IMPACT OF THE ECONOMIC CRISIS ON HOUSEHOLDS' SOCIAL AND ECONOMIC WELLBEING

ROUND 7

October/November 2022

OVERVIEW

Objective

The purpose of this survey is to gather relevant information on the social and economic impact of the economic crisis on households in Sri Lanka, in order to inform policy responses by the Government and partners.

Research method

Data was collected from a nationally representative sample of households, using the proportionate to population size sampling approach. Stratification was done by district household population, based on the Department of Census and Statistics' 2012 Census of Population and Housing. Random selection was used to contact households from each district.

Additionally, a booster sample was drawn targeting estate sector households to ensure a reasonable sample for analysis by sector.

Data collection period

Round 1: 1st May to 6th May 2020

Round 2: 30th May to 7th June 2020

Round 3: 13th July to 21st July 2020

Round 4: 25th October to 4th December 2020

Round 5: 20th July to 10th August 2021

Round 6: 26th March to 25th April 2022

Round 7: 22nd October to 12th November 2022

Data collection method

Collection of data was done in person where the enumerators asked to speak to the female head of the household as they would be better able to answer the questions about the household.

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1. HOUSEHOLD CHARACTERISTICS

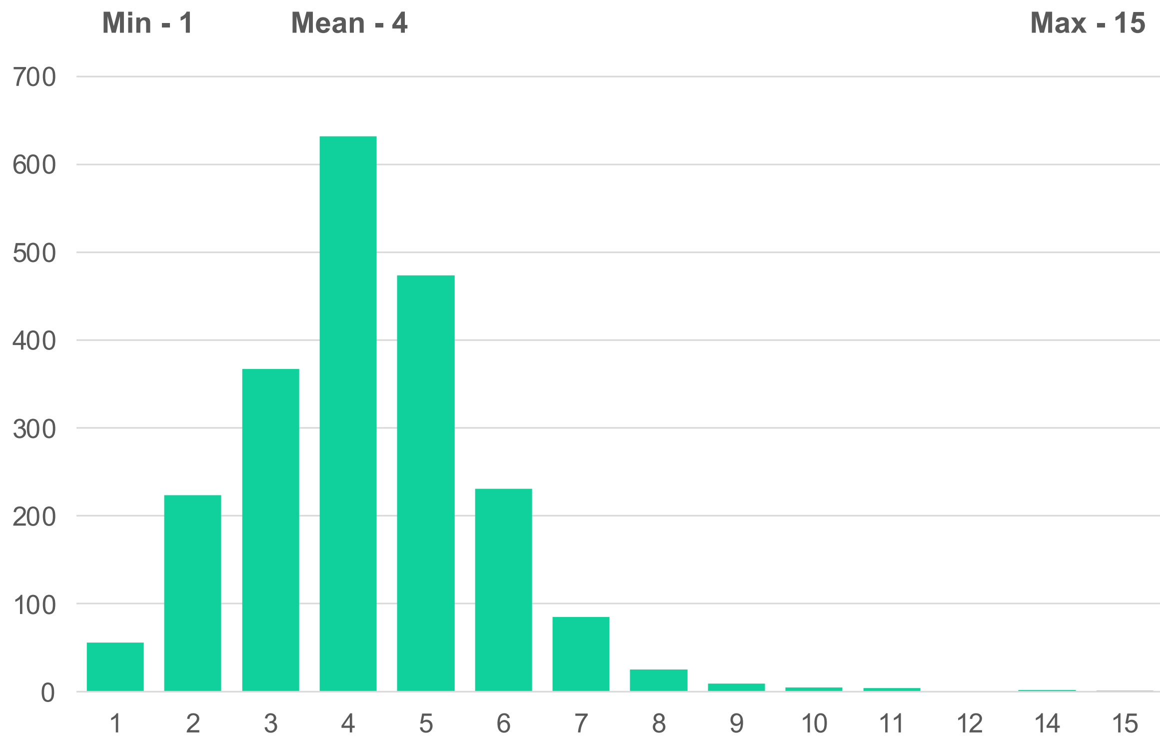
SAMPLE SIZE & DISTRIBUTION

Sample overview

Sample Size

2,404
Households

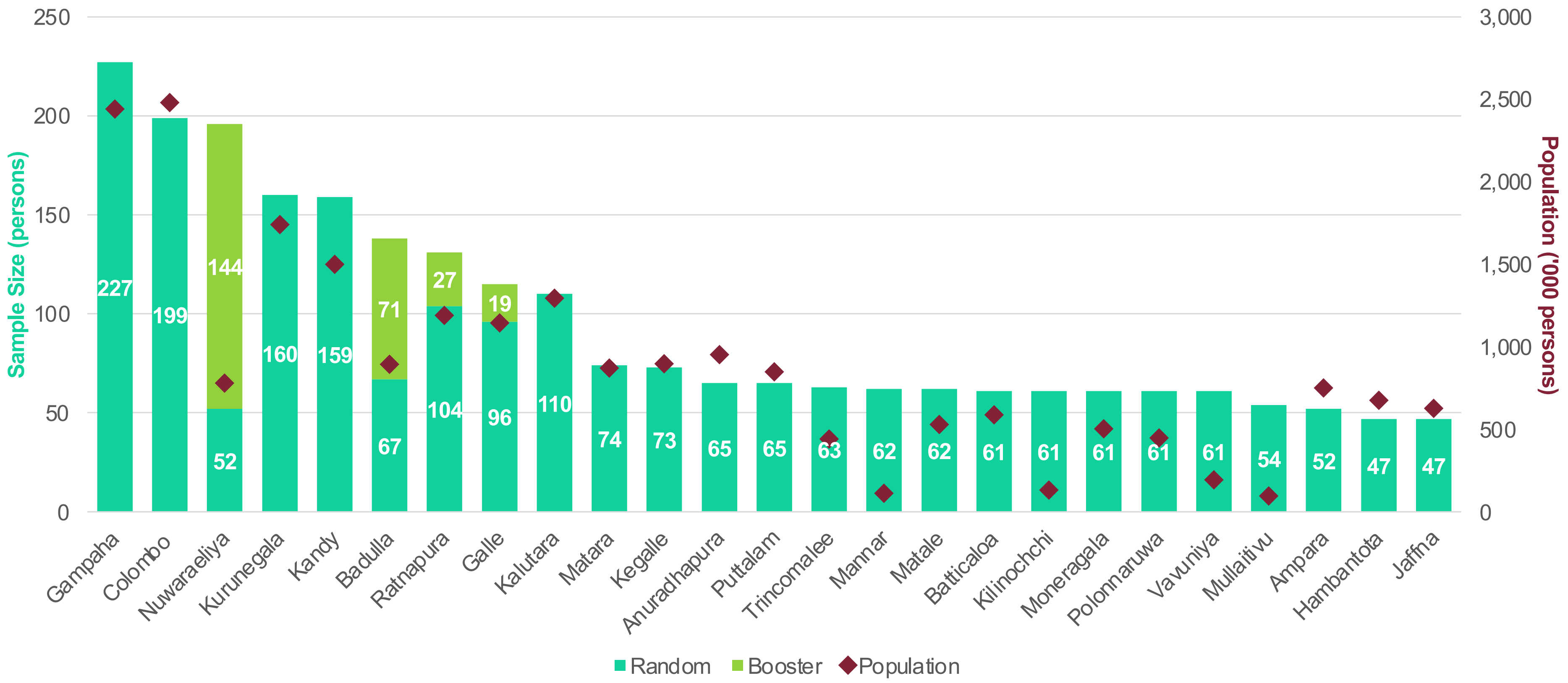
Random Sample **2,143**
Booster Sample **261**



Household Size Distribution

SAMPLE SIZE & DISTRIBUTION

Sample distribution by district



SAMPLE SIZE & DISTRIBUTION

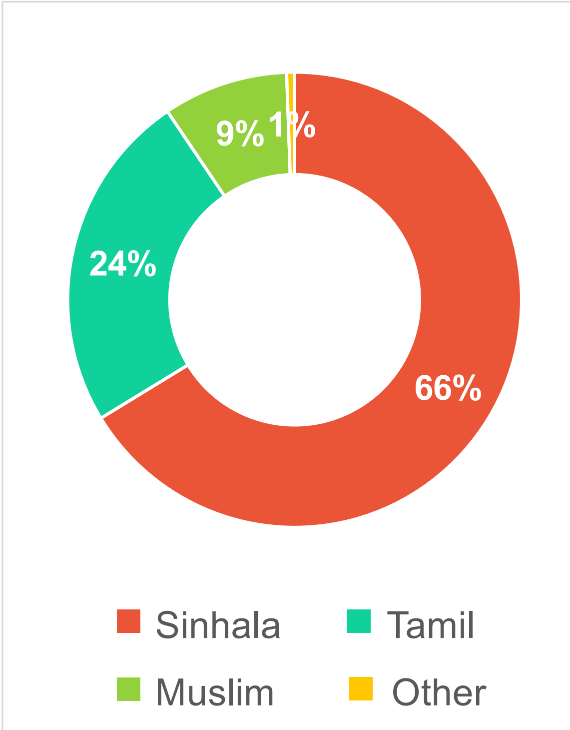
Sample household characteristics

15% of households with a pregnant or lactating women

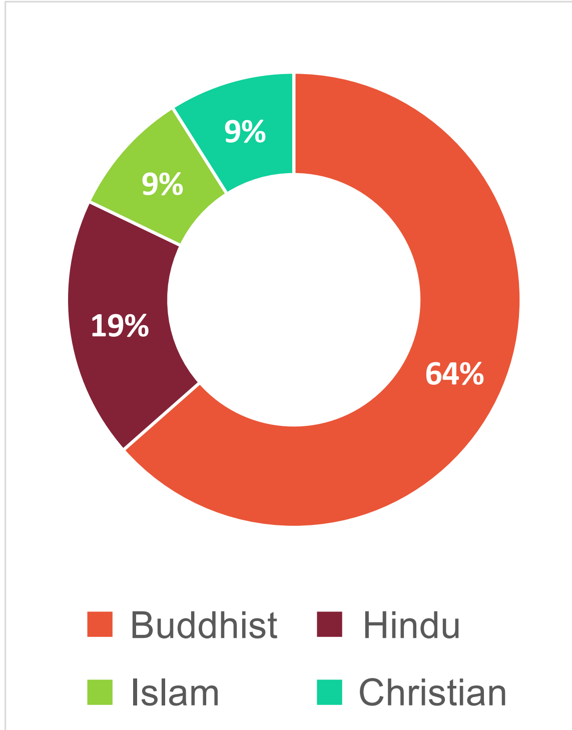
25% of households with children 4 years or younger

6% of households with a person with a disability

33% of households with a person aged 65 and above



Distribution by Ethnicity



Distribution by Religion

SAMPLE SIZE & DISTRIBUTION

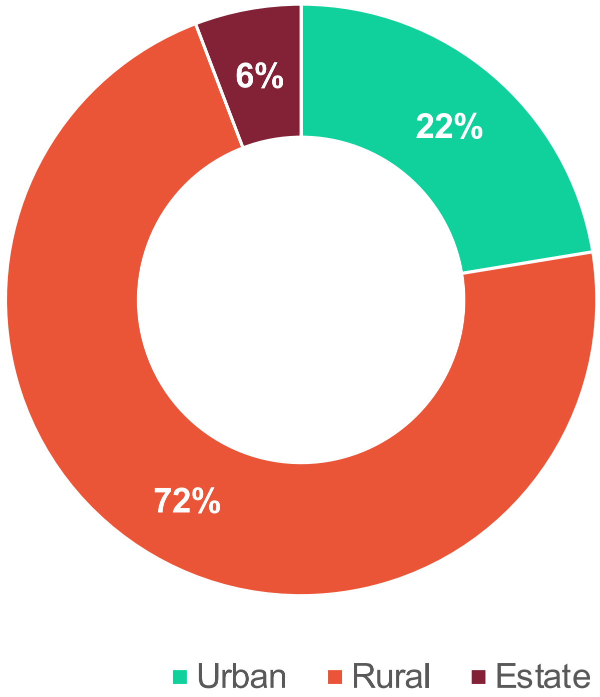
Sample household characteristics

Gender of the Respondent

32% Male

68% Female

Households by Sector



2. HOUSEHOLD INCOME, EXPENDITURE AND FOOD CONSUMPTION

KEY TAKEAWAYS

- Many households reported a negative impact on their income compared to before the beginning of the economic crisis. This negative impact was more likely to occur for daily and weekly wage earner households, and when the main income earner had lost their job.

- Daily and weekly wage earners were also more likely to have lost their jobs. However, most main income earners who lost their jobs managed to get employment.

- Most households reported large increases in expenditures on necessities such as food, fuel, health and education.

KEY TAKEAWAYS

- More households relied on some kind of coping mechanism compared to previous rounds, irrespective of changes to their incomes.
  - Urban and rural households were more likely to dip into their savings and sell their belongings as a coping mechanism than estate sector households.
  - Estate sector households were more likely to have borrowed than other sectors.
- A quarter of households were considering migrating for work. Urban and estate households were more likely to consider migrating for work.

KEY TAKEAWAYS

- Most households reported a reduction in overall food consumption. Larger reductions in food consumption were reported in
  - Households that experienced a reduction or stop in income,
  - Estate sector households.
- Households that reduced food consumption indicated the increased cost of food as the main reason for these reductions.
- Two in three households resorted to foraging and home gardening as alternatives. Estate sector households were more likely to rely on foraging while urban and rural households were more likely to engage in home gardening.

LABOUR MARKET CHANGES

EMPLOYMENT STATISTICS

The main household income earner's frequency of income

Before the crisis	Currently
Feb: **49%** earn **monthly**	Aug: **49%** earn **monthly**
6% earn **weekly**	**7%** earn **weekly**
43% earn **daily**	**41%** earn **daily**

Q: Before March 2022, did the main income earner in your household receive their income monthly, weekly or daily?

