

**FINANCE AND HUMAN RIGHTS IN SRI LANKA:
A POTENTIAL VIRTUOUS CIRCLE**

*Juan Pablo Bohoslavsky**

ABSTRACT

This article studies if and how recent economic and social policies aimed at promoting inclusive growth and strengthening economic development in Sri Lanka have contributed to the realization of economic, social and cultural rights for all. It first presents the international human rights obligations and commitments of Sri Lanka. Then it explains and discusses the links among macroeconomics, finance and human rights, specifically the links between debt and macroeconomic stability, as well as the human rights implications of the economic reform programme being implemented in the country. The article also describes the connections between illicit financial flows and human rights and critically analyses project financing and international development assistance. It discusses microfinance in Sri Lanka, the serious human rights impact of loan practices on borrowers, the legislative framework and current initiatives to regulate the sector. Towards the end it presents some concluding remarks and recommendations for discussion to a wide range of State and non-State actors.

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