fair trade certified handloom business in Sri Lanka. Her mother, Sandra Peiris, started the venture with 15 workers in a garage near Kurunegala in 1991. Selyna is now proud to call Selyn a social enterprise, with more than 1,000 people in its network. Re-investing 75 per cent of its profits back into the business, Selyn is committed to empowering women and uplifting the living standards of rural artisans. Selyn employs a women-friendly 'homeworker' model and guarantees constant work. Building on its strong fair trade roots Selyn recently launched ethical fashion brand Sithri – free-size and flexible to fit all shapes and sizes. The brand now curates ethical collaborations with likeminded social brands and fashion designers.

council can facilitate opportunities for photographers to attend international fairs and exhibitions, through bilateral agreements, as is currently the practice for craftspeople through the National Crafts Council. Vocational trainings for technicians can be set up, for example, at the National Apprentice and Industrial Training Authority (NAITA) to improve the domestic capacity for technical support for this industry. This, and the existing training programmes in the country, can be accredited with the National Council of Photographers and graduates get automatic entry into a national photographers' association.

**A national photographers' association can be set up to improve networking among photography professionals and establish a code of ethics that members must abide by.** In other words, belonging to the association can be a guarantee of quality, and disciplinary measures can be taken against those who renege on the association's code of ethics, including such malpractices as forfeiting obligations to customers or IP theft (uncredited or wilfully misattributed photographs). The association can also provide booklets of photography basics for new members, such as how to protect IP through watermarks on photos. **This association can also host a set of stock photographs from its member and establish either a royalty-payment mechanism or a one-off lump sum payment for photographers** once their photographs have been accepted into the stock set and are used by third parties such as advertising firms. Contracts with third parties must be drawn to establish payment mechanisms, dependent on usage of the photographs. Streamlined processes should be in place particularly for Sri Lanka-based advertising agencies to have paid access to this stock photography for the two subsectors to synergise.

## 5.5 Crafts

The crafts sector is the most populous of the creative industries, with nearly 150,000 workers, 54 per cent of whom are women. Crafts constitute handmade items from a variety of raw materials, including pottery, coir products, batik, jewellery, leather goods, crochet and lace, and more. Sri Lanka's crafts sector is a culturally important sector and while it is not well developed for commercial purposes at the moment, it presents immense opportunity. Indeed, in recent times, many entrepreneurs have seen this potential opportunity and several small start-ups with export- and high-fashion-oriented outlooks have flourished. Several established companies also exist with strong export sectors, working with leather products, handlooms, batiks and rattan goods.

The national infrastructure for craft is strong, with three institutions set up to promote the ecosystem. The National Design Centre acts as a research and development unit, the National Crafts Council (NCC) maintains the well-being development aspects of craftspeople's lives and livelihoods, and Laksala –

the retail brand of the Sri Lanka Handicrafts Board – provides a market. Although this ecosystem was fruitful during its early days in the 1980s, it has deteriorated at the turn of century and has been plagued with financial corruption, poor management and consequent deterioration of the sectors, resulting in many traditional craftspeople migrating out of the sector into other labour opportunities. This said, the infrastructure still exists and new management is attempting to revive it. There are also other state institutions involved in supporting the craft sector such as the Industrial Development Board, Vidatha Resource Centres, Chambers of Commerce, Provincial Councils and fashion centres. A few associations also exist, registered with the NCC, such as the Coir Association and Eksath Creativity Pottery Association. Training programmes with the National Enterprise Development Authority, the NCC and Provincial Councils also exist.

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**Sri Lanka's crafts sector is a culturally important sector and while it is not well developed for commercial purposes at the moment, it presents immense opportunity.**  
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Conversely, the 21st century has seen the burgeoning of private sector initiatives which have blossomed to target several different aspects of the ecosystem of crafts. Companies work closely between designers and crafters to create new, contemporary designs for consumables such as clothes and household products. They then connect with the hospitality industry, which not only creates a relatively stable demand for craft goods but also promotes a cultural shift towards appreciation and valuing of traditional craft goods. Private companies also sometimes connect craftspeople to technical trainings, equipment and design collaborations. Still more, particularly small start-ups, are focusing on single products such as cork goods, woven bags, stationery, etc., and innovate on these products. The private sector is leagues ahead of the state in its response to changing markets, appeal to international audiences, export and raw material certifications, and technical and design innovation. There is a spectrum of brands that have grown since the 1980s. Older textiles companies such as Barefoot and Kandygs are still strong, while the 1990s saw the expansion of some designer brands such as Buddhi Batiks, and in current times, higher-end brands such as Selyn, Cane Couture and Kantala have grown. These companies connect with craft villages and establish a supply



chain, paying satisfactory prices for the craftspeople and sometimes looking after their welfare, all the while building their brand and elevating Sri Lanka's status in fashion and traditional crafts.

This said, the importance of crafts is not just as a commercial sector and the state has a continued mandate to 'promote and protect' crafts as part of its cultural heritage mandate. However, there is space to grow and innovate and especially take this up as a 'living heritage' approach where crafts are not a static, unchangeable legacy of the past but rather used and repurposed for contemporary needs.

The ecosystem supporting crafts is currently quite poor. Most crafts use raw materials produced within the country, including crop fibres, coconut husks, metals and gems, cane, and handwoven or hand-dyed fabrics. Craftspeople will often have to source their own raw materials and account for the costs but due to the low prices still expected from craftspeople, the selling price of their items will only minimally reward their labour. The valuation of handicrafts is still not given a premium for the handmade factor and there needs to be a cultural shift in marketing and consumer expectations.

The local value chain is also under-developed and craftspeople end up having to take care of every aspect of their business, from sourcing raw materials to processing, producing, marketing and selling the product. Although middlemen attempt to connect workers to the market, many of them take a higher cut, leaving the craft-maker with only a little share of the benefits. Moreover, since women mostly populate this workforce and are culturally restrained in their ability to attend market opportunities, there is greater occasion for middlemen to exploit these workers. However, production societies also exist, facilitated by state initiatives such as the Palmyrah Development Board and the Coconut Development Board. Groups of women producers will receive training and create products and a few of the women will be given the opportunity and means to connect with markets to sell their collective's products. Such is the case of the Mannar-based Sendali Products, which makes reed-based products and sells them at markets in Colombo, Kandy and other urban centres.