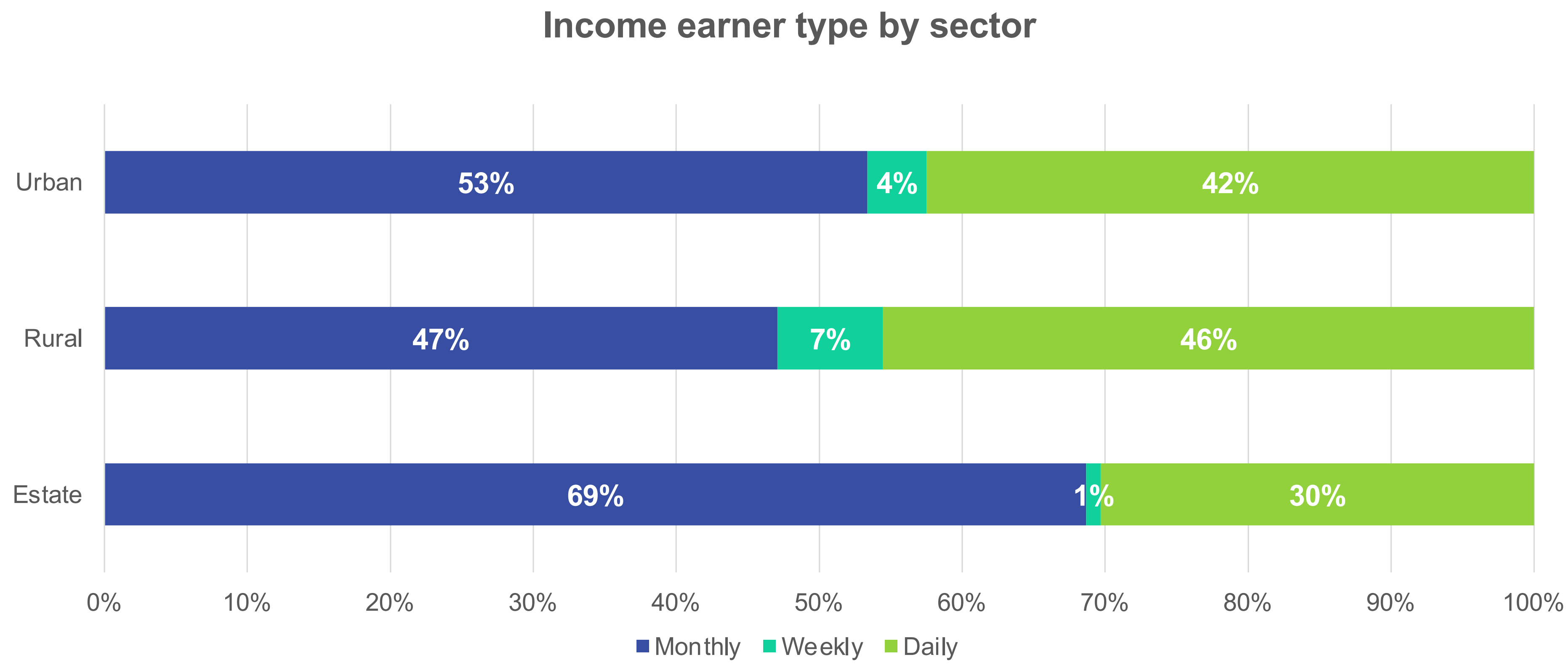
Before the crisis

Q: Currently, how does the main income earner in your household normally receive their income?

Currently

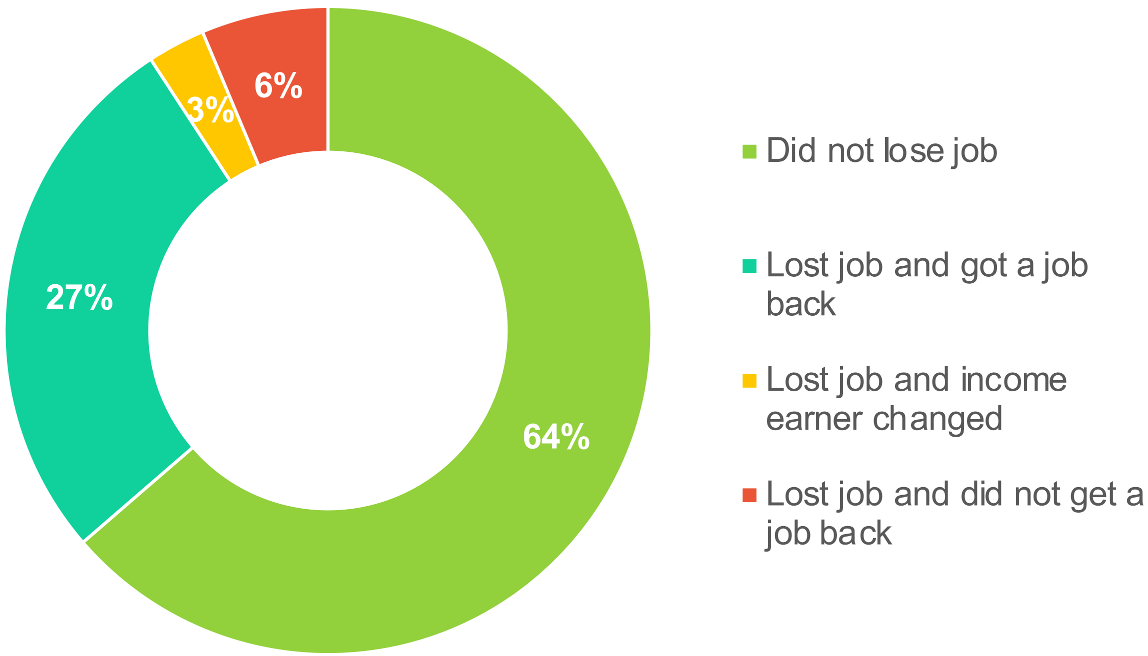
EMPLOYMENT STATISTICS

Households in the estate sector are more likely to be monthly wage earners.



CHANGES IN EMPLOYMENT STATUS

One third of households experienced job loss.

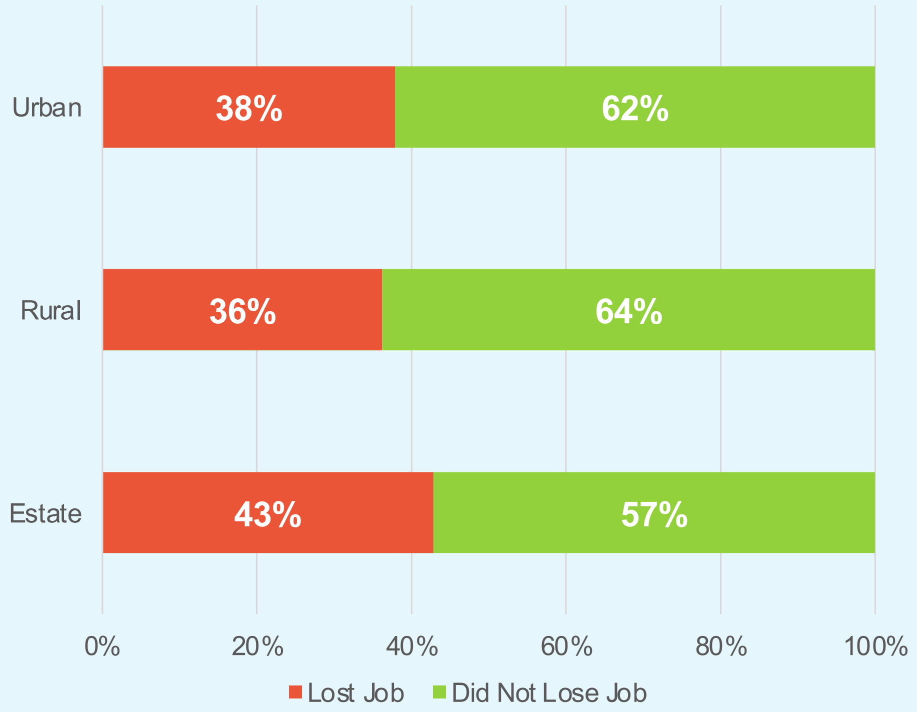


Q: Did the main income earner in your household lose their job since March 2022? & Did the main income earner in your household change since March 2022 and now?

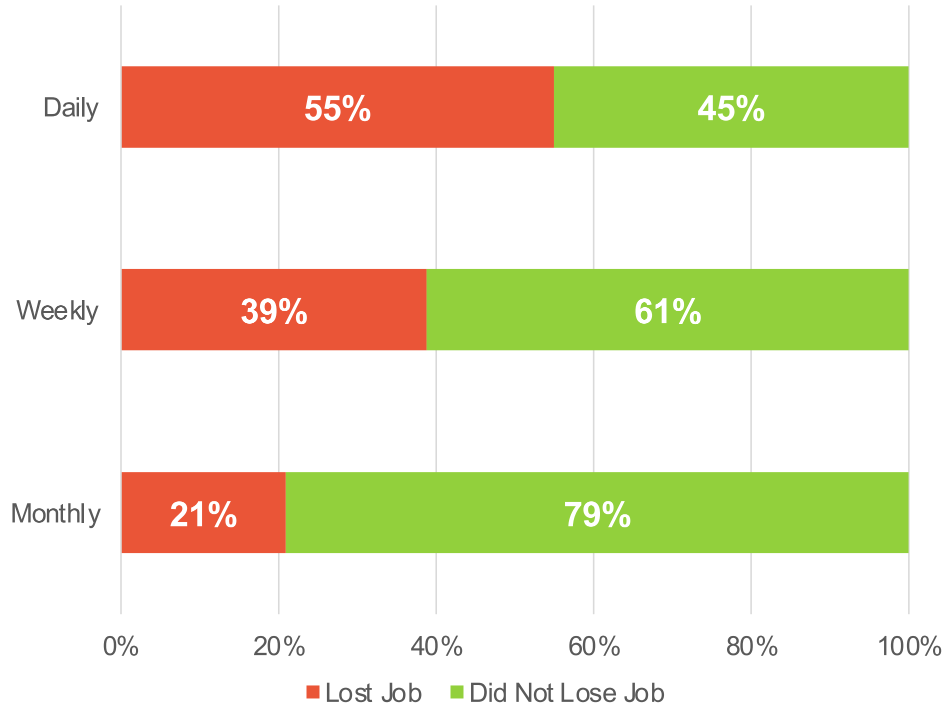
CHANGES IN EMPLOYMENT STATUS

Main income earners in estate sector households were slightly more likely to have lost their jobs. In addition, daily and weekly wage earning households were the most likely to experience job losses.

Loss of job by sector



Loss of job by income earner type



IMPACT ON HOUSEHOLD INCOME

CHANGE IN HOUSEHOLD INCOME

77% of households reported a negative impact on their incomes.

Income stopped

10%

of households

Income reduced

67%

of households

No impact on income

21%

of households

Income increased

1%

of households

	April 2020	Aug 2021	April 2022
Income stopped	39%	8%	11%
Income reduced	32%	68%	62%
No impact on income	28%	27%	23%
Income increased	0.7%	0.4%	1%

Q: What is the status of your household income now, compared to before March 2022? Time-series: What's the status of your household income now, compared to before COVID-19 (two years ago)?

CHANGE IN HOUSEHOLD INCOME

Over 90% of weekly and daily wage earner households reported a negative impact on their income.

	Income Stopped (%)	Income Reduced (%)
In monthly wage earner households	03	58
In weekly wage earner households	08	82
In daily wage earner households	12	81

CHANGE IN HOUSEHOLD INCOME

Estate sector households were more likely to have reduced income.

	Income Stopped (%)	Income Reduced (%)
Urban households	09	67
Rural households	11	66
Estate households	07	84

IMPACT ON HOUSEHOLD EXPENDITURE

CHANGE IN HOUSEHOLD EXPENDITURE

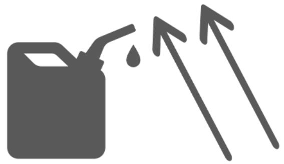
Almost all households reported a large increase in the cost of food and other necessities.

Cost of food has increased a lot

98%

of households

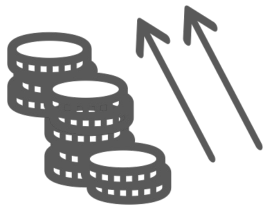
Cost of fuel has increased a lot



70%

of households

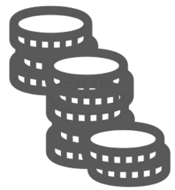
Other necessities have increased a lot



76%

of households

No increase to expenses



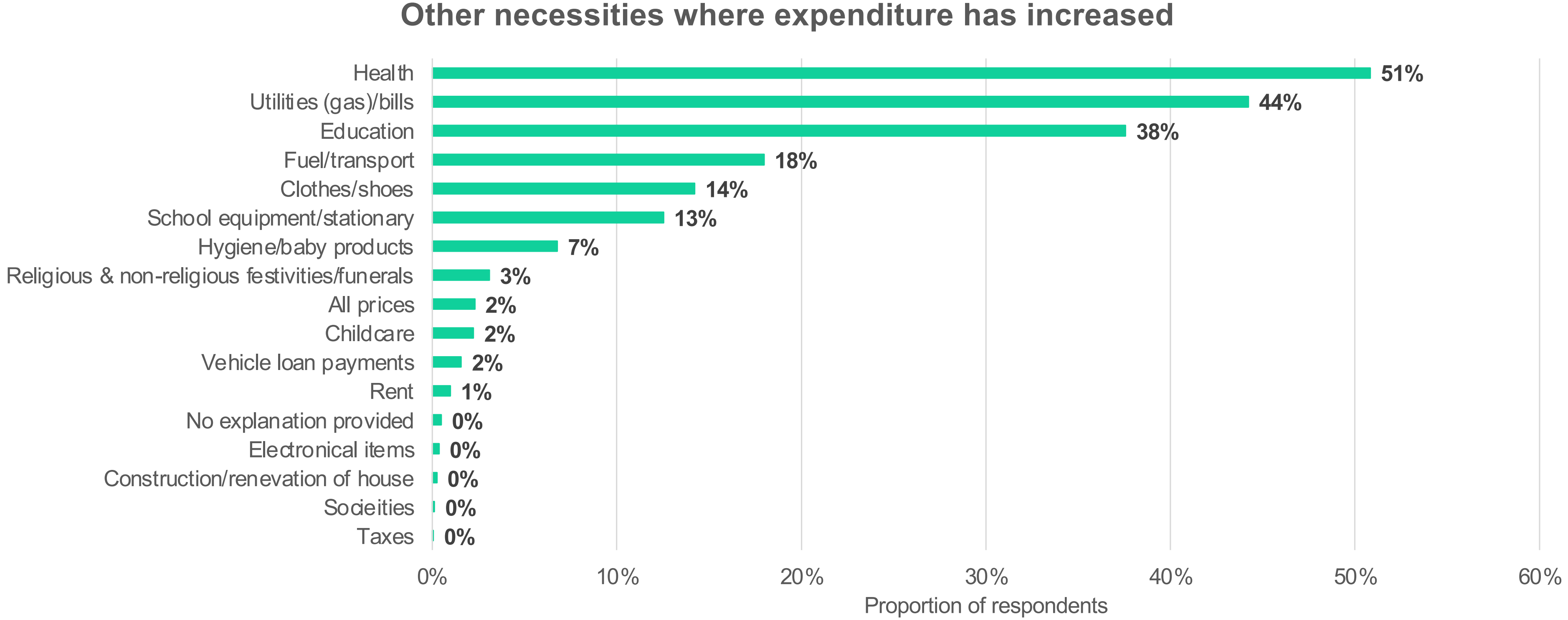
~0%

of households

Q: Has your household expenditure on necessities increased a lot compared to March 2022?

