

# Social protection profile: Sri Lanka

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Since 2018, the International Policy Centre for Inclusive Growth (IPC-IG) has partnered with the UNICEF Regional Office for South Asia and its respective Country Offices to develop a series of comparative papers on Social Protection (SP) in the region, covering social expenditure, legal frameworks, design of flagship national non-contributory SP programmes—including their child- and gender-sensitive features—the socio-economic impacts of the COVID-19 crisis and the SP responses deployed, and findings from quasi-experimental impact evaluations. All of the studies listed, except the last one, were published in 2020. This One Pager highlights key findings for Sri Lanka.

From a legal perspective, Sri Lanka is signatory to the nine most relevant human rights instruments that promote SP and children's rights. Further, the country's Constitution directly enshrines the right to SP, although as a policy principle rather than an enforceable right. In 2002, the country took an important step when launching the Welfare Benefit Act, a single regulation applicable to all SP programmes and governing aspects related to payment, termination and administrative responsibilities across central and local governments. Additionally, two thirds of the flagship national non-contributory programmes are legally grounded, although only half of those have specific regulatory frameworks administering operational features.

In terms of social expenditure (health, education and non-contributory SP), Sri Lanka is close to the average for South Asia. However, since it has higher income than other countries in the region, it could expand its fiscal space for SP. Nevertheless, the country demonstrates efficient spending, managing to harvest better outcomes than its regional peers with similar expenditure profiles. This seems to be the case for health outcomes, as Sri Lanka successfully concentrates most public resources on poor people. In addition, when it comes to education, it is important to bear in mind that the country is at a later stage of the demographic transition, which lowers the demand for basic education.

Concerning the general characteristics of flagship national non-contributory SP programmes and their child- and gender-sensitive features, it is noteworthy that the country has an SP system with main programmes dating back more than 20 years. Just before the onset of the COVID-19 pandemic, the coverage of flagship social assistance programmes was the highest in South Asia, as estimated by the IPC-IG. The system comprises multiple types of programmes (mostly unconditional cash transfers combined with other modalities, such as in-kind transfers and subsidies). Most programmes combine poverty targeting with categorical targeting of elderly people and those with disabilities. It should be noted that there are concerns about exclusion errors due to the means test assessment used to select poor beneficiaries.

Child-sensitive programmes include initiatives supporting children's access to education, nutrition and health (e.g. the School Feeding Programme and the National Secretariat for Persons with Disability), as well as a cash transfer, the Public Welfare Assistance Allowance (PAMA), which targets households with orphans (among other groups). Moreover, the benefits paid by the PAMA and *Samurdhi* (another flagship cash transfer) vary according to the number of household members. Sri Lanka has no programmes specifically targeting women in general; however, some of its nutritional programmes target pregnant and lactating mothers, and malnourished children under 5 years old (e.g. *Thripasha* and the Pregnant Mother's Food Assistance Programme.<sup>1</sup> Further, the PAMA reaches out to widows and women separated from their husbands.

Regarding findings of impact evaluations, it is concerning that Sri Lanka's programmes have hardly ever been subjected to impact evaluations. *Samurdhi* and *Thripasha* were assessed by independent scholars, but concerning their health-related indicators only—thus missing the chance to identify points for improvement and a broader set of desirable impacts that could be further promoted by the country's SP system.

Finally, concerning the crisis sparked by COVID-19, the government has successfully deployed a vigorous response by temporarily expanding pre-existing programmes, increasing both coverage and benefit value (initially for two months). It is estimated that those initiatives more than doubled the country's SP coverage, although this could have been achieved at much lower administrative cost if the country had had a consolidated, integrated information system and more bank-based payment operations.

Given this background, key policy recommendations are as follows:

- Increase fiscal space for social spending—for example, by improving the efficiency of existing programmes or increasing tax-based revenues (preferably through individual and corporate income tax, both of which are relatively low).
- Roll out specific regulatory frameworks for the programmes currently lacking them.
- In the medium and long term, establish a universal child grant to reduce targeting costs and exclusion errors and have a greater poverty reduction impact.
- Increase the use of bank-based payments and roll out an integrated information system to enhance coordination and, hence, reduce administrative costs and improve the SP system's shock-responsiveness.
- Subject SP programmes to impact evaluations, which could be undertaken periodically and at lower cost by developing a comprehensive monitoring and evaluation system.
- Although our comparative papers do not address the Pregnant Mother's Food Assistance Programme directly, quickly expanding this programme could strengthen nutrition support to children during their first 1,000 days of life.

## References:

Alim, Abdul, Fabio Veras, Rafael Osório, and Pedro Arruda. 2020a. "UNICEF and IPC-IG paper series on Regular Social Protection Landscapes in South Asia." Social Protection blog post, 9 September. <<https://bit.ly/3ftQDq2>>. Accessed 25 October 2021.

Alim, Abdul, Fabio Veras, Rafael Osório, and Pedro Arruda. 2020b. "UNICEF and IPC-IG paper series on Covid-responsive Social Protection Landscapes in South Asia." Social Protection blog post, 9 September. <<https://bit.ly/3A6Rswj>>. Accessed 25 October 2021.

World Bank. 2020. Assessing Public Financing for Nutrition in Sri Lanka (2014-2018). Washington, DC: World Bank. <<https://uni.cf/3D6gVYw>>. Accessed 25 October 2021.

## Note:

1. Also named *Poshana Malla*. From 2009 to 2014 it was a subcomponent of *Samurdhi*.