Craft clusters have grown, with the support of initiatives from the NCC. The NCC has recognised and promoted particular types of crafts in certain villages such as clay in Yakvila, Kurunegala; palmyrah in Beppamkulam, Mannar; and woodwork in Ehelagala, Sigiriyya. There is potential to connect these villages to the tourism industry and to major tourist sites to tap into this consumer market. Many locations simply are renown for craft production, such as crochet and lace from the south and pottery in Kurunegala.

### 5.5.1 Challenges identified by the subsector

The value chain for crafts is very poorly developed, from raw material acquisition to manufacturing to sales and connecting to local and global markets:

- Craftspeople are vulnerable to the many fluctuations in raw material supply and cost. Weather patterns affect availability, market fluctuations affect craft product pricing and there is a lack of quality material available.
- Craftspeople struggle to find adequate markets. Although several government institutions provide market opportunities, it is clear that the communication and awareness of these opportunities is poor. Those who have connected into the supply chain of private businesses are more stable than those who operate individually.
- Due to the poor returns on crafts trade, many craftspeople have other occupations that allow them to work on crafts on the side. However, this means they may become unable to attend market opportunities since this would mean they lose a day or two of work, which is untenable since they depend on daily earnings.
- Craftspeople also claim to lack the proper means to enter the export market and foreign market chains. Only those who are part of the private business value chains have entered the export market.

Although craftspeople are expected to be entrepreneurial about their work, the support system for entrepreneurship is poor:

- Craftspeople find accessing loans difficult. Although there are low interest rate loan schemes from the state (e.g. in partnership with the Rural Development Bank or People's Bank), craftspeople's ability to access it is poor. They struggle to find adequate guarantors and the bureaucratic process is so time-consuming that they find it more fruitful to approach fast-paying loan sharks.
- Craftspeople also find that provision of new technologies to improve production is inadequate. For example, some pottery-makers lamented that one craft village had been provided machines by the state but they did not receive any. Although this encouraged production in one location, others were left with slow processes and an inability to compete with the cheaper-made faster-produced goods of the targeted village.
- Pricing and product valuation is a challenge for craftspeople. Consumers still expect mass-production prices for crafts that are made using fine art, individualised processes. This is true of locals and tourists alike. Since many must take care of the whole supply chain themselves, they are unable to factor in remuneration for labour and other soft-value addition costs for the product, which means their profit margins

are low and unsustainable. Some competitors cut corners and sell cheaper products made with poor quality material and showing poor craftsmanship, which lowers the reputation of these products and the sector as a whole.

The offspring of traditional craftspeople are not continuing this trade. Although there is a general feeling that ‘the younger generation’ does not continue the trade, on a national scale there are indeed young entrepreneurs who are venturing into this field – but they are not necessarily children of crafters. There are two major reasons for this. Handicrafts still carry a caste connotation so youth from traditional families wish to distance themselves from their parents’ work to gain social mobility. Second, since craft production is not financially rewarding, there is no economic argument for the youth to continue this trade, which is similar to the attitude adopted towards other creative industries as seen in this report.

### 5.5.2 Recommendations

**Improve supporting services for craftspeople, such as trainings and market and business development opportunities. This can be done by using existing state infrastructure.** Increase efficiency of loans provisions and provide better communications about training, development and market opportunities provided by the Provincial Councils, NCC, Industrial Development Board and Export Development Board. Opportunities to connect with international markets and training opportunities, such as through the World Crafts Council, must be made available more efficiently to craftspeople. Provisions of technology and apparatus by the NCC and National Design Centre should be equitable and strategic, such that whole sectors improve, rather than only locations.

**Improve value chains domestically and connect with export markets.** Individual craftspeople may not have the capacity to export directly since this involves purchasing costly licences and certifications, knowledge of market demands, access to e-commerce platforms and English language proficiency. However, by absorbing craftspeople into a supply chain, connection to the global market is made possible, craftspeople earn a good livelihood and the status of craft items from Sri Lanka is elevated.

**Create a separate sector of raw materials and craft-related items suppliers. This would help to steady the supply as well as account for the cost of raw materials processing.** The NCC has stated intentions of creating supplier societies (akin to craft societies) in order to resolve the raw material supply aspect. Alternatively, as craft societies and/or co-operatives are built, the role of raw material supplying can be handled by a few members, while others are making the

objects and yet others are selling, marketing and fulfilling other aspects of the supply chain.

**Improve the valuation of crafts and create awareness on the value-addition of handmade goods. By elevating the stature of handmade goods, craftspeople can sell their items at a higher price, earning them financial gains and social prestige as well.** This would indirectly alleviate the concern about younger generations not partaking in this industry, since financial and social gains would attract them, as they previously did in the 1970s when the state promoted this sector and handicrafts sold for good prices. When it is shown to be commercially viable, traditionalist craftspeople who complained against innovating on old techniques have been shown to change their minds. **Crafts need to be interpreted as part of a living heritage, ready for innovation and absorption into contemporary life, rather than a remnant of the past. This attitudinal change is the ambit of government, private and international stakeholders alike.**

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The sector shows a lot of potential for growth, especially given the consumer tides shifting towards ethical fashion consumption and smaller brands.  
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### 5.6 Fashion design

The flourishing of fashion design in Sri Lanka has been a relatively new phenomenon. Sri Lanka’s mass-production garment industry has flourished since the opening of the economy in the late 1970s and as at 2018, the export revenue brought in by the apparel industry stood at US\$5.32 billion. The average design contribution through value addition amounts to 35 per cent of this, or US\$1.86 billion.<sup>7</sup> Although brands have been emerging since the late 1970s, these have been largely companies who have innovated on traditional handmade fabrics and design such as batik and handloom, using the rich technical expertise available domestically and availability of labour for manual work. In the 21st century, however, we have seen the emergence of an ecosystem of haute couture: fashion-related educational and vocational opportunities, modelling agencies, markets and fashion shows, and designers of diverse apparel who are performing well overseas have also sprung up, such as Rum Punch swimwear and Buddhi Batiks designer evening wear. Using estimates from graduates of the Academy of Design and University of Moratuwa, the total average annual revenue for design entrepreneurs is US\$7.2 million.<sup>8</sup>