CHANGE IN HOUSEHOLD EXPENDITURE

In addition to food and fuel, health, utilities, and education were the most frequently reported necessities people spent more on.

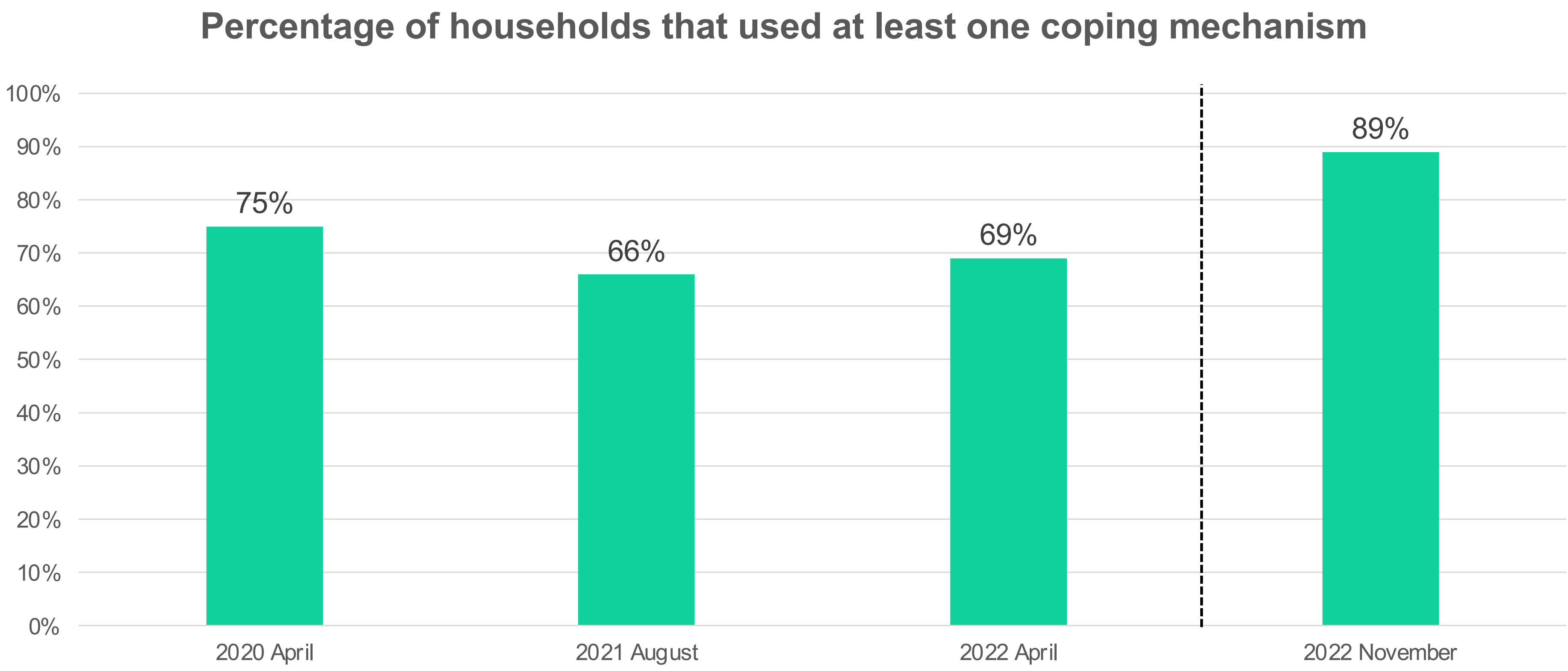


Q: Please specify on what other necessities expenditure has increased.

COPING STRATEGIES

COPING STRATEGIES

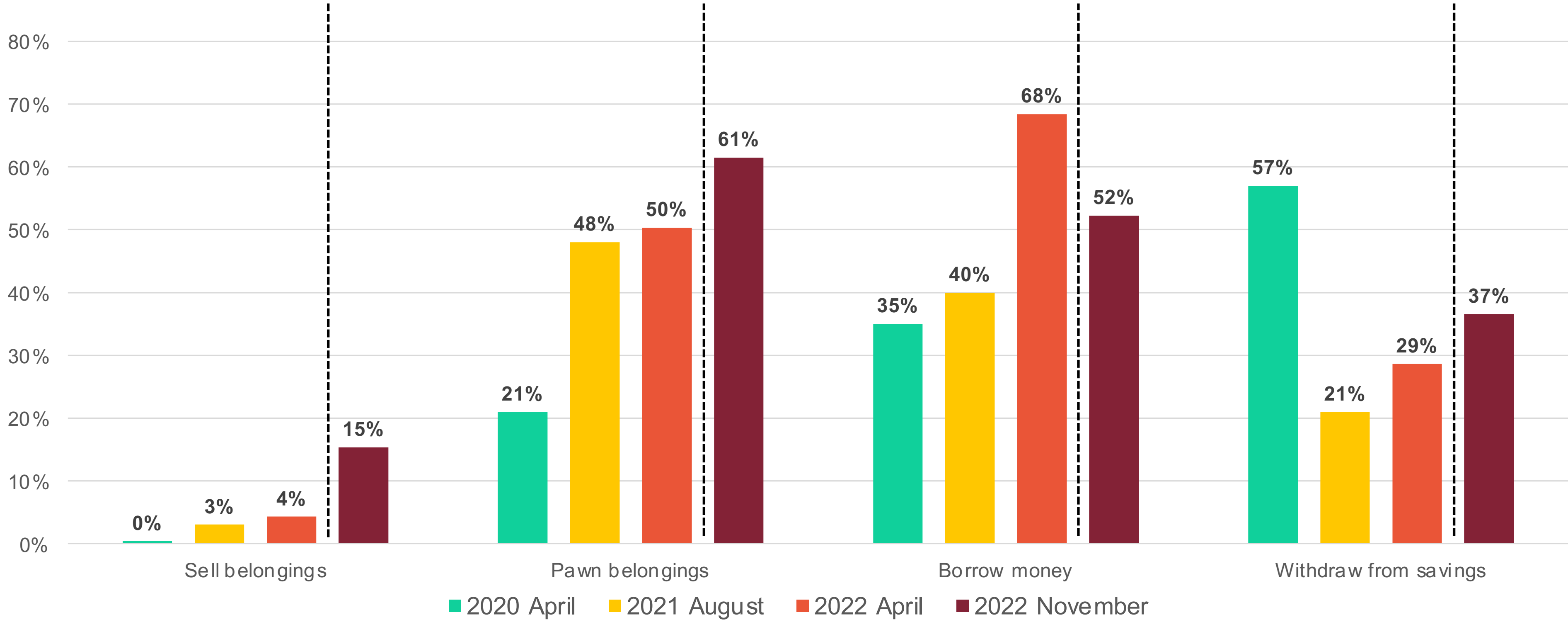
More households started to rely on at least one coping mechanism.



Q: Since March 2022, did your household take any of the actions below, more than you usually would have, due to the cost of living rising, in order to pay for your basic needs?

COPING STRATEGIES

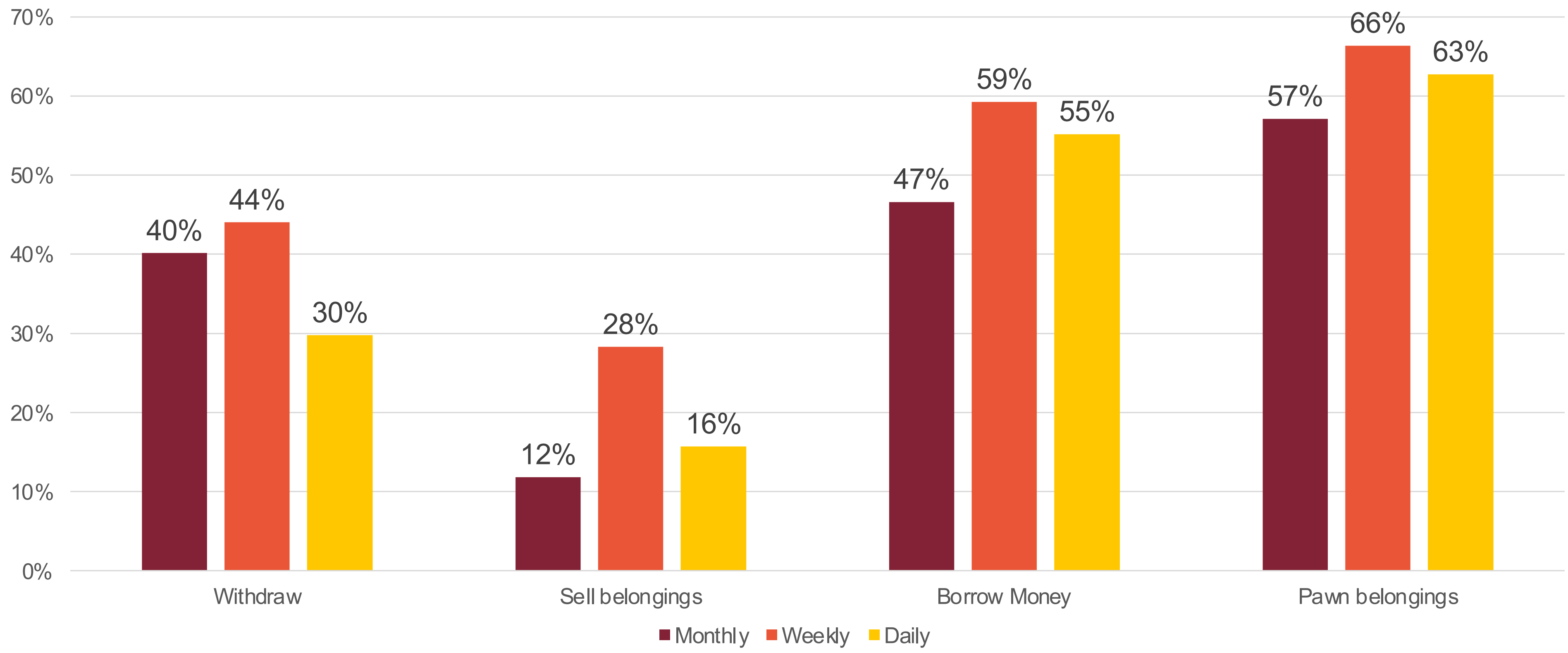
Households have reduced borrowing and increased the use of other sources of financing expenditure.



Q: Since March 2022, did your household take any of the actions below, more than you usually would have, due to the cost of living rising, in order to pay for your basic needs?

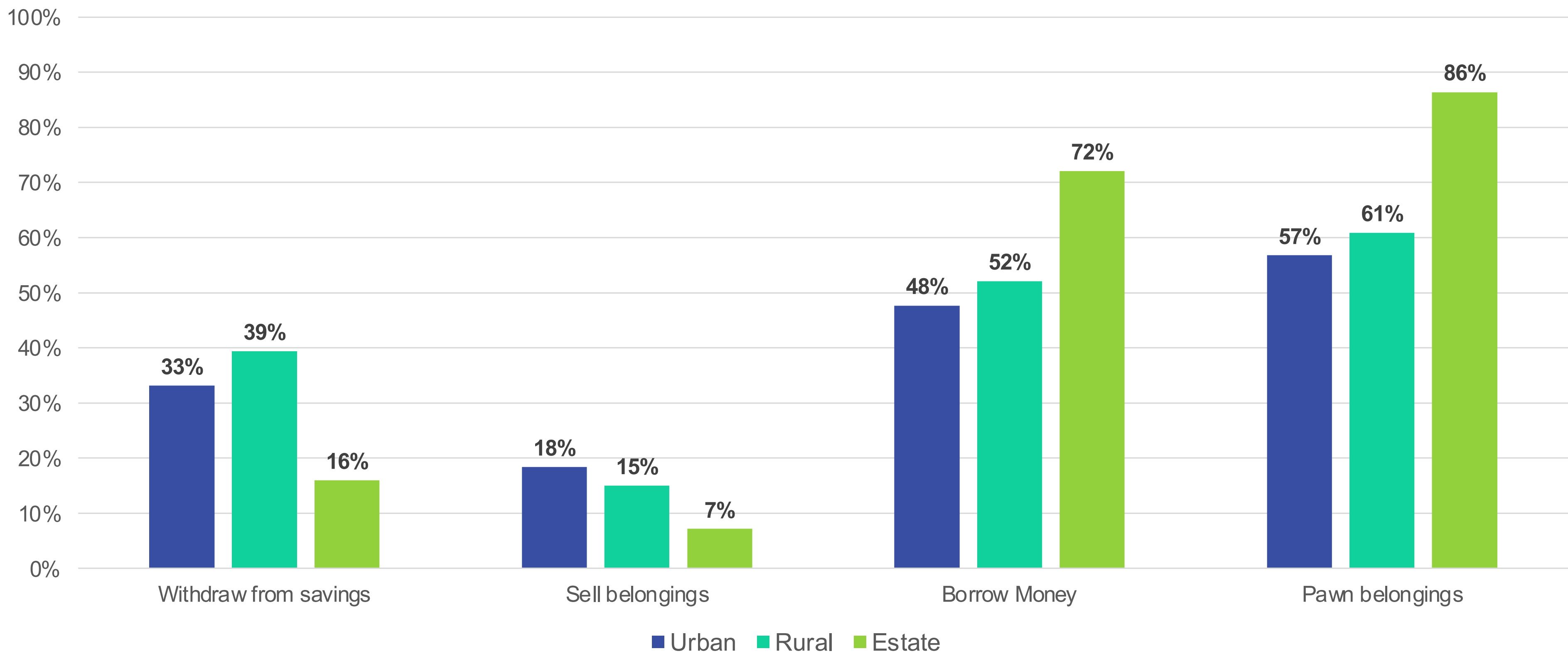
COPING STRATEGIES

Daily and weekly wage earner households were more likely to have engaged in coping mechanisms, particularly borrowing and pawning.



