



# SRI LANKA CRISIS

## GENDER WATCH

September 2022

12 commissions of  
country are  
scam!

## Context

- Two months since Ranil Wickramasinghe took oath as the interim President of Sri Lanka.
- Intensified crackdowns on student union leaders, activists, artists and a number of citizen protestors who were involved in the Aragalaya since March 2022. So far, 3353 activists have been arrested and 1255 remain in custody under flimsy charges (Sri Lanka Brief, 23 Aug 2022). Some have been charged under PTA. (The Hindu, 22 Aug 2022) ER lapsed on the 18th of Aug 2022 and was not extended in a bid to welcome tourists, as some countries had blacklisted SL as travel destination due to ER being in place (Newswire, 16 Aug 2022).
- An interim budget for the remaining four months of 2022 proposing severe austerity measures and privatization of State-Owned Enterprises was passed on 30th August 2022 by Parliament. This budget includes an increase in direct taxes via the Value Added Tax (VAT) from 12% to 15% with effect from 1st of September. The budget failed to address the looming food crisis or provide provisions for reviving the agriculture sector that is facing challenges after the fertilizer ban and fuel crisis. After facing long interruptions to schooling, the education sector too has been ignored in the budget.
- In terms of social security, the interim budget proposes an increase in payment of Rs 2500 to the existing state support of Rs 20,000 for pregnant mothers. Increase in the monthly allowance of Samurdhi from Rs 3000 to Rs 3100 and monthly allowance for elders from Rs 2000 for over 70 years to Rs 5000 has been proposed. The monthly support for low-income disabled persons and low-income Kidney patients has been increased from Rs 5000 to Rs 7500. Rs. 5000 is to be granted for 61000 low-income families for those who are in difficult economic conditions and those who are not on any social security scheme. These measures seem hugely inadequate even to afford necessities considering the prevailing levels of inflation. Furthermore, it will not address the problem of large sections of the population who have more recently fallen into poverty. Statistics from 2015 show that Sri Lanka's spending on all forms of social protection expenditure (3.2% of GDP on all forms of social protection where only 0.6% of GDP was for welfare expenditure) is among the lowest in Asia (Singapore- 5.3%, Maldives - 5.6%, China - 7.7%, Japan-21.1% and Vietnam - 6.3%), and even lower than middle income country average which is 3.9%. (Economynext 2019).
- On 31st August 2022, a staff level agreement was reached between the Sri Lankan government and the IMF to support the country's economic policies with a USD 2.9 billion, 48 month arrangement under the Extended Fund Facility. However, some of the policy recommendations include a cost recovery pricing mechanism for fuel and electricity, and even though it mentions raising social spending and expanding targeting, it is still within the framework of cash transfers and targeted support.
- On 3rd of September 2022, the ousted president Gotabaya Rajapaksa returned to Sri Lanka with special security granted to him. Efforts to revive the SLPP with the Rajapaksas at the helm are underway.



## Inflation and Cost of Living

- Food inflation - 90.9% (Central Bank-July 2022)
  - Transport inflation - 143,6% (Central Bank-July 2022)
  - Cost of Living - A family of 4 needs 100,000/- monthly. (WHO)
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## Health, Malnutrition & Food insecurity

Women who are the primary care givers for households have been carrying the burden of the economic crisis both in terms of managing food insecurities and education of the children.

- 3 in 10 households (6.26 million people) are food insecure, of which 65600 are severely food insecure (Source: Relief Web & WFP).
- UNICEF estimates that 2.3 million Sri Lankan children urgently need humanitarian assistance
- According to Dr. Suren Batagoda, Chairman of the Presidential Committee on National Food Security:
  - 100000 families are malnourished and of this number around
  - 75000 families are presently struggling to avoid starvation death.
  - Of those 75000 families around 40000 families are receiving food or nutrition via saline.
- See also: here, here and here for more sources for the same data.