7. Calculations made from a combination of research from the Academy of Design, SLASSCOM and JAAF releases.

8. *Ibid.*

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**‘Design streets’, which provide exposure for local brands as shopfronts in high-commerce areas, can be established in places that already act as supply clusters.**

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Educational opportunities have multiplied, such as the inclusion of a Fashion Department at the University of Moratuwa, a state university, and private institutes such as the Lanka Institute of Fashion Technology. Although the centres are based in Colombo, students from around the island study there. Perhaps the most successful example of this is the Academy of Design, which offers students courses not just in fashion-related design and textile development but also in animation, film and television production, and graphic design. The Academy of Design has also created its own ecosystem, launching [www.fashionmarket.lk](http://www.fashionmarket.lk), an e-commerce platform for graduates to showcase and sell their brands, and Urban Island, a homeware retail store. Their designer graduates have innovated on textiles and shown success internationally, launching brands of women's and men's wear, swimwear, accessories and shoes. Several other institutions have also added fashion-design-related studies to their repertoire, including certificates in fashion business management and fashion marketing, and vocational training opportunities.

Modelling agencies have also emerged and Sri Lankan models have begun earning recognition overseas as well; for example, Nadeeka Perera who won Female Model of Year at the Alicante Fashion week in 2007, Adam Flamer-Caldera who has walked for New York Fashion Week and represented brands such as Dolce & Gabbana and Nautica, and Jacqueline Fernandez who began as a model in Sri Lanka and flourished into a successful Bollywood actress in India.

Design collectives and markets have also emerged, though this has been largely limited to urban spaces. The Colombo Design Market provides a space annually for designers to exhibit and market their items. The Design Collective is a group of emerging haute couture fashion designers who have banded together to also gain a shopfront at a high-end commercial street in Colombo. The shop PR similarly tries to showcase new high fashion designers.

Sri Lanka's backdrop as a garment-manufacturing country means that employment in the garment industry in factories (operating machines, cutting fabrics and similar manual work) is a common choice for many young women across the country. In the global value chain, Sri Lanka has largely been the site to find relatively cheap but good quality labour. The 21st century flourishing of fashion and other design in Sri Lanka tells the tale of a new generation

of professionals turning the tide on this context, elevating domestic IP production both among its local consumers and on international platforms. Traditional mass-scale garment manufacturing companies such as Brandix and MAS Holdings are now positioning themselves as providing innovation and design to the global fashion trade. An increasing amount of design for global brands and fashion technology innovation is being done domestically. The sector shows a lot of potential for growth, especially given the consumer tides shifting towards ethical fashion consumption and smaller brands.

### 5.6.1 Challenges identified by the subsector

Designers rue lack of opportunities for exhibition and market exposure. The country does not have a dedicated ‘design street’ or quarter where consumers know to go and see new brands and designs and emerging designers can use as a common marketplace.

The fashion market itself is very limited. The flourishing of designers and more expensive brands means they are limited to Colombo and their clientele is also very small. For less urban designers, Sri Lankan products carry little brand value and are costlier so competition with cheap mass-produced or imported goods makes it difficult to sustain successful retail. They must also deal with customers' tendency to ‘haggle’ the price, since the country is used to seeing very cheap products from local factories.

Although private ventures such as Colombo Fashion Week exist to boost the industry, there appears to be no national policy or direction in this sector. There are no professional associations or government initiatives supporting an industry that in other countries has helped create national brand identity.

### 5.6.2 Recommendations

Opportunities to increase the exposure of local designers need to improve. **More economically equitable opportunities for exposure, including markets, fashion shows, e-commerce platforms and retail outlets need to grow.** The flow of tourists in Sri Lanka is a rich opportunity to promote and market local designers. Part of national tourism development can take this emerging sector into account, promoting local markets, designers and places to shop. **It is important to put the focus on the value of Sri Lankan fashion design as a sector, rather than just promoting places to shop.** Lifestyle magazines and tourist brochures currently market large shopping malls, which do not necessarily have many local brands.

**‘Design streets’, which provide exposure for local brands as shopfronts in high-commerce areas, can be established in places that already act as supply clusters.** The street-front shops can showcase and retail local





*Baliphonics – contemporary western improvisation meets the ecstatic and transcendental healing ritual of Bali.*

© Shehan Obeysekera.

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Case study

## Sumudi Suraweera —Musicmatters

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Jazz drummer, ethnomusicologist and music school director Sumudi Suraweera is the co-founder, with pianist Eshantha Peries, of Colombo's distinctive music school, Musicmatters. A performance-based Western music school, with an impressive range of local and international musicians, Musicmatters focuses on encouraging students to enjoy playing and creating music, offering an alternative to formal music education. Since 2010 Musicmatters has also provided a platform and has become a musical hub for collaboration, experimentation and performance. Continually innovating and experimenting, Musicmatters has been associated with many ground-breaking musical initiatives. Jazz combining with traditional Sinhala folk melodies produced Serendib Sorcerers, and the anarchic Sakvala Chakraya dubbed themselves exponents of 'post-colonial trance punk'. Baliphonics was formed in 2009 by Sumudi and traditional Bali healing masters the Rupathilaka brothers, Prasanna and Susantha. Weaving Western improvisational styles with the ecstatic, transcendental healing ritual of Bali (meaning 'offering to the deities') Baliphonics performances offer audiences a unique and mesmerising experience.

designers' work and shops can be on rotation to ensure access to different brands. These locations are more economically feasible in terms of shopfront rental prices and provide a dynamic supply of customers, apparel designers and garment producers through the streets, ensuring greater exposure and better networking opportunities for all stakeholders in this sector.