COPING STRATEGIES

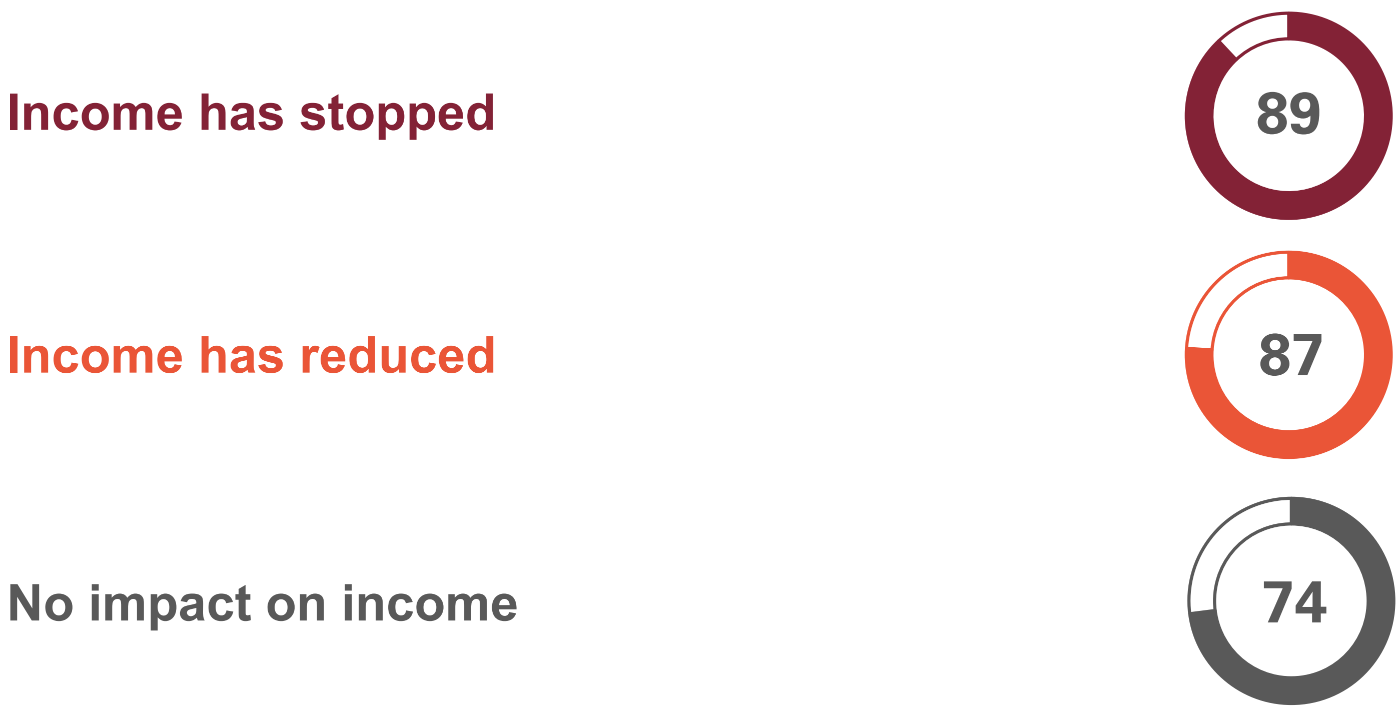
Estate sector households most often engaged in borrowing and pawning.



COPING STRATEGIES

Most households relied on a coping mechanism irrespective of the change in household income.

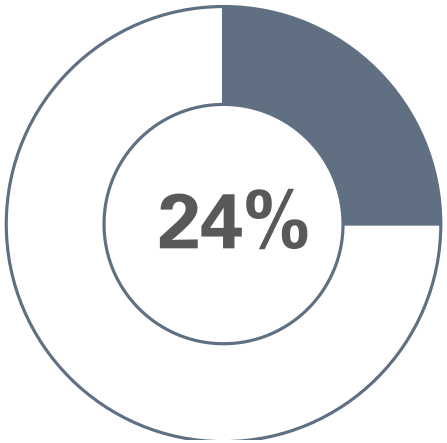
Coping Mechanism (%)



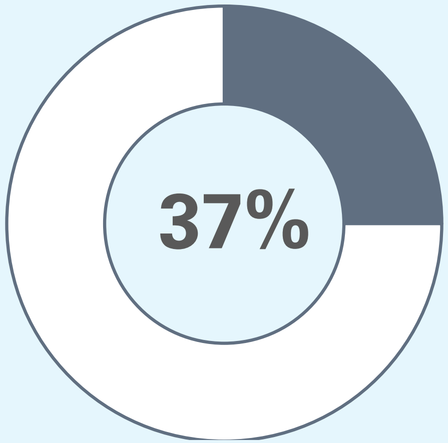
MIGRATION PLANS

MIGRATION PLANS

One quarter of income earners had considered migrating abroad for work, of which one third had taken steps to begin the migration process.



24 per cent of respondents have considered migrating abroad for work



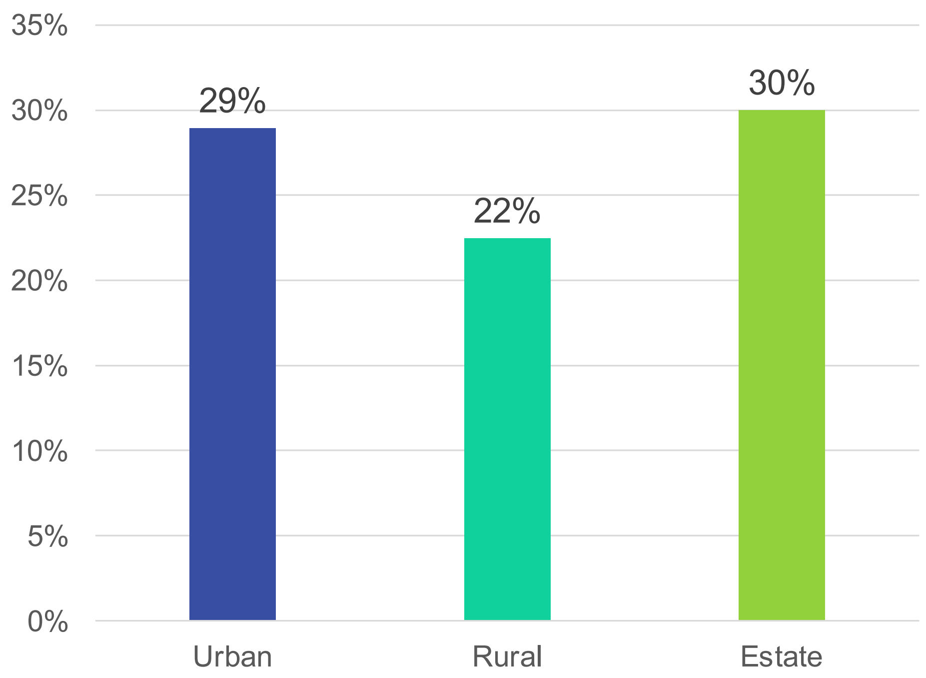
Of which 37 per cent have taken steps to begin the migration process

Q: Over the last 6 months, have you considered migrating abroad for work? (If yes) Have you taken concrete steps to begin the process?

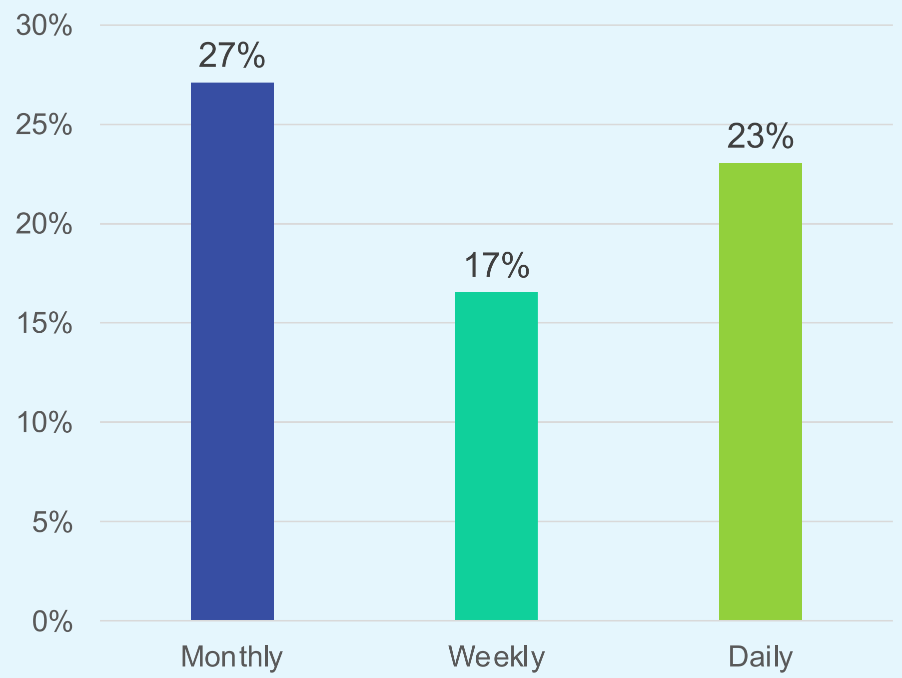
MIGRATION PLANS

Both urban and estate sector households were more likely to consider migrating for work.

Respondents that considered migrating by sector



Respondents that considered migrating by income type



IMPACT ON HOUSEHOLD FOOD CONSUMPTION

CHANGE IN FOOD CONSUMPTION

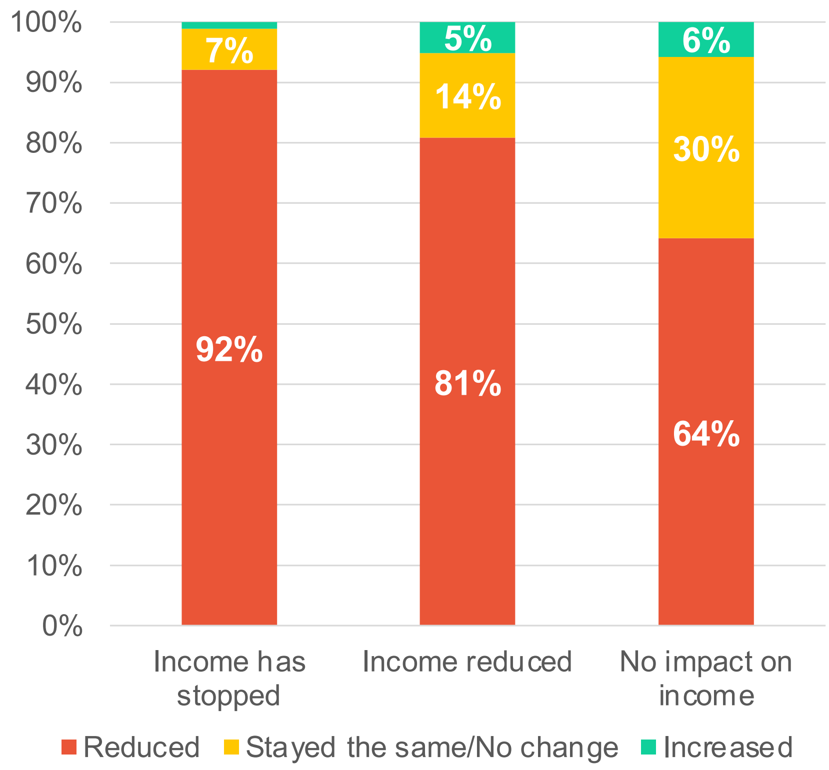
78% of households reduced overall food consumption.

Reduced — 78% of households

No change — 17% of households

Increased — 5% of households

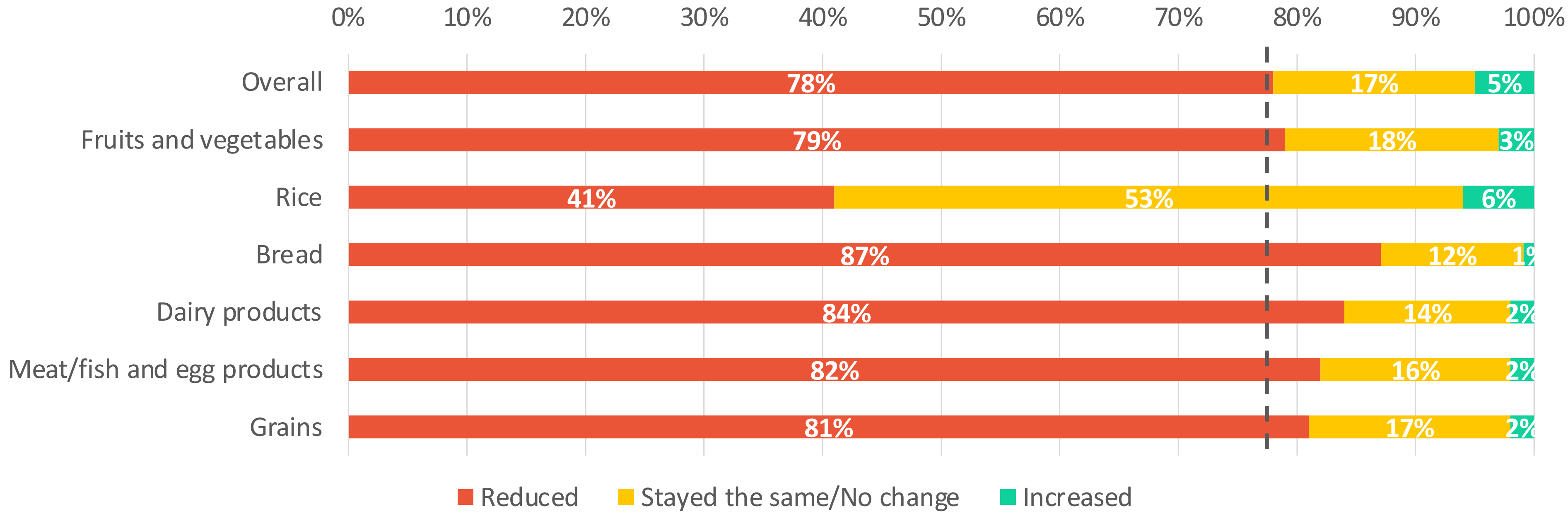
Reduced 2020 April	Reduced 2021 Aug	Reduced 2022 April	No change 2020 April	No change 2021 Aug	No change 2022 April	Increased 2020 April	Increased 2021 Aug	Increased 2022 April
30%	43%	70%	63%	45%	28%	7%	13%	1%



Q: Compared to March 2022 has your household food consumption reduced, not changed, or increased? Time series: 2020: Since the imposition of curfew has the quantity of food that your household consumed changed? 2021: Compared to before COVID-19 started a year ago, has your household food consumption reduced, not changed, or increased?

CHANGE IN FOOD CONSUMPTION

More than 80 per cent of households reduced consumption of food that is a source of essential nutrition.



98% of respondents who reduced food consumption indicated that they reduced the food group because it was too expensive.

Q: Compared to March 2022, has your household food consumption reduced, not changed, or increased? Why did the household reduce food consumption?

