



[www.adaderanabiz.lk](http://www.adaderanabiz.lk)

(<http://bizenglish.adaderana.lk>)

සිංහල

(<http://sinhala.adaderana.lk/>)



(<http://fmderana.lk/#/>)

தமிழ்

(<http://tamil.adaderana.lk/>)



(<http://www.derana.lk/>)

YouTube 1M

Like 75K

Follow



(<https://www.instagram.com/adaderanabiz/>)

Search



## Equity in Recovery: Addressing Sri Lanka's Social Protection and Food Security Needs

October, 25, 2021



**By Thilini Bandara**

Sri Lanka's social protection and food insecurity amidst COVID-19 came into focus at the third and final session of a webinar series held recently to mark the release of the 'Sri Lanka: State of Economy 2021' report, the annual flagship publication of the Institute of Policy Studies of Sri Lanka (IPS). The final webinar featured presentations by Dr Ganga Tilakaratna and Dr Manoj Thibbotuwawa from IPS, along with insights from Prof Udith Jayasinghe, Secretary to the Ministry of Agriculture, and Prof Dileni Gunewardena, Professor of Economics, University of Peradeniya. IPS' Lakshila Wanigasinghe moderated the discussion.

**Social Protection for the Vulnerable**

**Dr Ganga Tilakaratna**

Millions of people across the world have been forced into extreme poverty because of COVID-19. According to World Bank estimates, nearly 500 million Sri Lankans fell into poverty due to the pandemic. The population suffering from poverty (below the USD 3.20 per day threshold) in Sri Lanka rose from 9.2% in 2019 to 11.7% in 2020, implying a reversal in progress made towards poverty reduction since 2016. In response to the pandemic, Sri Lanka adopted social protection (SP) measures in the form of cash and in-kind transfers.

The main SP measure introduced during the first wave of the pandemic was cash transfers worth LKR 5000, which targeted 5.9 million individuals and showed a horizontal expansion in terms of its coverage. This was almost twice the total number of regular beneficiaries under the existing key SP programmes. The cash transfers during the first wave of the pandemic also signified a vertical expansion, but they varied across different categories of beneficiaries. Cash transfers were continued in the second and third waves as well, but beneficiaries were confined to just one LKR 5,000/LKR 2,000 payment per family. An in-kind assistance measure was also carried out by the government during the second wave, which included a dry ration pack worth LKR 10,000.

According to a recent IPS survey, more than 70% of the recipients of these transfers fell into the less-than LKR 25,000 monthly income category. The transfers were mostly useful, but there were implementation gaps such as delays in distribution and long queues in collecting cash. The root causes for such gaps were mainly due to the fragmented system that the country adopts, along with inefficient delivery mechanisms, lack of integrated beneficiary database, and lack of preparedness to cover many new beneficiaries. Broadening existing SP measures to expand beneficiary coverage, integrating the SP systems to improve the efficiency of SP measures, addressing programme overlaps and exclusion issues, and moving towards digital payment systems to ensure the efficient and safe delivery of cash transfers can address the gaps and strengthen the SP measures in Sri Lanka.

## **Building Resilient Agricultural Value Chains**

### **Dr Manoj Thibbotuwawa**

Agriculture makes a significant contribution to the economic and social development and food security of Sri Lanka. However, the pandemic has deepened existing vulnerabilities in agriculture value chains creating several issues. For instance, affordability and physical access to food have mainly impacted poorer households since food remains a much higher proportion of household spending. Notably, domestic production experienced only minimal disruptions due to COVID-19.

Apart from the macro-level dynamics, several micro-level dynamics were affected by COVID-19 such as restrictions of labour mobility, restrictions of input use, input price dynamics and output dynamics. These revealed inherent problems in the food system such as the poor connection between producers and the market, price discrimination, inefficient resource management, inadequate availability of quality seeds, inadequate use of modern irrigation techniques, seasonality of production, and a high percentage of post-harvest losses.

Solutions to improve the resilience of agricultural value chains include: ensuring a smooth supply of inputs with proper coordination among public and private sectors, enabling efficient public and private procurement systems, establishing farm-market linkages, improving agri-extension services and information dissemination, increasing the capacity of e-commerce, continuous monitoring of the food systems, reviewing agriculture financing services, ensuring the quality of products, addressing industry issues about processing, and implementing food-related social security programmes.

## **Enhancing Social Protection**

### **Prof Dileni Gunewardena**

Between March 2020 and May 14, 2021, a total of 3,333 SP measures have been implemented in 222 countries or territories and cash transfers have been identified as the primary instrument. Governments must quickly mobilise public assistance to vulnerable households during crises and Sri Lanka can learn from other low- and middle-income countries in this regard. Sri Lanka can build a stronger SP system through greater social protection coverage, a broader range of benefits (including transformative social protection such as childcare and school feeding programmes), employment guarantee schemes, better macroeconomic policies to manage fiscal space and better delivery systems.

## **Prevailing Issues in Agriculture**

### **Prof Udith Jayasinghe**

The sharp rise in the price of food such as rice in Sri Lanka occur not because of low production, but because there are several authorities which intervene in agricultural pricing decisions unlike in developed countries which have one authority in charge. The absence of a sole authority to monitor the production process gives way to disruptions in information flows and creates inefficiencies. Experts should be given control of pricing and supply mechanisms for forecasting without political, administrative, or other social systems interfering in the markets as they are doing now. Further, the correct terminology for fertiliser must be used to incentivise production in the country; 'non-hazardous, non-poisonous and environment-friendly nutrients for plants'. The key performance indicators should also change from how much fertiliser is used, and so on to focus on food security such as accessibility to food, availability of food, and correct utilisation of food. It is time for Sri Lanka to move ahead with the economically best and sustainable solutions to address the existing gaps and issues in the agricultural markets.

Link to blog: <https://www.ips.lk/talkingeconomics/2021/10/25/equity-in-recovery-addressing-sri-lankas-social-protection-and-food-security-needs/> (<https://www.ips.lk/talkingeconomics/2021/10/25/equity-in-recovery-addressing-sri-lankas-social-protection-and-food-security-needs/>)



*Thilini is a Research Assistant currently working on migration and urbanisation research at IPS. She holds a BSc (Hons) degree in Agricultural Technology and Management, specialised in Applied Economics and Business Management (First Class) from the University of Peradeniya. (Talk with Suresh: [thilini@ips.lk](mailto:thilini@ips.lk) (mailto:thilini@ips.lk)).*

#### ALSO ON ADA DERANA LOCAL

<p><b>United States Provides USD75 Mn to ...</b></p> <p>4 months ago • 1 comment</p> <p>The United States is providing a welcome boost to Small and Medium ...</p>	<p><b>Additional interest up to 2% per annum ...</b></p> <p>4 months ago • 1 comment</p> <p>Considering the potential of Special Deposit Accounts (SDAs) to attract a ...</p>	<p><b>Is Palm Oil a Problem or a Solution? - ...</b></p> <p>4 months ago • 1 comment</p> <p>By Dr. Chatura Rodrigo (Ph.D) Palm oil is an edible vegetable oil produced ...</p>	<p><b>Top of Link</b></p> <p>2 months ago</p> <p>The A Deep Role of</p>
--	---	--	---