### 5.7 IT: graphic design, gaming and digital creatives

The IT sector in Sri Lanka has been expanding, with a few companies growing to the size of 1,000–4,000 employees by tapping into producing tailor-made software and related services to clients in major markets such as London, New York, San Francisco and Sydney. The sector is a fast-growing area of interest and Sri Lanka has unique selling points due to the availability of technical expertise and ability to create bespoke solutions. In 2018 the IT sector's export revenue stood at US\$1 billion and the 2022 revenue target is projected at US\$5 billion. From this, the design contribution through value additions is roughly 20 per cent, so US\$0.2 billion in 2018.<sup>9</sup> The Ministry of Information and Communication Technology is the regulating body of the IT and advertising sector.

Sri Lanka is unable to compete on quantities of personnel with its neighbouring competitor, India, but the value addition it makes – and which attracts foreign investors and clientele – is the quality of intellectual production. This boom has meant the development of small IT parks in some locations close to urban areas, such as Malabe. In Dematagoda, in central Colombo, Orion City boasts 550,000 square feet of developed space for IT offices. Small, medium and large sized companies alike gather there, creating a potentially fertile hub.

While IT has grown as a sector, the recognition for a creative economy approach has remained lower on the radar. While Orion City presents enormous potential to be a creative hub, the space lacks the dynamic interaction that one might expect of a creative hub. Conversely, Trace City houses several small IT companies and hosts innovation events and talks, creating a dynamic space. The University of Moratuwa, a state university renowned for producing the best IT and engineering graduates in the country, has also recently developed a 'hacker space' to encourage such creative activity among its occupants.

The creatives of the IT sphere are diverse and are well connected to the international market, using visual concepts and software to communicate ideas that inspire, inform and captivate consumers. Software and games designers and web developers combine coding excellence with creativity to satisfy client demands. Games designers especially must use literary and visual creativity in creating their gaming world, from the outlay and characters, to the

narrative logic of progressing through the game.

Graphic designers also abound, with hundreds of training courses around the country administered by various bodies – NGOs, state, charity and formal educational institutes. The Academy of Design, University of Visual and Performing Arts, University of Moratuwa, Tertiary and Vocational Education Commission (University of Vocational Technology) and University of Kelaniya provide undergraduate degree programmes for graphic designers. Quality of design services varies among workers but youth look to this as a potential livelihood because there is high demand and low capital costs (if the software and equipment are available where one is hired). Digital media specialists, such as social media consultants, are also growing in this space as social media becomes the main form of brand marketing, combining visual adeptness and creative copywriting, technical knowledge and marketing skills.

Design institutions are likewise venturing into this sector, recognising the need for better front-end design. The Academy of Design in particular has been working closely with the IT industry in developing better local capacity for user interface (UI) and user experience (UX) design. While the IT sector has thus far been largely profiting from back-end work – software development and delivery – this swing towards UI and UX training cashes in on the front-end aspects of software development, where the biggest value additions and margins are to be made.

#### 5.7.1 Challenges identified by the subsector

Importantly, the design aspect of the IT industry is populated with a lot of freelancers. This irregular working pattern comes with its pros and cons. On the one hand, it is easy for developers and designers to set up their own companies and provide services as a one-person company or with a small group. However, since labour protections for freelancers are not explicit (there is no one law governing work practices and obligations) and must be interpreted from the variety of legislation available, both freelancers and clients face difficulties in holding the other party to their obligations. Thus freelancers may face delayed or non-payments and clients may receive poor quality services with no recourse for redress. Although freelancers are protected by labour laws and are able to complain to labour tribunals, there is a low rate of taking up these measures due to a lack of awareness of their rights and lack of faith in the justice system. Freelancers are also unable to apply or participate in international award ceremonies. If they win a local competition and wish to continue onto an international chapter, they are obliged to join a company and be nominated from there.

International payment mechanisms such as Stripe and PayPal are inaccessible in Sri Lanka. Although anyone can have a PayPal account, it is not possible

9. Calculations made from a combination of research from the Academy of Design and SLASSCOM releases.



to get inward remittances into a local bank account. This limits the flexibility of young professionals wanting to freelance with international clients.

There are no standards or conventional practices in pricing products, which means both clients and IT professionals are vulnerable to arbitrary pricing and unfair cost-cutting. With a lack of networking among graphic design professionals and no official professional association for them, networking and professional solidarity is poor, especially since the work is an emerging sector populated by young professionals who are competing to 'make it'. Additionally, they are unaware of how to price their products since it is service-based and costing has to be made for intellectual input and labour rather than material costs.

Low awareness of workers' rights means companies exploit their workers, obliging them to work at times for 17 hours at a stretch. This is beyond the daily limit of hours regulated by law and the workers are also not paid any overtime.

There is a higher rate of obtaining IP rights in the IT design subsector than other sectors. However, the time taken to get the IP rights, such as a copyright, is two to three months, which is impractical for designers. This has been the case for some games designers. For other graphic designers, there is discontent over the fact that they hold no rights over the work they produce for their clients or their employing company.

### 5.7.2 Recommendations

**Establish an association for digital creatives in the IT industry, especially among freelance-heavy occupations such as graphic design and social media consultancy.** The association can act as a guarantor for quality of services offered by its members and fulfilment of obligations. The association can establish guidelines on pricing schedules for services in the industry and a code of ethics to discourage plagiarism and encourage solidarity in the industry. It can also create a draft contract that new workers can use when beginning freelance work, such that they become aware of the labour protections they are entitled to. The association will also act as a networking opportunity for workers in this sector.

**Greater awareness of workers' protections for freelancers should be raised,** particularly the availability of the labour tribunal where employment malpractices such as non-payments or abdication of contractual obligations can be dealt with. Relevant laws such as the Industrial Wages Ordinance, the Shop and Office Employees Act, and the Employment of Women, Young Persons and Children Act should be enforced when hiring freelancers.

**Better information around IP rights and better implementation are imperative for this**

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**Sri Lanka has a historical reputation for excellence and innovation in architecture. Many contemporary architects continue to have international repute and distinctive styles. Sri Lanka is known in the global architectural world as a great place to study residential architecture and thus attracts graduates from around the world for post-study immersive study and apprenticeship.**

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**subsector.** The National Intellectual Property Office should improve its efficiency and have a faster turnaround time especially for digital copyrights.