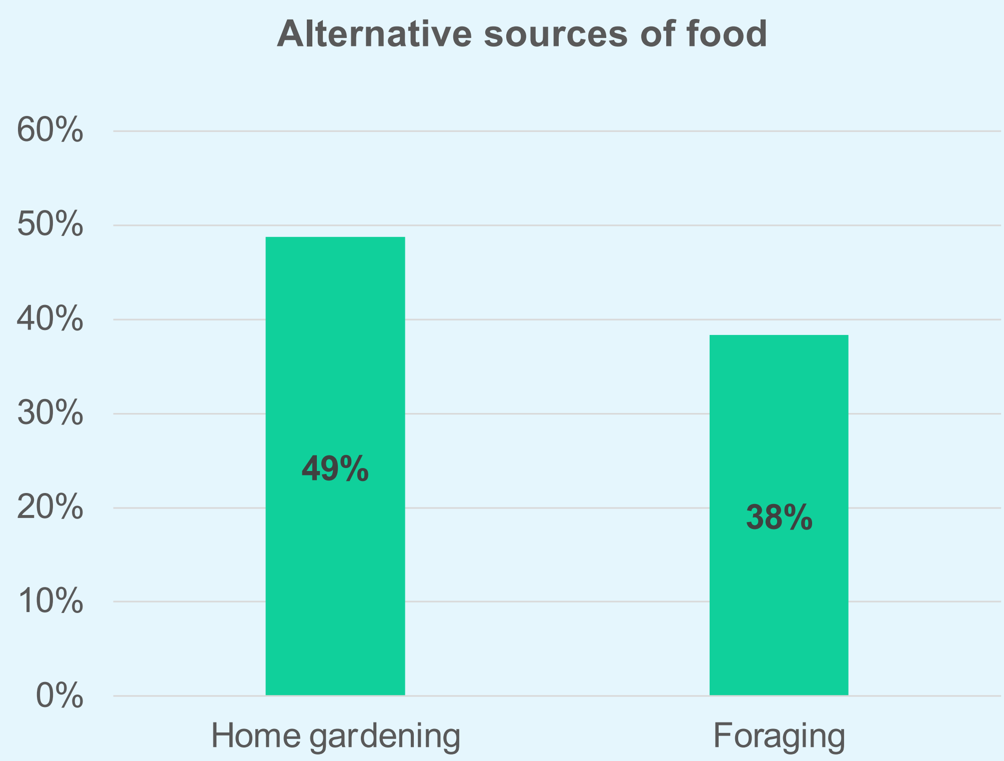
CHANGE IN FOOD CONSUMPTION

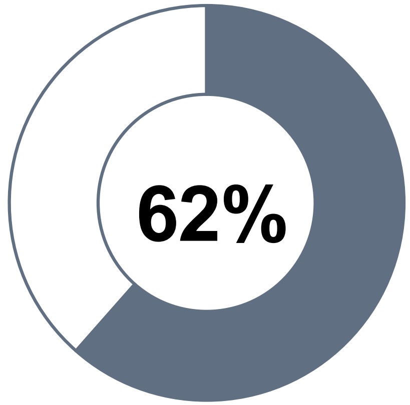
Estate sector households are most likely to have reduced their food consumption.

	Food consumption has reduced (%)
Urban households	73
Rural households	79
Estate households	87

ALTERNATE SOURCES OF FOOD

62% of households started looking for alternative sources of food.



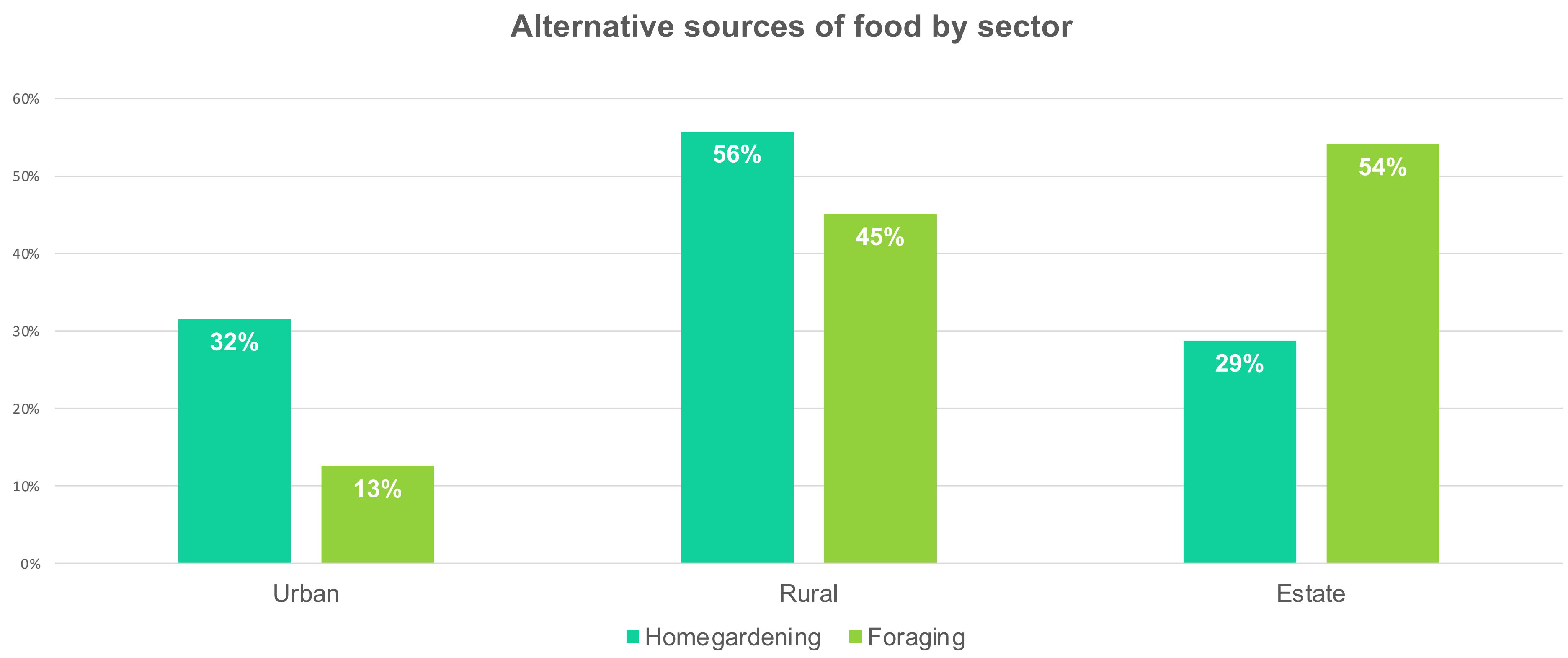


Of respondents engage in some alternative method to source food

Q: Since March 2022, did your household begin to engage in or increase home gardening and foraging to source food for the household?

ALTERNATE SOURCES OF FOOD

Urban households were the least likely to use alternative methods to source food.



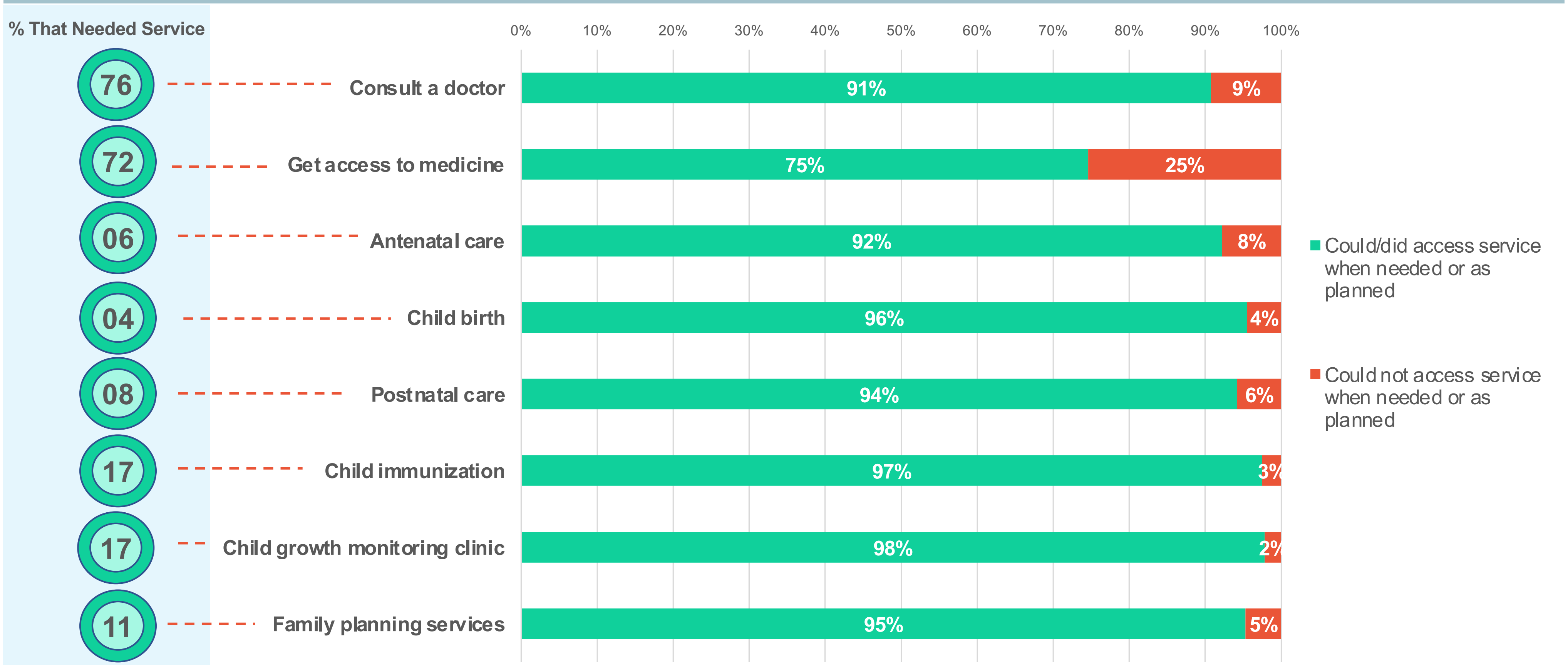
3. ACCESS TO HEALTH SERVICES

KEY TAKEAWAYS

- Most households that needed health services were able to access them.
- Some households were unable to get access to medicine usually provided for free from government institutions and reported the necessity to buy medicine from private pharmacies.

ACCESS TO HEALTH SERVICES

Most households that needed to access health services were able to access them.



Q: Since March 2022, has anyone in your household needed a health service? (If yes) Have there been any problems with regard to accessing this service?

ACCESS TO HEALTH SERVICES

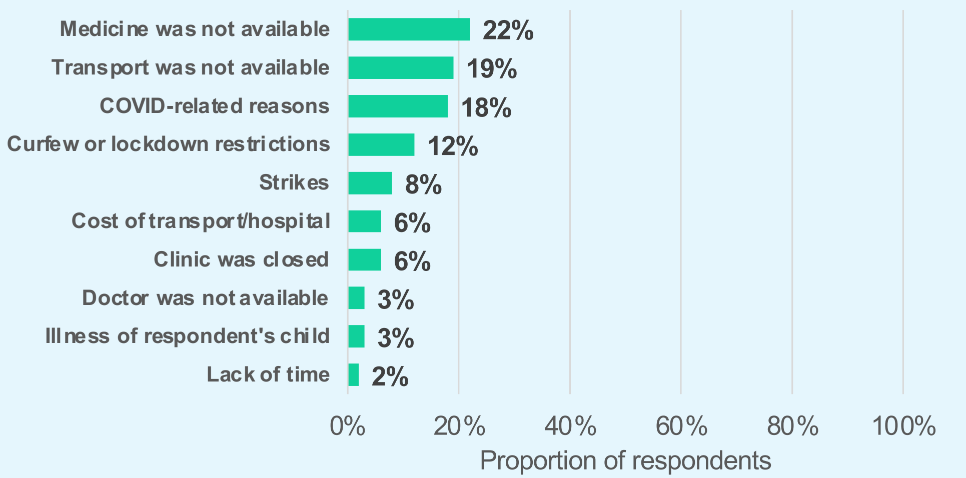
The most frequently reported reason why households could not access a health service was due to having to buy medicine privately.

April 2022

69% of households needed to access a health service

6% of which could not access them

Reasons for not accessing a service

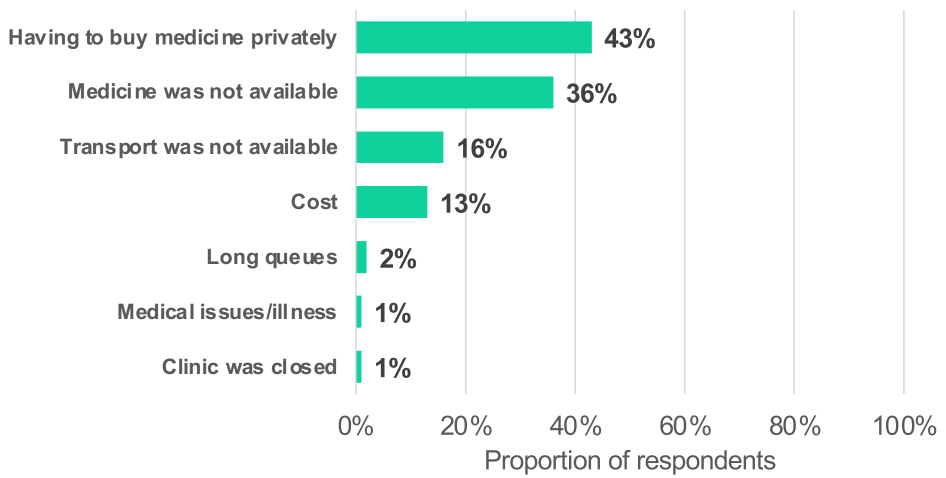


November 2022

89% of households needed to access a health service

24% of which could not access them

Reasons for not accessing a service



Q: If your household could not access a health service when needed, what was the reason?

