



# SOCIAL PROTECTION AND DISASTER RISK MANAGEMENT IN SRI LANKA

*From the IPS flagship publication 'Sri Lanka: State of the Economy 2018 Report'*



Social protection is a vital tool not only in reducing poverty, but also in ensuring that people do not fall into poverty due to various shocks. Its significance is gaining ground in the global arena, as reflected by the Sustainable Development Goals (SDGs) framework: SDG 1 on poverty alleviation identifies the implementation of social protection systems as a key step towards poverty eradication. Additionally, social protection - especially via non-contributory schemes - serves as a redistributive policy tool, promoting greater equality within countries.

It has been estimated that, between 1980 and 2012, the annual frequency of natural disasters has increased by 250 per cent, with a 140 per cent increase in the number of people affected. The effects of climate change can be expected to exacerbate the situation. Given the increasing incidence of crises and disasters around the world, 'adaptive'

social protection is a concept that has been gaining ground globally. It emphasizes on placing "an enhanced focus on better enabling social protection to address the impacts of all manner of shocks on households - including natural disasters and climate change, economic and financial crises, conflict and displacement, among others." This concept stresses the need to build the resilience of households that are most vulnerable to shocks, and to increase the responsiveness of social protection programmes to adapt to the changed needs after the crisis/shock.

### Social Protection in Disaster Risk Management in Sri Lanka

Sri Lanka's social protection system consists of around 36 welfare programmes, implemented by a number of government bodies at the national and sub-national level. These can be broadly categorised as: i) social insurance; ii) social assistance; and iii) active labour market programmes.

The effects of increasing incidence and severity of disasters are felt even more harshly by the already vulnerable groups in the country. Social protection can play a complementary role in improving the resilience of people and reducing the government's expenditure after the occurrence of the disaster. In fact, taking an 'adaptive'

social protection approach is more advisable, given the capacity of disasters to undermine the gains of poverty eradication activities. As such, an efficient social protection system needs to be proactive and take into account the risk and potential impact of disasters.

### Gaps and Issues

The targeted social protection programmes in the country are subject to both exclusion and inclusion targeting errors: there are deserving households that have not managed to gain entry to the programmes while less deserving households are enjoying the benefits. These targeting errors have been attributed to the lack of appropriate, clearly defined selection criteria for many of these targeted social protection schemes. In order for these programmes to be effective in building resilience of vulnerable groups, it is



necessary for the programmes to identify and cover all relevant individuals/ households.

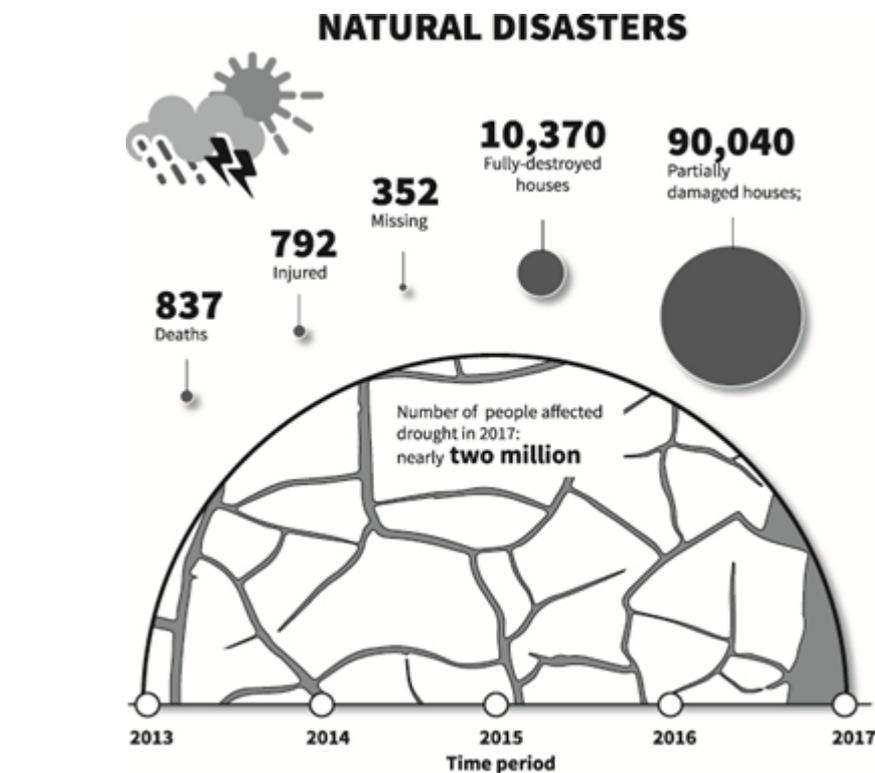
Inadequacy of benefits is another major issue that needs to be overcome in order to ensure the effectiveness of the country's social protection system. Even if Sri Lanka were to perfect its targeting mechanism, if the benefits received under the schemes are insufficient to meet a household's minimum requirements under normal conditions, such beneficiaries will not be able to cope with the extraordinary demands during and following a disaster.