**Allow inward remittances from online payment systems such as PayPal and Stripe.** While Sri Lankans are able to open their own PayPal account, they are unable to get the money directed to their Sri Lankan bank accounts. Restrictions on this need to be lifted in order to ease the access of Sri Lankan service providers and businesses to work in global markets from Sri Lanka.

### 5.8 Architecture and interior design

As far as professional services go, architecture in Sri Lanka has a strong foundation, with a long history of organised support within the community, international renown for many of its architects and a reputation for distinctive styles developed by those architects. Some Sri Lankan architects work internationally and are consulted as experts in conservation architecture, tropical architecture, residential styles and more. Although historically Sri Lanka had a stronger foothold in its international status for design excellence, in recent times there has been a shift, where local clients turn increasingly towards foreign architects, seeing them as putatively superior. This may be as a result of the lack of large-scale construction during times of civil war, meaning local architects did not have the opportunity to gain this experience. The preference for foreign architects has thus meant the local market has become challenging for local architects. Additionally, with international construction projects taking place in Sri Lanka, local architects are often used as support rather than being given primacy in agreements, despite the availability of adequate technical knowledge.

There are several educational establishments for architecture in Sri Lanka, the oldest of which is

the University of Moratuwa Faculty of Architecture which was established along with the university in 1972. Additionally, educational institutions include the Sri Lanka Institute of Information Technology, which now offers a course in interior design, the Sir John Kotelawala Defence Academy School of Architecture, and the City School of Architecture (CSA), which was established in 1986 and is affiliated to the University of the West of England, Bristol, UK. The University of Moratuwa also offers a BSc in Town and Country Planning, while the CSA has introduced an MA in Architecture and Environmental Design.

Several professional associations exist in this sector: the Sri Lanka Institute of Architects, Sri Lankan Institute of Interior Designers and Sri Lanka Institute of Landscape Architects. Any building work is regulated by and must be approved by the Urban Development Authority, and the Institute of Town Planners is also involved in managing rules and regulations on practices. The Sri Lanka Institute of Architects was incorporated by an act of law in 1976, becoming the main professional, and the Architects Registration Board (ARB) was established in 1996 to regulate the sector and who is able to use what titles (e.g. Chartered Architect, Architect, Architectural Associate). The ARB also maintains a registry of all architects.

Sri Lanka has a historical reputation for excellence and innovation in architecture. Many contemporary architects continue to have international repute and distinctive styles. Sri Lanka is known in the global architectural world as a great place to study residential architecture and thus attracts graduates from around the world for post-study immersive study and apprenticeship. Geoffrey Bawa and Bevis Bawa are perhaps the most renowned names in this, with both of them holding wide international repute. Geoffrey Bawa in particular is a stock part of architectural courses around the world, where his design adapting historical styles to tropical climates and contemporary aesthetics was pioneering. In a resurgence of interest in women's histories, the spotlight is finally being shone on architect Minette de Silva, whose styles inspired and created engineering feats that have come to be standards of modern architectural practices. Indeed it was Minette de Silva in the 1950s who stressed convincingly the need for a modern architecture that is relevant and resonant with 'place'. She went on to pioneer the tropical modern architecture school of thought, of which Geoffrey Bawa was also an exponent.

Contemporarily, Sri Lankan architects have gained niche renown for historic restoration, conservation and renovation in the contexts of tourism and residences. They have continued in the tradition of place-relevant architectural designs and have developed and matured the use of local materials in design and responding dynamically to the culture and climate of the country. Architects Pheroze Choksy and Ismeth Raheem designed the Cinnamon Lodge in

Habarana and gained the world sustainability merit of Green Globe Certification through their design. Built on an area that was formerly a dry piece of land used for traditional farming, it was turned on its head by the architects planting more than a hundred trees and creating a lodge that worked with its new 'green' environment. Sunela Jayawardena's Vil Uyana, a boutique hotel built for hotel chain Jetwing, used techniques with both environmental and social impact. She worked with local craftswomen in part of the design and construction and the natural environment created around the lodge promoted the reintroduction of species that were dwindling in number, particularly the forest loris whose population had been highly sensitive to previous environmental degradation and the loss of habitat.

Conservation and heritage architecture is also an important industry in Sri Lanka, considering its focus on cultural heritage and tourism. Architects such as Ashley de Vos, Pali Wijeratne and Channa Daswatte have been involved heavily in heritage restoration and maintenance, which have been crucial to tourism since the 1980s. Daswatte is part of a younger league of architects who are working dynamically with upcoming projects in cultural tourism, using traditional styles and place-resonance to create buildings that work for contemporary needs. Notable architect Chelvadurai Anjalendran, a student of Geoffrey Bawa, has a very distinct style which is rich in vernacular traditions of Sri Lanka, bringing this to his designs for residences and his attention to details of furniture and decoration.

Conversely to this richness of residential and heritage architecture, urban development projects can be seen to be recreating the type of Asian urbanity found elsewhere in developing and developed Asian countries. The replication of these designs in Sri Lanka caters to development priorities and short-term returns on infrastructure building, rather than a holistic interest in developing all constituent parts of the construction and building industry, including and especially design and planning. This said, some contemporary architects are gaining renown for their industrial designs, such as Palinda Kannangara, who, alongside his reputation for holiday and residential home styles, has won awards for his design for industrial showrooms and also designs factory housing.

### 5.8.1 Challenges identified by the subsector

The major challenge for the sector is competition with foreign architectural firms, to the point that even formerly well established and successful local firms are downsizing and seeing an end to their line of business. Foreign companies are able to work at scale and with large numbers of staff behind them. This means competition for local architectural firms is tough. Moreover, they are able to offer these services at a lower cost due to their scale of work

and frequency of winning contracts, which again puts local firms at a major disadvantage. This can be especially problematic when bidding for government tenders, since the state tends to prefer lowest-cost bids, even if it means compromising on the quality of output, as has been seen in social housing projects.

The incidence of decades of war meant that very little infrastructural work or large building work occurred in Sri Lanka. Thus although architects may have the technical knowledge, their experience with large-scale development is limited due to a previous lack of opportunity. This works in the favour of foreign competitors, while those offering the tenders also often prefer and employ foreign architects, planners and designers.