4. ACCESS TO SOCIAL PROTECTION AND NUTRITIONAL SERVICES

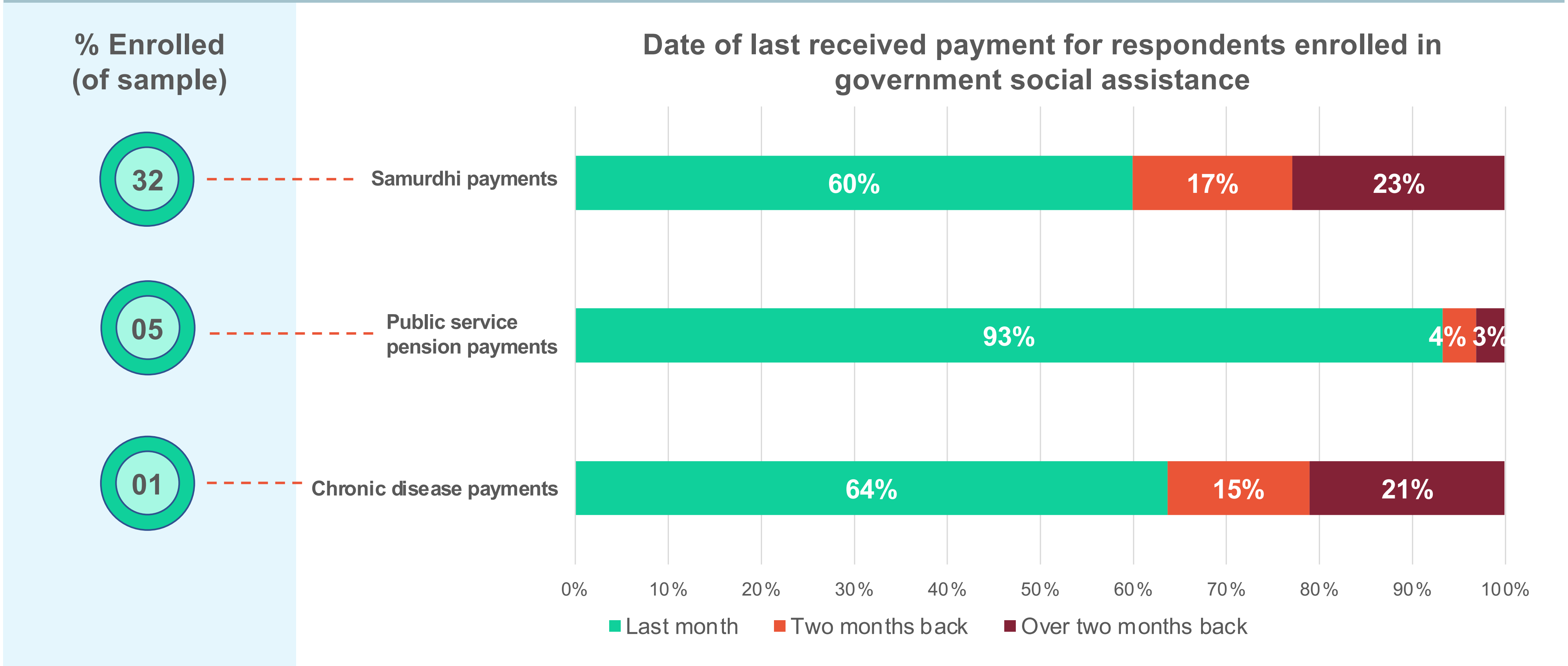
KEY TAKEAWAYS

- Some households eligible for different social protection programmes and schemes experienced delays in receiving their benefits.
    - At the time of data collection in October/November 2022, 39 per cent of households eligible for Samurdhi benefits reported having received the last benefit two or more months back.
    - 80 per cent of women eligible for the Pregnancy Voucher experienced delays of two months or more.
- Nearly half of all households received additional state assistance, most often dry rations or cash transfers.
- There were also significant delays in receiving Thriposha for pregnant and lactating women and malnourished children as well as BP100.
    - In October/November, 87 per cent of women enrolled in the programme reported that they had not received Thriposha for two or more months.

ACCESS TO SOCIAL PROTECTION

ACCESS TO SOCIAL PROTECTION

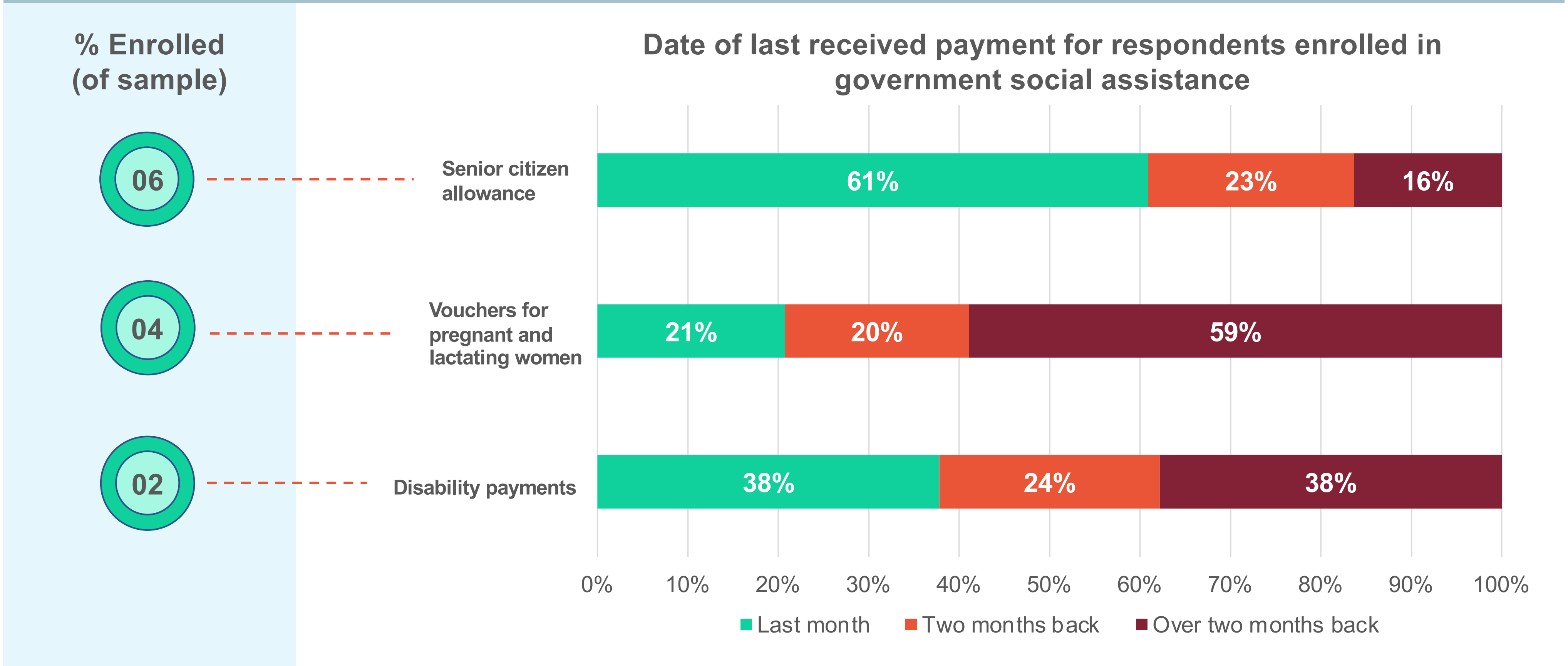
There were significant delays in receiving different types of benefits.



Q: Does anyone in your household currently receive any of the following social assistance from the government? When did you receive the last payment?

ACCESS TO SOCIAL PROTECTION

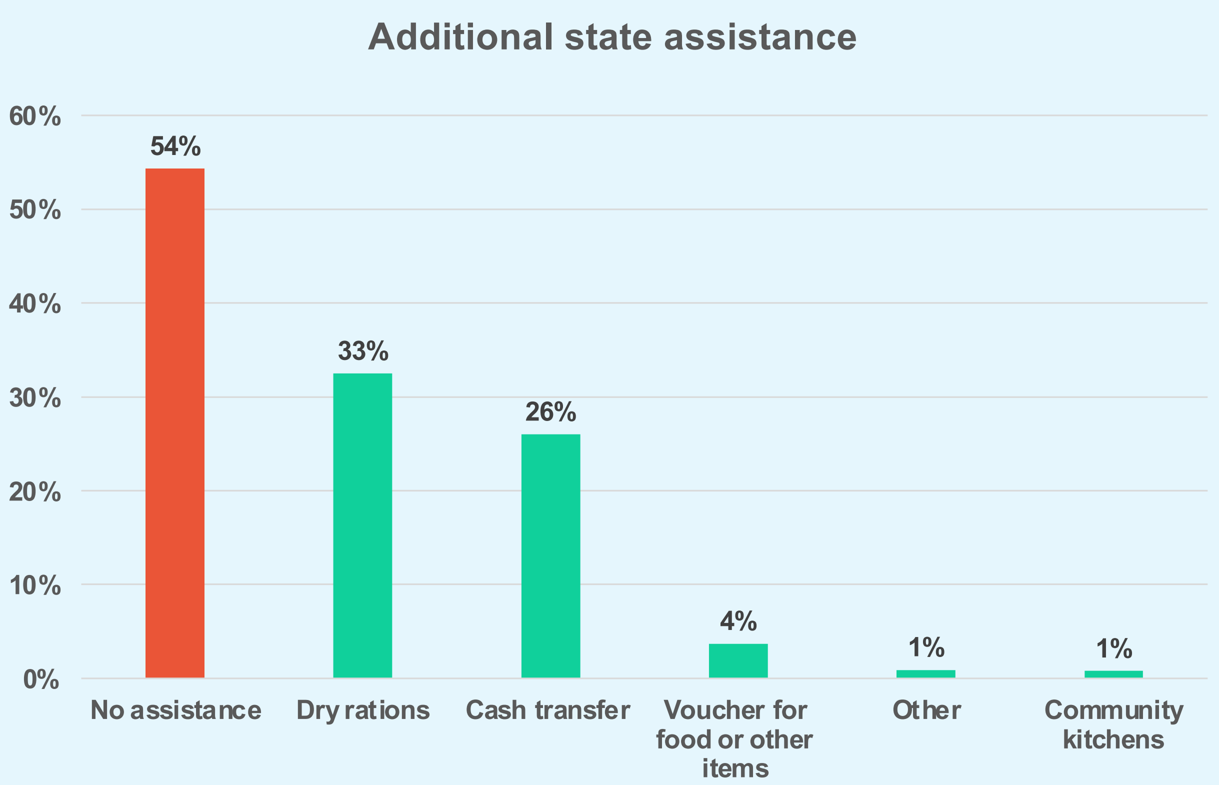
There were significant delays in receiving different types of benefits.

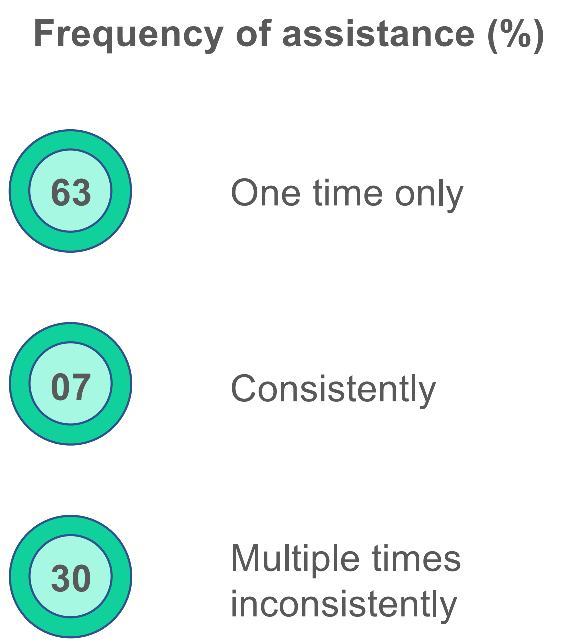


Q: Does anyone in your household currently receive any of the following social assistance from the government? When did you receive the last payment?

ACCESS TO SOCIAL PROTECTION

46 per cent of households received other forms of state assistance to alleviate hardships caused by the economic crisis, of which 63 percent of households only received assistance one-time.

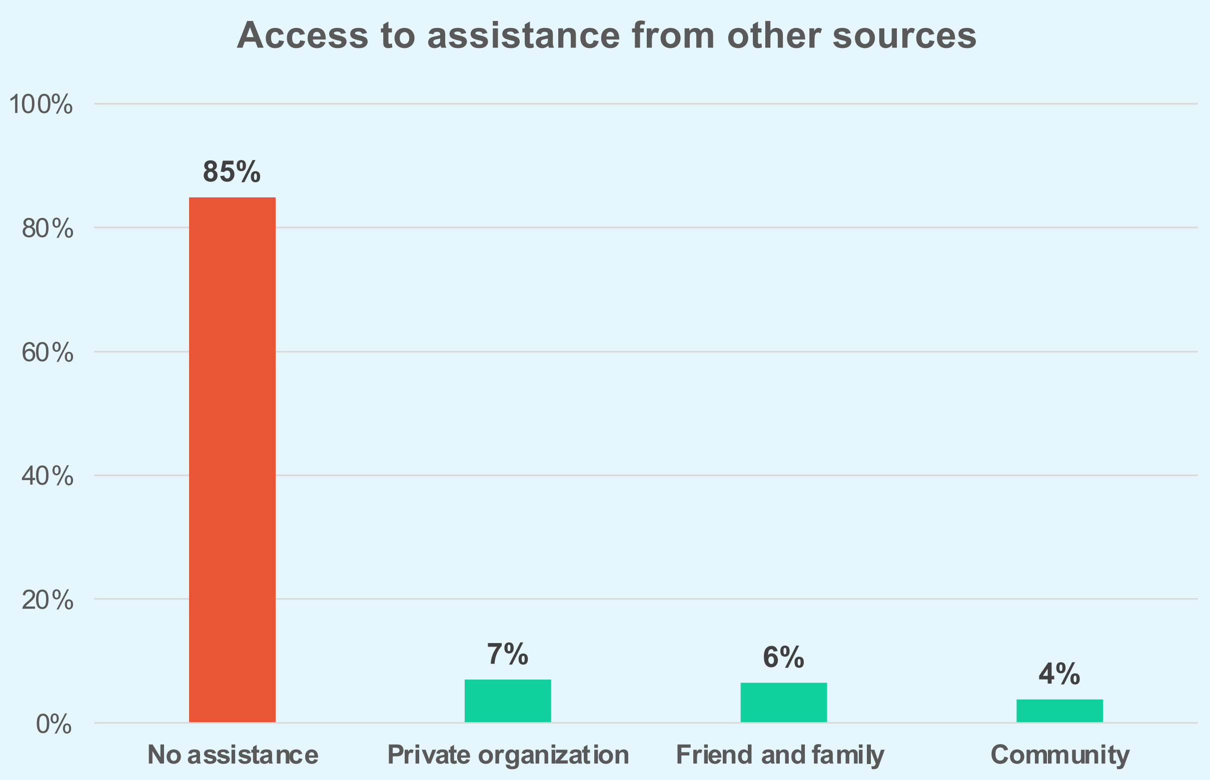


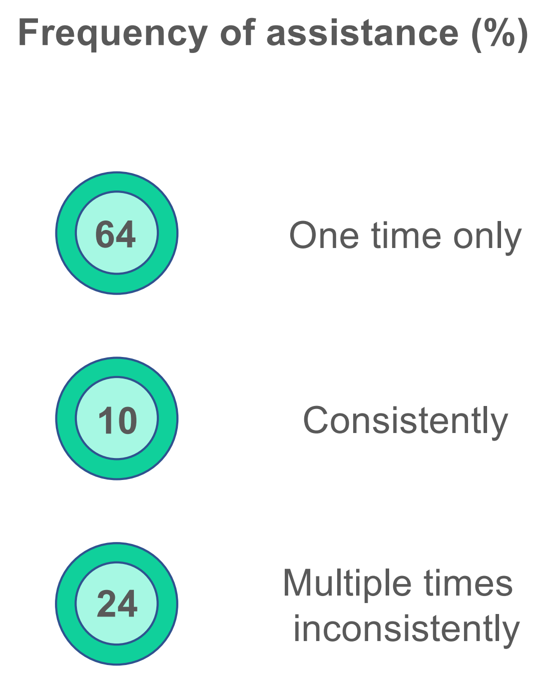


Q: Has your household received any additional government assistance specifically to alleviate hardships caused by the economic crisis?