Insufficient coverage of informal sector workers is another gap in Sri Lanka's social protection system. Unlike formal sector workers who are eligible for pension and retirement benefits, the pension schemes for the informal sector workers are subject to problems such as inadequate benefits as well as financial unsustainability of the programmes. Overcoming this issue is extremely pertinent vis-à-vis improving resilience, given the growing informal sector employment in the country, which includes the majority of agriculture workers in the country.

In addition, given that there are several government bodies implementing a number of social protection programmes, lack of institutional coordination has resulted in overlaps and duplications.

## Way Forward and Policy Implications

It is clear that an 'adaptive' social protection system with an in-built

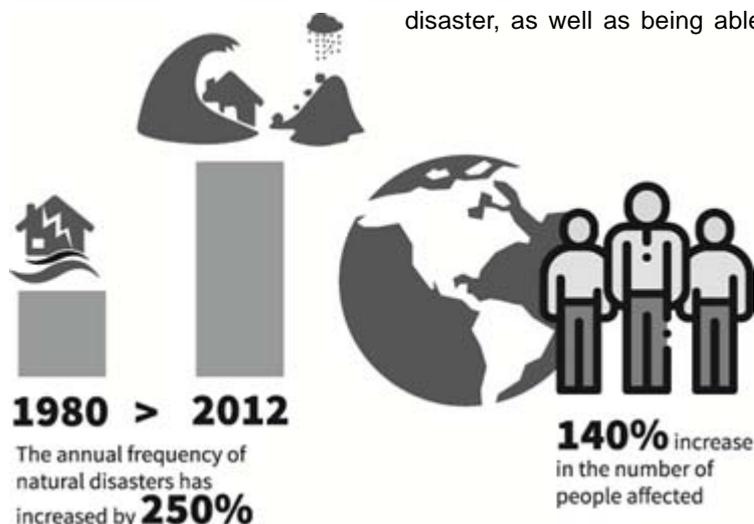


disaster risk mitigation mechanism is beneficial in terms of improving the resilience of households as well as in reducing the fiscal burden of disaster relief. Although the country's social protection programmes appear geared to provide assistance in times of disaster, these were not formulated for providing specific relief.

As per World Bank recommendation, a country's social protection strategy needs to be intertwined with a strategy of improving the capability of social safety nets to respond to shocks after they occur, by introducing greater flexibility and scalability: these programmes should be capable of scaling out to include afflicted non-beneficiary households in times of disaster, as well as being able to scale

up the benefits as appropriate. This helps leverage existing transfer and assistance mechanisms to provide rapid relief, minimising government expenditure on distributing relief as well as enabling the affected parties to get back on their feet faster. This is an area that Sri Lanka needs to focus on in strengthening the country's capacity to weather the increasing incidence of disasters and climate-related extreme events.

*This Policy Insight is based on the comprehensive chapter on "Social Protection and Disaster Risk Management in Sri Lanka" in the 'Sri Lanka: State of the Economy 2018 Report' - the flagship publication of the Institute of Policy Studies of Sri Lanka (IPS). The complete report can be purchased from the publications section of the IPS, located at 100/20, Independence Avenue, Colombo 7. For more information, contact the Publications Unit on 0112143107/0112143100.*



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