IP theft occurs in this industry. To get approval to go ahead with a building, a legal draftsman must sign off on the architectural design. While some architects provide their initial design consultancy services, clients at times take these blueprints and do not pay the architect, instead taking them directly to the draftsman who can sign them off and then the client contracts builders for construction. It is only at the point of building that structural integrity may become a problem, at which point it is too late.

Corrupt processes in obtaining permits from government bureaucrats for buildings results in substandard buildings being created without proper architectural oversight. This is bad for architects as well as in terms of safety, as seen in the collapse of several buildings in the 2000s and 2010s due to non-standard permits and building practices.

### 5.8.2 Recommendations

Since foreign competition is not something that can be stopped, there needs to be means of working collaboratively such that there is knowledge exchange and co-creative practices. **Better collaborative processes between local and foreign architects and designers need to be put in place to ensure that local professionals have the opportunity to upskill and gain experience in sectors they may not have previously had access to** (such as infrastructure and large-scale building development). Trade agreements can be struck with the main foreign competitors, particularly India and China, so that professional services can be exchanged on an equal level.

For foreign companies operating in the country (and who are therefore eligible to tender in equal competition with local companies), **regulations and agreements must be brought in to encourage better collaborative work between foreign and local architects and firms, promoting transfer of knowledge and skills between the companies rather than encouraging competition between the two**. Local firms are able to bring local expertise and design, while foreign companies can complement with design, operational and staff capacities.

**IP theft must be curbed; existing professional bodies such as the Sri Lanka Institute of Architects and the Architects Registry Board can intervene in this issue, acting as a larger body on behalf of individual architects, designers and firms**. There needs to be a similar sense of camaraderie and support between architects and related professional service providers such as contractors and draftsmen, so that they are not inclined to work against each other's interests. Those providing illegal services or engaging in IP theft may be blacklisted and held to account within these professional bodies. This is in lieu of filing IP theft cases, which, in the context of a weak justice system in Sri Lanka, would be too costly and time-consuming to be worthwhile for local architects and firms.

Safety regulations for building and construction need to be adhered to rigorously and public officials who bypass these regulations must be held to account. This, however, requires a change in bureaucratic culture as well for Sri Lanka.





*The batik ceiling designed by Ena de Silva and her son Anil Gamini Jayasuriya for the entrance hall of the Bentota Beach Hotel (1967 and 2020).*

*© Dominic Sansoni.*

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Case study

## **Geoffrey Bawa —architecture and craft**

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Geoffrey Bawa's architecture was primarily about place, both understanding it and revealing its potential through his architecture. His architectural vocabulary arose out of materials and skills available to him. Before the advent of modern contracting practices, using these materials was about engaging with the crafts. In addition, due to the lack of imported materials as a result of the economic policies of the time, making innovative objects was the norm. This was also true of other crafts such as the use of batik fabrics within resin tops for longer lasting and maintenance-free tables. The key to the way Bawa utilised art and craft in his work was that he did not simply use it as decoration, but in the process, making it an indispensable and integral part of the architecture itself, the Bentota beach hotel arrival space being an exemplar. This allowed art and craft to be elevated beyond mere decoration and become one with the building itself.

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# Section Six

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# Conclusion and recommendations

Taking stock of the creative and cultural industries as they are in Sri Lanka at the moment, there is manifest richness and diversity and incredible potential but it is a field that has thus far found insufficient support and investment. This report has been an attempt to create a baseline of understanding of the creative and cultural industries in Sri Lanka. It is the first attempt of its kind at a national scale, bringing together information on diverse subsectors and industries. It introduces the framing of this grouping of subsectors as the 'creative and cultural industries of Sri Lanka' and also raises awareness of its current state, its demographics, trends and highlights. As a baseline, this document can be used to monitor over time the growth of the sector and effectiveness of different interventions in specific subsectors. Subsequent studies can be used to ensure that further robust data is developed and deployed for stakeholders in the industries and to inform changes in policy and practice.

Importantly, it must be recognised that investment in the creative and cultural industries in Sri Lanka presents solutions for many of the nation's imminent challenges. Looming problems such as ageing populations and the consequences of automation and software on professional services can potentially be mitigated through investment in this sector. Since the creative industries are heavy on intellectual production and relatively low in capital costs, they hold rich potential as a solution for Sri Lanka's current challenges. It is also evident from the recommendations in each subsector that a few adjustments will go a long way to supporting creatives involved in each.

The conclusion of this report is that the creative and cultural industries of Sri Lanka have considerable potential to contribute to the economy. For this to become a realisable ambition, our top recommendations are:

- **Position Sri Lanka as an ethical and sustainable creative hub.** The growth in ethical and responsible consumerism presents a great opportunity for

Sri Lanka and pertains to all subsectors. Sri Lanka has strong labour legislation and environmental regulations that support the guarantee of ethical production practices in the country, including such value additions as vegan production, social and environmental responsibility, and local sourcing and production. Sri Lanka is unable to produce at mass scale so the value addition of guaranteeing ethical and green production can be the draw for buyers and investors to prefer Sri Lankan creatives over other competitors. Tourist populations visiting the country show interest for this kind of product, and Sri Lanka's focus on high-end tourism means the potential to connect with export markets via visitors. Establishing Sri Lanka as an ethical and sustainable creative hub will be a unique selling point for the country, positioning the country as a standout leading creative production hub within South Asia, and competing with East Asia.

- **Support Sri Lanka's position in global value chains.** For craftspeople, digital creatives, architects and all the many creatives that tend to work alone, it must be a priority to create a connection to global value chains. Individual creatives struggle to tap into global markets and sustain themselves (unless they are capital-rich, which is only a very few) even though they may wish to be part of it. Rather than relying on their own capacity to connect individually, there needs to be strategic streamlining of connections to global value chains, such that it is easier for individual creatives, freelancers and small companies to connect. This means supporting craftspeople to connect with designers and markets, for digital services or architecture firms to be service providers to international clients, and so on. This can be achieved through multiple means:
  - enabling internal remittances from international payment systems such as PayPal
  - improving exposure opportunities such as funding attendance at international trade fairs and exhibitions, improvement of exhibition spaces



and encouraging professional exchanges

- bi- and multilateral trade agreements that connect Sri Lankan designers, creatives and producers to targeted countries, such as within SAARC (South Asian Association for Regional Cooperation) or countries that are currently heavily being exported to such as Australia, Canada, India and the USA.