## Energy Poverty

- In August 2022, with the approval of the Public Utilities Commission of Sri Lanka, the Ceylon Electricity Board (CEB) raised electricity tariffs for the first time in nine years. Those who consume under 30 units a month will see the greatest increase in rates of 264%, while 30-60 units face a 211% increase. Overall, **50% of domestic electricity consumers in Sri Lanka – 3.14 million households who use fewer than 60 units a month – will face the greatest increase in electricity bills.**
- The electricity tariff hikes are not in line with the principles of energy justice, with women bearing the biggest burden of these increases. It will increase energy poverty among a population that have accumulated electricity bills dating to COVID-19 lock down periods and result in more families being trapped in a cycle of debt and arrears, with the threat of disconnection looming over their heads every month (Colombo Urban Lab, August 2022). The gendered impacts of energy poverty will constrain a generation of women and girls, stripping them of time and inhibiting their access to education and the workforce. Strategies of cost cutting measures in the household and its implementation usually falls on women. Nutrition is also affected by energy saving efforts in the kitchen, with households cooking fewer meals to save electricity and cooking fuels.
- Kerosene increased by Rs.253 per litre (Increased from Rs. 87/- to Rs.340/-). 200000 fishermen are unable to use boats and engage in their livelihood activities because of kerosene shortages – WFP. Small scale farmers rely on kerosene run water pumps for cultivation and this increase in price of kerosene will further discourage farmers (who have already reduced their production due to lack of access to kerosene and fertilizer in the past few months) from engaging in production, thereby impacting food security.



## Education

- Almost half of all children in Sri Lanka (42%) were living in poverty before the economic crisis, according to the UN, and a third of children under four were underweight or stunted.
- Sri Lanka's Ministry of Education revealed that the education sector as a whole has entered a very serious and complex process and it is more difficult to manage the situation in the face of the economic crisis than the Covid-19 situation. The learning loss of students in the year 2020 was 54% and by August 2021 it was 88%. (Ada Derana, 18 June 2022).
- UNICEF reports impact of the economic crisis on education has seen decreased student enrollment and a deficit in resources, in addition to commuting being dangerous due to outdated infrastructure (UN News 26 Aug 2022).
- Save the Children, Sri Lanka warned that one in four students could go hungry as a result of government funding cuts to the school meals programme (Save the Children, 4th May 2022) In June 2022, Save the Children warned that the fourth school closure for 2022 will leave children hungry as free school meals are a lifeline for one million of the country's most vulnerable children. A recent needs assessment by Save the Children also showed that children from 2 out of 5 households were not able to continue their online learning with families unable to afford data. Many children don't have access to the internet with households on average only owning one mobile phone. (Save the Children, 22 June 2022)



## Women's Unpaid Labour

- Relaxing of law/regulations to increase female labour force participation as per IMF recommendation fails to consider the burden women, especially working women have to undertake. Unpaid care work and social reproduction often gets left out from the discussion of women's labour's contribution to the 'market'.
- Women are forced to engage in paid labour to find cash income to fulfill essential needs, over and above the domestic work they are already engaged in. Increase in prices of non-food essentials such as fuel/energy has exacerbated the need for cash income. Men who were daily-wage earners are out of jobs and women have to take on the burden of engaging in paid AND unpaid labour. Unlike liberal arguments declaring that women 'should' enter the labour force, as if this were a choice, to work outside the home in horrific working conditions and abysmal wages, is not a 'choice' women make but is forced upon them by economic conditions.
- A research study done in two DS divisions (Karaitheevu and Samanthurai) in the Ampara district on the gender impact of the COVID 19 crisis showed that 46% of women said that their care work in the home had increased due to the pandemic. 37.5% had reduced food consumption due to lack of income, 27% of households had borrowed money, 45% pawned jewels and took loans. (Affected Women's Forum (2022) Survey of Gendered Impact of the COVID 19 Pandemic in 2 DS divisions in the Ampara District, forthcoming). It is alarming that for three years women have been carrying the burden of managing the survival of the household, and now are being pushed into further worse conditions.



