



False Promises at the Cost of Women and Working People

Feminist Collective For Economic Justice Statement on Sri Lanka's Proposed National Budget for 2023

The Government's budget presented on 14th November, 2022 is incredibly callous. It fails to acknowledge the suffering Sri Lankans are enduring due to the economic crisis. The budget speech refers to 'rapid economic growth' and 'economic modernization' as the way forward, which are unrealistic in the current scenario. While many Sri Lankans are experiencing hunger, it received no mention in the budget speech. At a time when proposals ought to be overtly people centered to mitigate the humanitarian impact of the crisis, the budget reflects a serious disconnect from the realities of ordinary people of this country.

We are appalled that while admitting to the failure of economic policies since the late 1970s, there is a direct laying of blame with the people. Demonstrating a complete lack of awareness of people's lives in the past and present, the budget speech says, "We got lazy day by day. People got used to getting everything from the government," casting hardworking people as lazy and discrediting their contribution to the economy. It is timely to recall that the shift to the liberalisation model pushed Sri Lankans into employment under harrowing working conditions to be exploited as cheap labour. The Sri Lankan economy has and continues to survive upon the shoulders of the workers, primarily women, in these sectors of unfair labour - garments, migrant labour and plantations.

It is an abject failure of the government to take responsibility for the crisis that the working poor in Sri Lanka find themselves in today. The crisis is a direct result of ill-conceived economic policies over the years by the ruling class, including by investing foreign debt into projects that did not benefit the working people.

Women's Labour

The proposed budget fails to acknowledge the burden of the crisis on women and only refers to the elusive category of 'young women entrepreneurs'. Thousands of women are leaving as migrant workers to send hard earned remittances to the country. Where are they in this budget?

An entrepreneurship model based on microfinance loans is already established as deeply problematic. For years, this country has failed to provide solutions to the widespread and overwhelming household debt cycles that the poor have been thrown into, as a result of these loans. Those affected by microfinance loans, some of whom have taken their own lives, have made the horrors of these loans well known through long standing protests. The budget also fails to recognize the increase of violence against women this year. Women are bearing the brunt of this crisis and this budget attempts to transfer the burden of economic recovery squarely on to women as well.



Unemployment

Given the contraction of the economy by almost 10% of GDP is expected this year, widespread unemployment is inevitable. The solution to the looming unemployment cannot be resolved by entrepreneurship and foreign employment. Instead, in order to stimulate the local economy, the Government should be committing to investing in key sectors such as agriculture, fisheries and local industries and strengthening public services. No such commitment is reflected in the budget.

Dependence on attracting foreign investments amidst a rather bleak global economic scenario is risky. Furthermore, plans for more economic zones signals expansion of precarious, cheap labour that particularly targets women. We are well aware of the disregard for labour laws by employers in export processing zones. The budget proposes more labour reform which raises alarm bells for workers' rights.

Food security

Food security has not been given priority in the budget, even though recent reports suggest one third of the population are food insecure, over 70% of households have changed food intake habits and harvests have reduced by 33.7% (a 50 year low). We are not going to emerge from the serious food crisis without a robust plan to recover the food production and distribution system.

An allocation for nutritional supplements for children in risk of malnutrition is a welcome aspect in the budget. However, we note that the amount is inadequate to address the severe malnutrition reported among children. Given the very real danger of starvation deaths, the budget should have prioritised a food distribution system and a universal school meal programme.

We are concerned that the language of 'underutilised' and 'unproductive' land has led to displacement and eviction of the poor and workers in the past. We are well aware, the fertiliser ban in 2021 and increased costs have led the farmers to abandon cultivation. There is an urgent need to revitalise farming by supporting small farmers as a way to build sustainable futures for themselves, their families and for the food needs of the entire country. On the contrary, the budget enables formalising and justifying land acquisition by multinational corporations. This will further deteriorate rural economies by turning farmers, especially women into daily wage earners and no progress will be made in finding sustainable solutions to fulfill Sri Lanka's food needs.



No relief has been provided to fisherfolk who are hard hit by sharp increases in kerosene prices in the budget, leaving the main source for protein Sri Lankans rely on in a precarious state. The plantation sector workers, who have been deprived by the state for decades, are yet again ignored in the budget.

Social Security

The budget proposes a ‘social security and open economy’ approach which is nonsensical. Looking at the social security items of the proposed budget, it is clear that there is no expansion of social security. Analysis of the exponential increase in poverty and an acknowledgement of the impact of inflation on the cost of living is absent. Even the inadequate relief can only be viewed with skepticism, given that registered beneficiaries are yet to receive the relief promised in the interim budget of September.

The budget refers to the meager amounts of relief provided to specific categories identified as vulnerable groups. Such an extremely limited focus on social security is illogical when even conservative predictions are that almost half of the population are in danger of falling into poverty. The failure to consider universal social protection in these dire circumstances is a stark gap.

Education and Health

The budget has no mention of the major disruptions to schooling due to Covid-19 and thereafter, the economic crisis. It does not address learning loss or propose a plan for education to help an entire generation that has been impacted. The proposal to introduce paid wards to government hospitals is deeply concerning. Instead of addressing the frightful conditions of hospitals, such as lack of essential equipment, infrastructure, and trained staff in rural districts, the proposed paid wards will allocate the remaining limited resources to the people who can financially afford them, further marginalising the poorest. We are well aware that these are initial steps towards eventual privatisation of the health system in Sri Lanka, thus, ridding the country of its proud accolade of being the only nation in South Asia with a functional public health system.

The allocations made to vital sectors in comparison to the allocation for Defence is telling of the Government’s priorities. The budget allocation for Defence is Rs. 539 billion while Health is allocated Rs 322 billion and Education Rs 232 billion.



Revenues

The Government is relying heavily on indirect taxes (VAT) for revenue generation. We can expect the cost of living to continue to remain high in the coming year, given no wage increases are in sight. It is the ordinary people who have to bear the burden of the proposed tax scheme and be expected to shoulder economic recovery. Demands for a wealth tax have gone unheard. We, as FCEJ, have called for redistributive justice via a wealth tax to increase government revenue without making the lives of ordinary citizens even harder.

A budget against economic recovery of ordinary Sri Lankans

The budget does not address the immediate humanitarian concerns of preventing a food crisis. Nor does it put forward an economic recovery programme that is people centered. Instead, disjointed policy prescriptions that hark back to the failed policies of an earlier era have been regurgitated. The budget, no doubt, will deepen the impact of the crisis for ordinary people. It is time for people to rise and demand for economic justice.



The Feminist Collective for Economic Justice is a collective of feminist economists, scholars, activists, university students and lawyers from across the country that came together in April 2022 to understand, analyze and give voice to policy recommendations based on lived realities of communities they work with in the current economic crisis in Sri Lanka.

Please send your comments to - feministcollectiveforjustice@gmail.com

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