ACCESS TO SOCIAL PROTECTION

Most households did not receive additional assistance from other sources.





Q: Did your household receive assistance from any other sources?

ACCESS TO NUTRITIONAL SERVICES

ACCESS TO NUTRITIONAL SERVICES

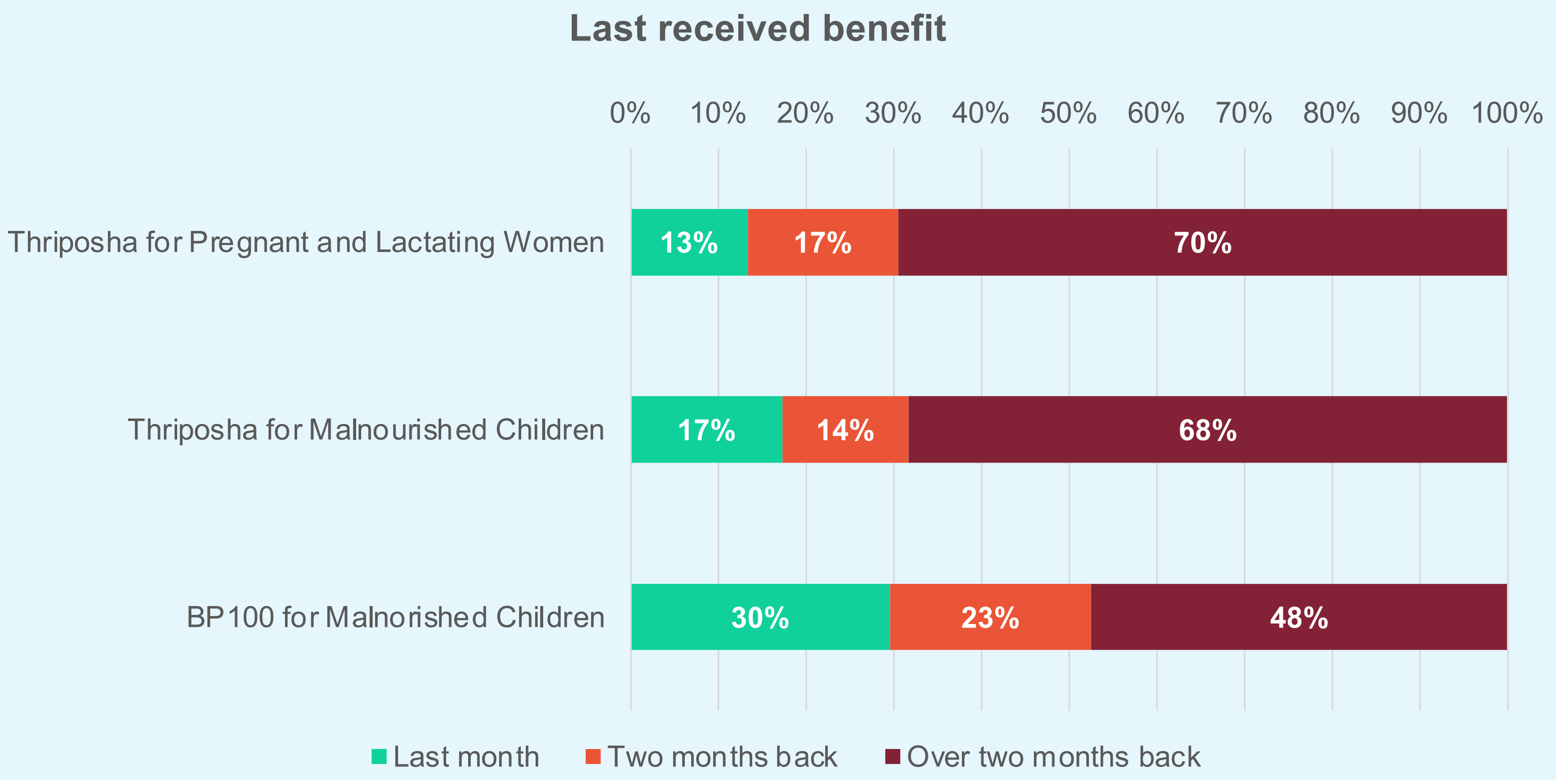
There were delays in access to nutritional benefits to households that needed them.

% Of Sample Enrolled in Program

03

04

01



Q: Are any members of your household benefitting from/enrolled in the following nutrition services? When did you receive the last payment?

5. EDUCATION

KEY TAKEAWAYS

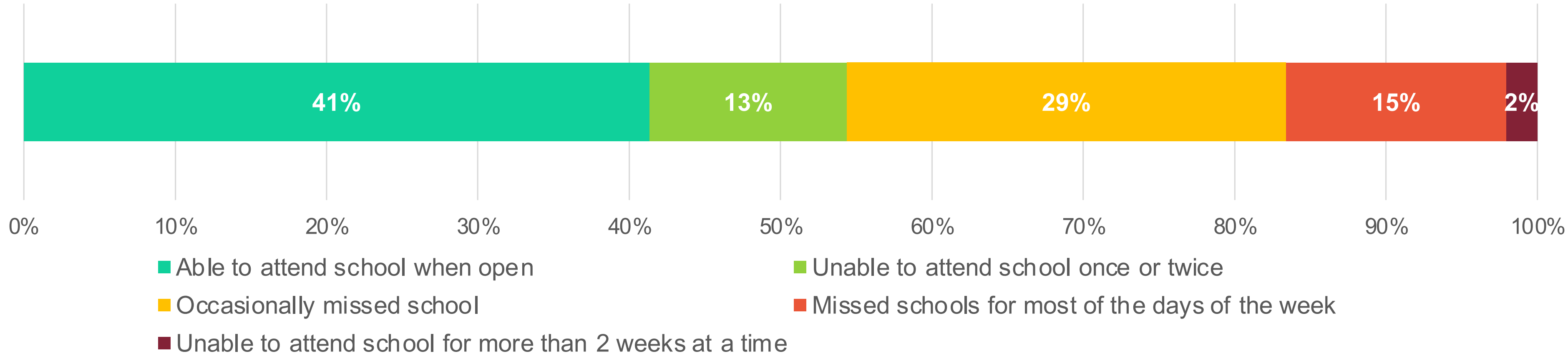
- Almost 60 percent of households with schooling children reported that their child had missed school at least once due to lack of fuel/transport.
- 31 percent of parents indicated that they did not think that their child's school had taken adequate steps to make-up for lost learning, and another 13 per cent did not know.
- Parents stated that the cost of education was the primary challenge to ensuring their child's school attendance.

IMPACT ON EDUCATION

59 per cent of school going children missed school at least once due to the lack of fuel or transport.

Percent of households had at least one schooling child of 19 years or younger*

Ability for children to attend school

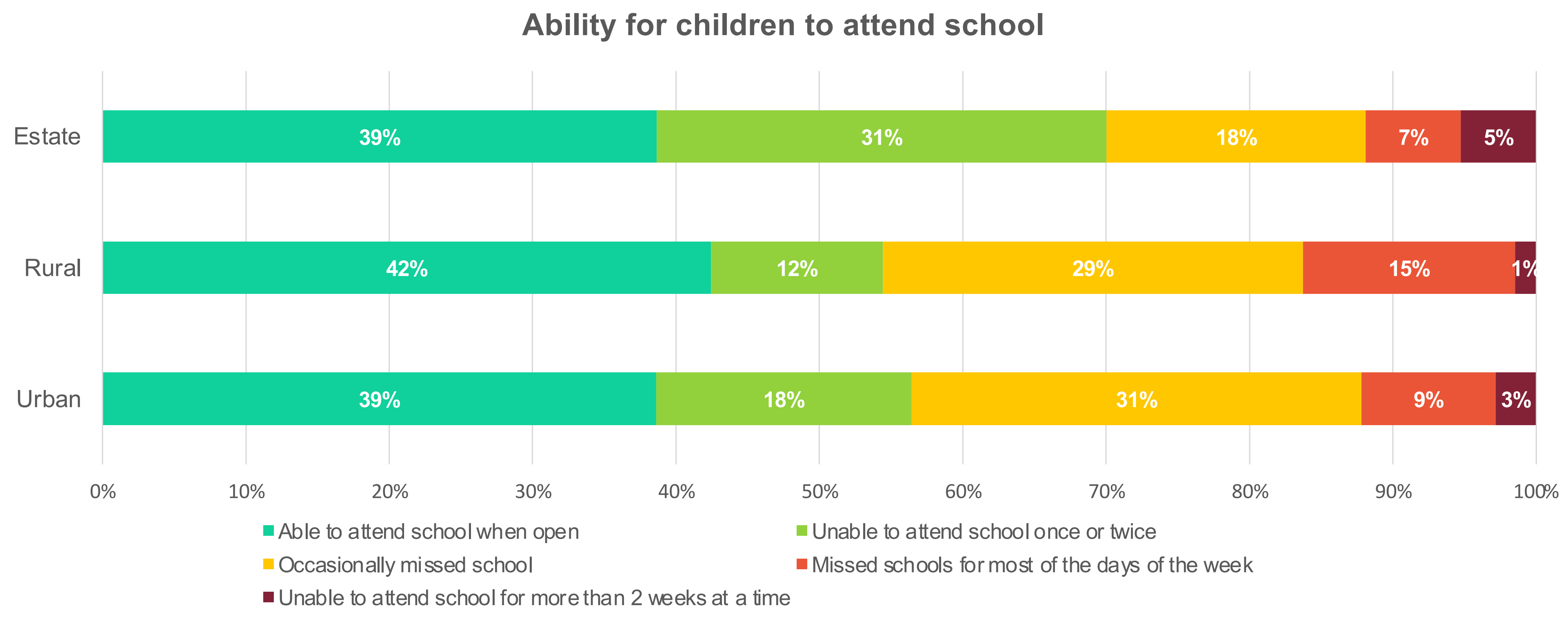


*** All instances where the word child/ children is used in this presentation refer to school aged children of 19 years or younger**

Q: Have children in your household been unable to attend school (when it was open), due to lack of fuel/transport?

IMPACT ON CHILDREN

Children in rural areas were most likely to miss school at least occasionally or most of the days due to lack of fuel or transport.



Q: Have children in your household been unable to attend school (when it was open), due to lack of fuel/transport?

IMPACT ON EDUCATION

High costs were the main limitation hindering children to attend school.

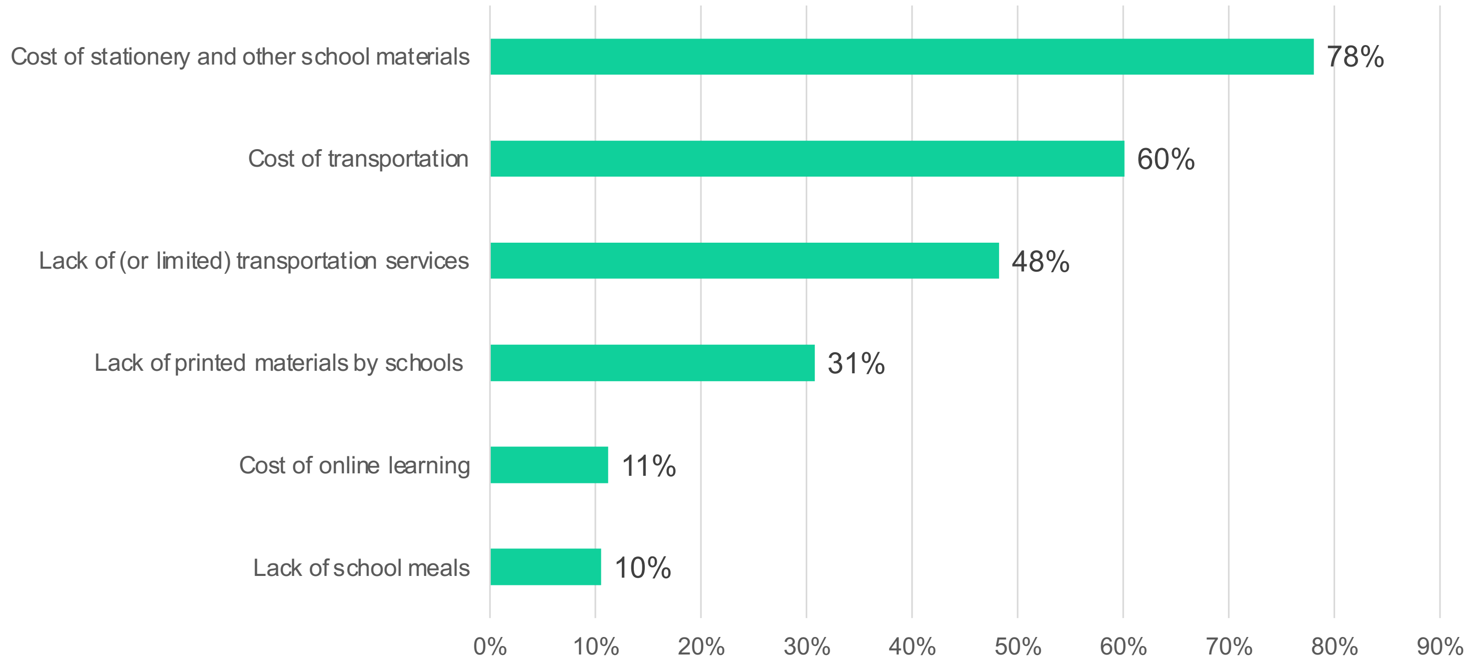
Have schools taken adequate steps to make-up for the lost time?