- **Improve data on cultural and creative industries.** The Ministry of Industry and Commerce conducts industrial surveys to understand the economic and social dynamics of interest sectors. We recommend that the next industrial survey carried out by the Ministry includes the creative industries as one such industry. The survey can create a mapping to understand the value of this industry, the economic contribution and revenue, and the nature of its workforce. The information will also be vital for investors and entrepreneurs who are looking to build businesses in this sector. This report has recommended which subsectors should be included in Sri Lanka's creative industries definition and has flagged major challenges and subsector recommendations that should also be explored in more depth.

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**Creative, critical and lateral thinking are vital soft skills for any form of employment and are increasingly required by employers across all sectors.**

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- **Develop a strong professional association for cultural and creative industries.** Throughout each subsector, participants in the research desired a coherent, collective set of policies and an organisational body that would promote and support their sector. This calls for an overarching council or a collective body for the creative industries that can voice overall sector concerns, monitor growth and steer development. Leading organisations in the creative subsectors now have the opportunity to band together and proactively create this council. The council can act as a collective bargaining body to represent industry interests while also stimulating intra-sector collaboration. The council can work with private, public and international stakeholders to redress some of the challenges detailed through this report. For the difficulty in raising capital, the council can work with banks and other financial institutions or investors, government departments and trade bodies to identify issues and barriers in looking for sector or market-specific solutions, such as grants, micro-loans, venture philanthropy or patient capital. To address the challenge of raw material acquisition and processing, the council can stimulate the

creation of supply clusters or co-operatives to create a more streamlined, reliable and sustainable supply of processed raw materials. To address the challenge in identifying markets, the council can commission work on trends in consumer segmentation, competition analysis (direct and indirect) and foreign market environments analysis (regulatory changes, market sizes), and it can offer access to business planning workshops. More can also be done to identify and support supply chain connectivity to cement the role of Sri Lanka's creative industries in global value chains.

- **Strengthen knowledge about and access to IP rights.** Access to justice in Sri Lanka is challenging so litigation on formal IP rights may be difficult even for those who have them. Rather, a culture of recognising and respecting personal IP rights needs to be encouraged across the board. The public – who are the clients of architects and consumers of fashion and craft – must recognise the value of IP that goes into creating these products and must be geared to understanding why there is a premium on them, rather than expecting mass-production costs for what are essentially fine art processes. The business world – who use stock photography and require digital creative services – need similarly to recognise the intangible value of work that goes into creative production and similarly respect the premium placed on this. Additionally, IP rights in law can also be strengthened by adopting a sui generis legal framework for protecting traditional knowledge and traditional cultural expressions, which are ultimately the foundation from which Sri Lanka creates its unique designs. This local recognition and inclusion in trade agreements will uplift local production while protecting it against unfair commercial adoption by foreign competitors.
- **Value creative education, strengthening the teaching of creative skills across the curriculum.** Creative, critical and lateral thinking are vital soft skills for any form of employment and are increasingly required by employers across all sectors. These skills are learnt from creative arts including dance, music, creative writing and visual art. Although creative arts are taught throughout school curricula, the quality of teacher training and resources needs to be improved. Additionally, creative arts teaching is rooted in traditionalism and needs to be made more dynamic, more contemporary, to stimulate children's thinking rather than simply applying rote learning. Recognition of the values brought by creative arts education will elevate its social status, instil an appreciation among those students who do not pursue the arts beyond school, and support those students who do wish to pursue creative work professionally. Stimulating creative and critical thinking through arts education in school, as well as across the curriculum, will help create a workforce better able to meet the demands of the changing nature of work.







*The Hatch Works branded entrance to the reconfigured colonial era tea agency, opened in 2019.*

© Menika van der Poorten.

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Case study

## **Hatch Works —centre of gravity for all things start-up**

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In a blend of old and new, the very 21st century enterprise Hatch Works is located in a seven-storey historic building in the heart of Colombo. A stylish and welcoming space housing meeting rooms, co-work spaces, individual offices, gaming rooms, a tree house (yes, tree house), a makerspace and auditorium, as well as a lounge area and café, Hatch is not just a meeting space but aims to nurture would-be entrepreneurs. It offers incubation opportunities, mentoring and accelerator programmes to support start-ups and its frequent knowledge sharing events also provide learning and exposure to new ideas and the latest developments in tech and innovation. Co-funded by Nathan Sivagananathan, Jeevan Gnanam and Brindha Selvathurai Gnanam, Hatch champions collaboration and connections between start-ups, mentors and partners. It envisions a future economy fuelled by start-ups that contribute to economic growth and productivity. Its ambition is for Sri Lanka to be the innovation hub in Asia.

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# Appendix

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# Summary findings of Ayurveda, beauty culture and culinary arts

## Appendix

### Ayurveda

Ayurveda can be divided into three sections: whole body medicine, demonology (dealing with spirits) and antivenin (anti-venom). Ayurveda doctors can be registered as either (a) those with medical qualifications from an institution incorporated by an Act of Parliament or recognised by the Ayurvedic Medical Council or (b) as traditional (paramparika) physicians. This latter option was initiated in 1956 to recognise physicians with no institutional training, since Ayurveda is traditionally a form of medicine taught generation by generation.

Only three or four companies manufacture Ayurveda products on a large scale. The Ministry of Health, Nutrition and Indigenous Medicine oversees the industry. The Ayurveda Act No. 31 of 1961 provides that only a registered Ayurveda practitioner is entitled to use the title Vaidyacharya (Physician) and only such a practitioner is legally or duly qualified to practise as an Ayurvedic practitioner. According to the Ayurvedic Pharmacies Regulation 21 (I) 'every formulae for the preparation of any drugs to be sold to the public shall be first approved by the Formulae Committee set up for purpose and any alteration or addition after the approval also should get approval'. Though there are acts to regulate the industry, there is a serious dearth of policies that encourage the production and attract customers.