## Women's Labour

- The cabinet had approved a proposal by the Minister of Labour and Foreign Employment to change the Shop and Office Employees (Regulation of Employment and Remuneration) Act No.19 of 1954 which will allow them to work legally at night in business process outsourcing firms. Women were the first to be targeted under labour law reforms, to exploit cheap labour under unsafe conditions.
- Women migrant workers - In the current regulations the minimum age for Saudi Arabia is 25, for other Middle Eastern countries is 23 and for all other countries is 21. However in July 2022 the government changed the regulations reducing the minimum age to migrate from 25 to 21 and also women with young children can now go as migrant workers.
- Sri Lanka's Cabinet approved a measure to remove family background report from the mandatory requirements for women to go abroad. Under the new regulations mothers with children under 2 years are still banned from going overseas for work. However, the previous ban on mothers with children under 5 leaving has been removed.
- Ministry of Labour is working on amending existing laws to allow children (16 and above) to work.
- In the six months upto June 2022, close to 777 rural poor left Sri Lanka daily as migrant workers (Central Bank). This is 4 times more than those who went as migrant workers in 2021. Even though the working conditions are exploitative and precarious, with 114 workers dying in their workplace in 2020, many rural poor have been pushed to leave having no other option.
- The Ministry of Finance, Economic Stabilization and National Policies has issued a circular to facilitate employees of public institutions to take no-pay leave to work abroad for a maximum period of five years. As per the circular, it is mandatory for government employees who leave for foreign employment to send a monthly amount of foreign remittances to a non-resident foreign currency account during their tenure.
  - Primary-level employees – USD 100 per month
  - Secondary-level employees – USD 200 per month
  - Tertiary-level employees – USD 300 per month
  - Senior-level employees – USD 400 per month
- The Interim Budget 2022 proposed to reduce state sector retirement age from 65 to 60.



# RECOMMENDATIONS

- **Immediate halt to the intimidation, harassment, baseless investigations and arrests of citizens, including activists, people involved in community struggles and trade union members** to punish them for and prevent them from exercising their right to dissent in Sri Lanka.
- **Repeal the draconian Prevention of Terrorism Act.** The law should not be replaced with any other version of the same law.
- **Prioritize nutrition and food sovereignty: Plan and implement an island-wide food distribution system:** A food distribution system to reach all households with basic essential ration packs - this should include rice, oil, sugar, tea, dhal and triposha. Existing systems of Sathosa, Samurdhi and Cooperatives should be strengthened to reach everyone. As the number of people living in precarious situations and falling into poverty is increasing, the **food distribution system should be universal.** Implementing 'targeted' programmes to 'reach only the selected poor' as recommended by certain advisors fails to respond to the reality. Such targeted actions, in the midst of spiraling poverty will only delay relief and further harm people. It will also further deepen social divisions and fire tensions in a context of already existing frustrations.
- **Subsidies on essentials, fuel, electricity, water, kerosene, LP gas and essential food items to be maintained for all households.** Proposed cash grants do not correspond to costs of these items without subsidies and price controls. Urgent support and subsidies must reach cultivators, farmers and fisheries sectors.
- **Ensure school midday meals programme is well-resourced and implemented with immediate effect.**
- **Assistance programmes (referral, support and services) to address starvation, homelessness, destitution and domestic violence must be set up by the government immediately.** State officials must be directed to provide these services without discrimination, prejudice, and judgment. As the increase in sexual and gender-based violence becomes inevitable, state and non-state services should ensure support services including women and child centered shelters. Responses must be timely and have a survivor centered approach (protect rights, privacy, recovery of victim to build victim confidence, without any blaming or shaming or tolerance of retaliation).
- **Exploitable labour law reforms to be ceased with immediate effect.** The State cannot pass the burden of paying the country's debt to women and children and thereby pushing them into unsafe and exploitative working conditions. **Labour law reforms must introduce a living wage that accounts for the cost of living and ensure all benefits are paid by employers.** This must include the informal labour sectors, plantation and garment industry sectors and **ensure there is a mechanism to address workers' complaints of unfair and exploitative labour practices.**
- **Recognize increase in unpaid carework burden and provide mechanisms to respond such as day care programs, meal distribution programs, elderly care programs, psychosocial assistance programs, etc** to relieve extreme pressures on women and ensure their continued contribution through paid and unpaid labour to the country.