Yes 56

No 31

Don't know 13

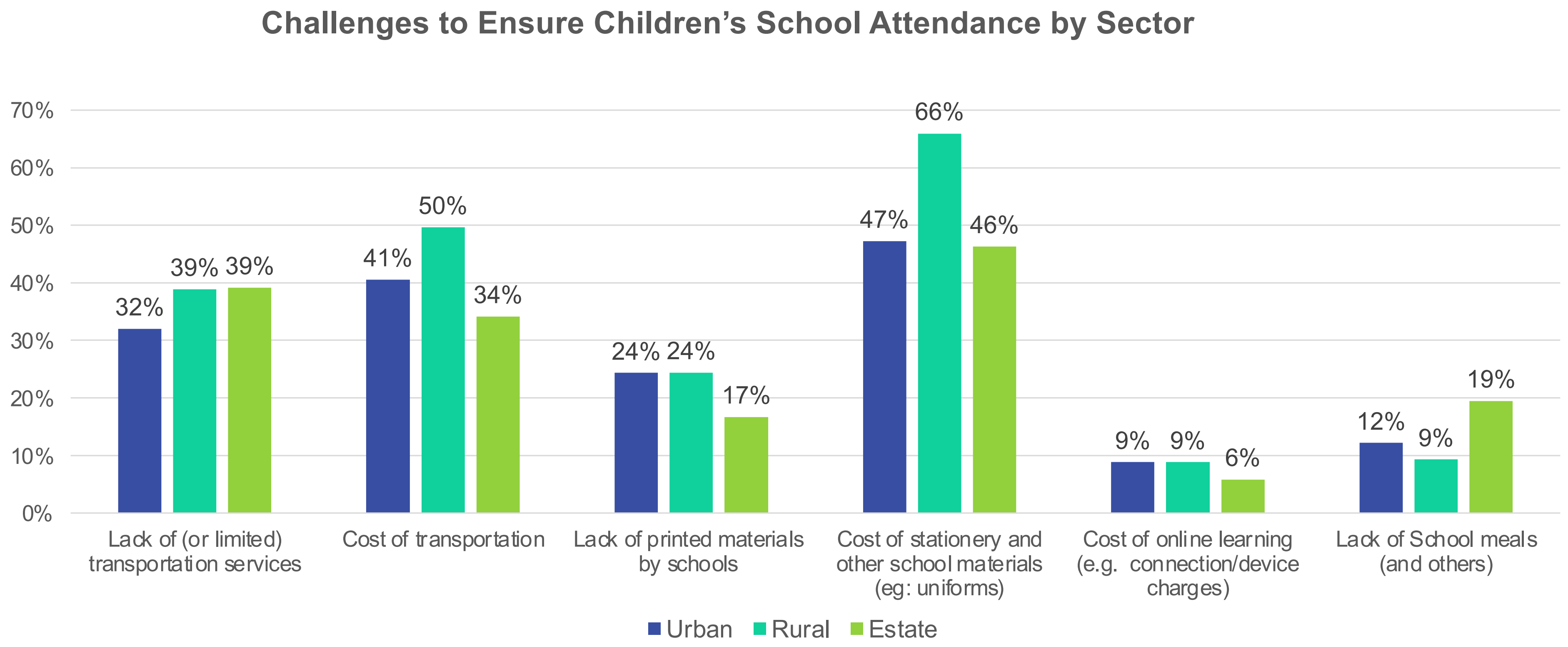
Challenges to ensuring children attend school



Q: What are the biggest challenges at the moment to ensure your children attend school (if open) and continue school-based learning? In your opinion, do you think that your child's school has taken adequate steps to recover/make-up for the lost time and education within an adequate period of time?

IMPACT ON EDUCATION

Rural households were more likely to indicate costs as a challenge in ensuring their child attended school.



Q: What are the biggest challenges at the moment to ensure your children attend school (if open) and continue school-based learning?

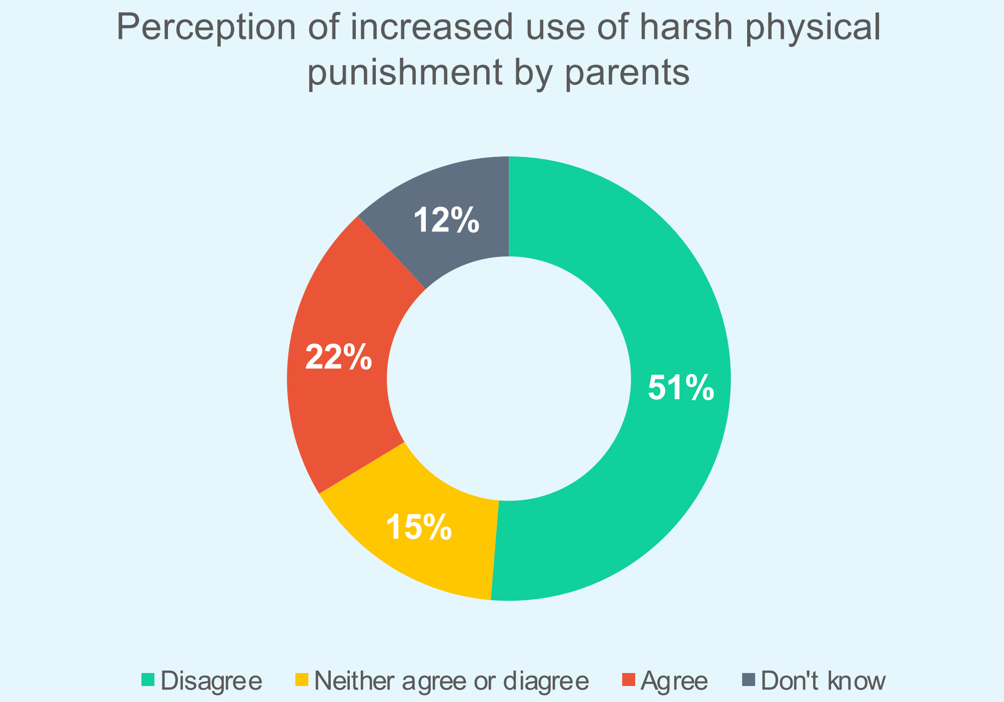
6. CHILD PROTECTION

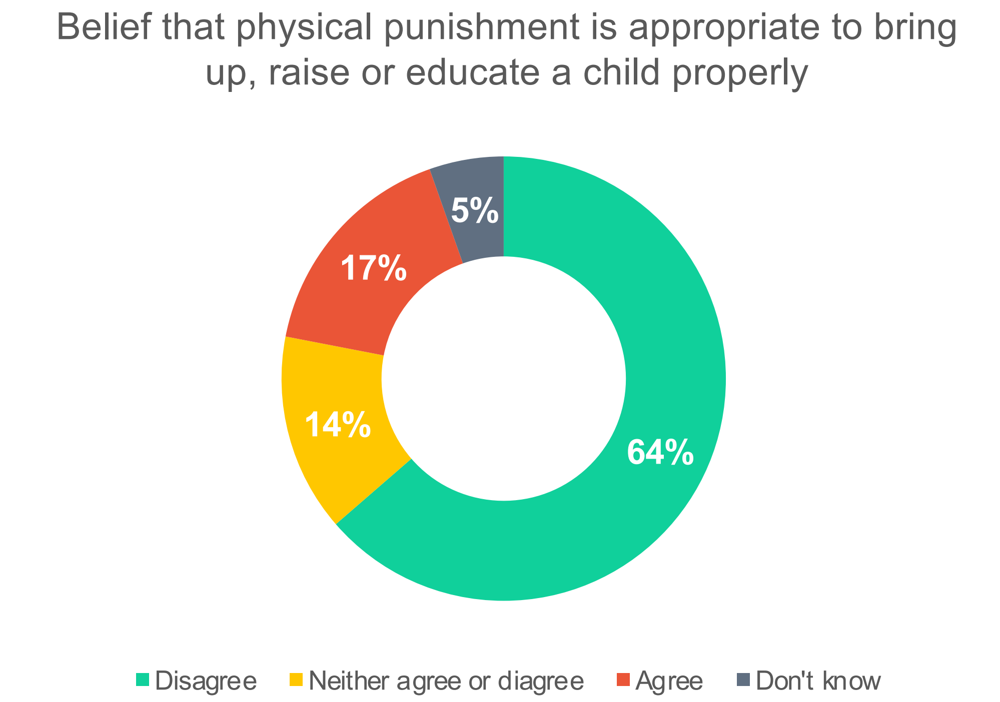
KEY TAKEAWAYS

- 22 per cent of households believe that there was an increased use of harsh physical punishments by parents over the last 6 months.
- 64 per cent of households did not believe that physical punishment is appropriate to bring up, raise or educate a child properly.
- On average, 51 per cent of parents reported that their children were more worried about their school studies compared to six months ago; 43 per cent of parents noted that their children were more worried about the future.
- Especially in the estate sector, two in three households noted that their children were increasingly worried about school studies and the future.

IMPACT ON CHILD PROTECTION

Less than a quarter of households perceived the need for using harsh physical punishments on children.

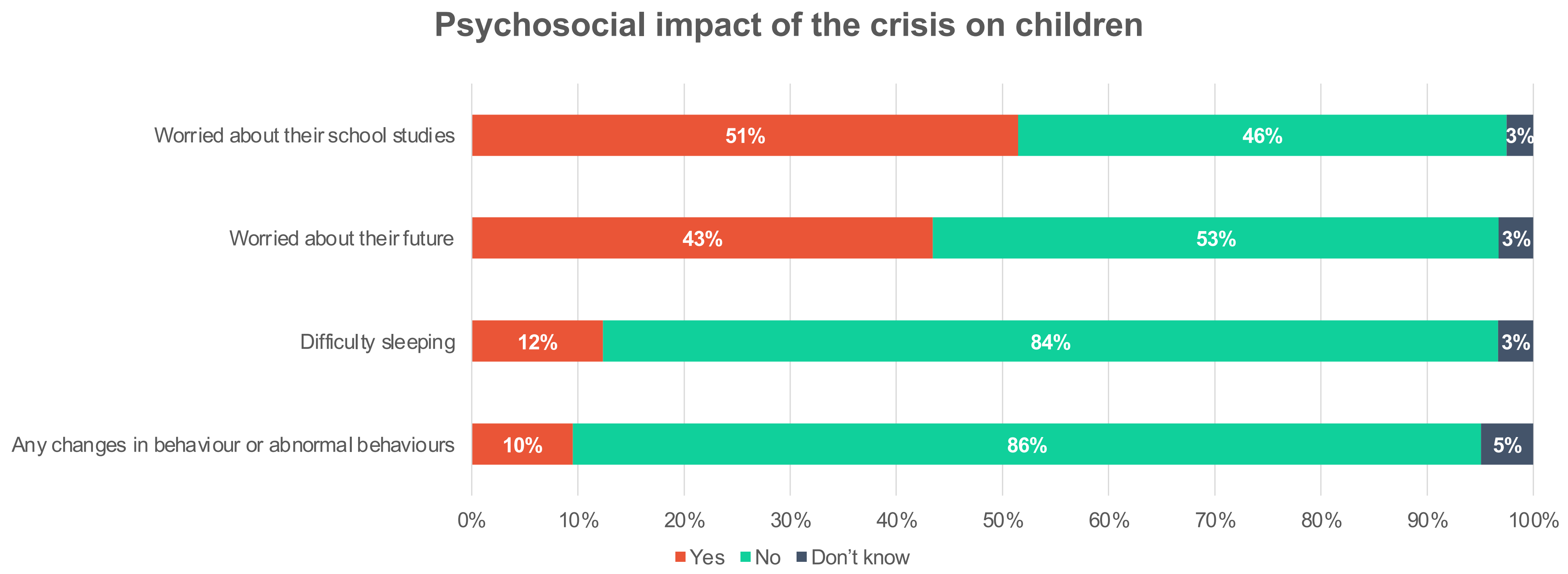




Q: Do you agree with the following statements?
1. Over the last 6 months, do you believe that parents have increased their use of harsh physical punishments?
2. Do you believe that in order to bring up, raise, or educate a child properly, the child needs to be physically punished?

IMPACT ON CHILD PROTECTION

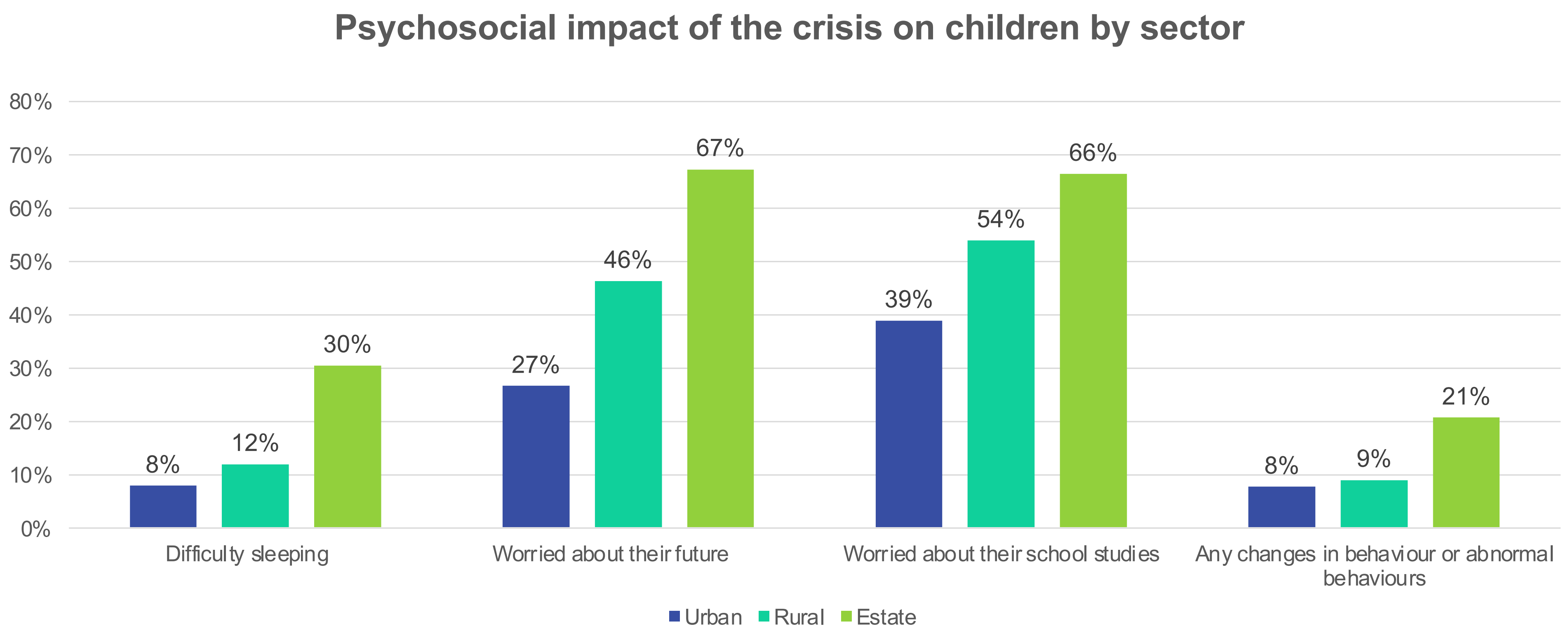
Increased worry about studies and the future were the main reported worries/difficulties of children.



Q: Have any of your children been more likely to suffer from any of the following worries/difficulties, compared to before March 2022?

IMPACT ON CHILD PROTECTION

Children in the estate sector were more likely to experience negative psychosocial impacts



Q: Have any of your children been more likely to suffer from any of the following worries/difficulties, compared to before March 2022?