The products of multinationals in the local market are a problem for local Ayurveda products, as is the lack of raw materials in the country. Due to a lack of proper policy towards cultivation of medicinal plants, some herbs cannot be cultivated due to the legal barriers, and research and development facilities are few in the country. Other challenges include: low government intervention in the sector, difficulty in formulation of drugs using non-indigenous herbs due to phytosanitary restrictions, lack of proper functioning educational programmes and difficulty in storage of Ayurveda medicine due to lack of sophisticated storage facilities.

One of the main opportunities arising in this sector is the recently created ethics review committee that will help researchers develop their drugs. Stakeholders also identified that promotion of the Ayurveda sector with tourism is important, so

that tourists can experience authentic Ayurveda treatments and as a means for Sri Lanka Ayurvedic products to reach an international market.

### Beauty culture

Beauty culture training is provided under the National Vocational Qualification (NVQ) framework through the Technical and Vocational Education Commission (TVEC) system offered by the government, which offers certificate, diploma and degree courses. The highest level offered by the TVEC is the equivalent of a bachelor's degree. Beauty culture does not come under the purview of any ministry and as such lacks a strategic plan for development.

The TVEC NVQ system has some key problems in the educational programmes. The skills standards of education of hair and beauty care is not streamlined to the desired standards recognised internationally. The knowledge of teachers is very poor, with no standards maintained. There is no common syllabus to be followed, no proper theory books developed to teach course material, nor standards developed for practical exams such as haircuts or other procedures. Many NVQ recruitments also appear to occur via political connections, rather than being merit based.

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A British Council commissioned survey in 2018, The State of Social Enterprises in Sri Lanka, found that 13 per cent of social enterprises in Sri Lanka are also creative enterprises. This demonstrates both the synergy and the possibilities for Sri Lanka's unique positioning as an ethical and sustainable creative hub in South Asia.  
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Another key constraint identified is the absence of government regulation of products being brought into the country. At present, various types of products are imported to the country, including those that are manufactured using harmful substances. Social media is used heavily to influence buyers, with there being no checks and balances in terms of advertising. As one respondent put it: ‘The government should introduce strict controls for the media as well as for cosmetic agents importing products from abroad. Regulation can be enforced by the Drug and Cosmetic Authority.’

Also important is to impose laws and strict penalties on harmful cosmetic and other beauty product sellers. Punishments should be enforced for those who broadcast false information in addition to those who manufacture harmful beauty products.

### Culinary arts

According to the Sri Lanka Tourism Development Authority, the hotel sector directly employed 169,003 persons in 2018, of which 81 per cent were employed in hotels and restaurants. It also provided indirect employment to a further 219,484 individuals. Several thousands of employees are also working at the fast-growing bakeries and cafés opening up around Sri Lanka. The sector contribution to the country’s GDP is therefore large, with the tourism sector alone contributing around five per cent of the GDP in 2018.

The Ceylon Hotel School, also known as the Sri Lanka Institute of Tourism and Hotel Management (SLITHM), is the only government-approved institute and was established in 1964 to train individuals in the hospitality industry. Provincial schools have been set up in Anuradhapura, Bandarawela, Pallekele, Koggala, Ratnapura, Kurunegala and Pasikudah to accommodate students across the island. Other hotel schools, such as the Swiss Lanka Hotel School and the Colombo International Hotel School, both located in Colombo, also offer education and training in culinary arts. Loan schemes are available for financing women entrepreneurs and small and medium-sized enterprises, and digital systems maintained by hotels foster innovation and digital transition.

A key constraint in this sector is the absence of a set of guidelines to open and maintain establishments. All processes and licensing requirements are ad hoc and there is no central institute to obtain information or documentation. This results in a very inefficient process that can take up to six months to obtain a licence. There is also a lack of government support to foster industry–government collaboration and to support attendance at international trade fairs. Health inspections by public health inspectors are also carried out ad hoc without a consistent strategic plan. In the absence of specified requirements, they turn a blind eye on potential problems in exchange for bribes.

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The Good Market has, since 2012, been successful in its weekly market, providing stalls for emerging socially and environmentally responsible businesses to sell their goods. These include some craft outlets as well as culinary, beauty and Ayurvedic products.  
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The Hela Bojun initiative, funded by the Ministry of Agriculture, consists of open kitchens serving typically Sri Lankan food at subsidised prices across the country. The two objectives of Hela Bojun are to promote local produce and empower rural women, and they have been met with considerable success so far. A more streamlined government focus on the tourism industry with a clear vision for policy development in the coming years is also essential. A strategic plan is required with capable personnel and consistent standards to cater to needs of tourists and promote the hospitality industry and give it more value.

While Sri Lankan cuisine has yet to get the international recognition that Thai or Vietnamese cuisine has achieved, there are some promising starts and clear potential. The Colombo-based Ministry of Crab has achieved success on the back of the humble lagoon crab, and Paradise Soho, a recently opened contemporary Sri Lankan restaurant in London, is getting high ratings from critics and good reviews on social media. This shows the potential for enhancing the brand of Sri Lanka both in the country and overseas.

The Good Market has, since 2012, been successful in its weekly market, providing stalls for emerging socially and environmentally responsible businesses to sell their goods. These include some craft outlets as well as culinary, beauty and Ayurvedic products. Stallholders are ethically conscious and in many cases are close to becoming social enterprises (defined as a business that addresses an ethical or social or environmental issue). A British Council commissioned survey in 2018, *The State of Social Enterprises in Sri Lanka*, found that 13 per cent of social enterprises in Sri Lanka are also creative enterprises. This demonstrates both the synergy and the possibilities for Sri Lanka’s unique positioning as an ethical and sustainable creative hub in South Asia.

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Creative industry workers, industry specialists and entrepreneurs, and public policy leaders must now come together, using this report as an anchor and embark on a private–public dialogue process to harness the sector’s full potential. It can help identify new economic opportunities that must be pursued (especially in exports), identify solutions to policy and regulatory pain points, bridge skills development and curriculum gaps to gear the sector for the future, and elevate the sector’s prominence and recognition among policymakers, government officials and citizens.

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