

ECONOMIC REFORM INDEX



CENTRE FOR POLICY ALTERNATIVES | SOCIAL INDICATOR
FRIEDRICH NAUMANN FOUNDATION FOR FREEDOM

NOVEMBER 2022

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Introduction

This islandwide survey examines public opinion on the current economy, and economic reforms discussed over the past few months. The Wickremesinghe government seeks an extended fund facility arrangement over a 48- month period of about US Dollars 2.9 billion with the IMF to restore macroeconomic stability and sustainability, safeguard financial stability, strengthen existing social protection systems to address acute vulnerabilities that have arisen, and support structural reforms to enhance growth potential to counter the unprecedented economic crisis of the country. As such, the government aims to prioritise a number of austerity measures that will help gain the required assistance from IMF, but will on the other hand, result in adverse impacts to a majority of citizens if introduced without meaningful review that lack appropriate accountability procedures. Although welfare benefit programs have already been initiated targeting the low-income families as per the instructions of President Wickremesinghe the question remains as to whether it is conducive and adequate enough to answer the economic and political crisis, and the worsening economic suffering of Sri Lankans.

This survey was conducted by Social Indicator, CPA's survey research arm which has been conducting public opinion polls since 1999 on a wide range of socio-political issues in Sri Lanka. The survey team consisted of Dr. Pradeep Peiris, M. Krishnamoorthy, Muditha Pathirana, Ishara Jayarathne and Azraa Faaiz. Social Indicator would like to thank Dr. Paikiasothy Saravanamuttu (CPA) and Mr. Wolfgang Heinze and the team from Friedrich Naumann Foundation for Freedom (FNF) Sri Lanka for their support in the study.

Methodology

The Economic Reform Index was carried out using a semi-structured questionnaire with 1000 sample respondents from the four main ethnic communities (Sinhala, Tamil, Up Country Tamil, and Muslim). The sample consisted of both men and women from urban and rural localities in all 25 districts. A total of 73 field enumerators (male and female) participated in fieldwork. A multi-staged random stratified sampling technique was used to select the sample locations, and the respondents were selected using a random sampling technique. Field work was conducted during 21 October to 31 October 2022. The dataset was weighted in order to reflect the actual district and ethnic proportion of the population. The data set was analysed using the Statistical Package for Social Sciences (SPSS).

Executive Summary

Economic Situation Compared to a Year Ago

- An overwhelming majority of Sri Lankans (79%) claim that their economic situation has got worse compared to what it was a year ago. This view is shared by Sri Lankans from varying occupations. Especially those who are self-employed (90%) and also those who work in the private sector (83%) are feeling the economic burden slightly more compared with the other sectors.

Perception on IMF Assistance

- A majority of Sri Lankans (61%) approve of the government approaching the IMF to overcome the country's economic crisis.
- Three quarters of Sri Lankans (75%) believe that the IMF assistance will enable Sri Lanka to overcome the current economic crisis. Notably, one-fifth of Sri Lankans are very optimistic about this approach.

Awareness and Perception on the UN Resolution

- Close to half of Sri Lankans (46%) state that they are aware of the UN resolution passed on Sri Lanka in Geneva on 6 October 2022.
- Out of them, a majority (76%) state they are aware that the resolution also demands the government of Sri Lanka to address and be accountable for the ongoing economic crisis.

Awareness and Perception on the Proposed Inland Revenue Amendment Bill

- A slight majority (54%) are aware of the Inland Revenue Amendment Bill proposed by the government. From those who indicate that they are aware, 64% disapprove of it.

Trust in Personnel Driving Economic Reforms

- The survey findings highlight that a majority of Sri Lankans trust Dr. Nandalal Weerasinghe, the Governor of the Central Bank (57%) to do the right thing in resolving the current economic crisis.
- Ranil Wickremesinghe, the Finance Minister is the second most trusted (45%), whilst Dr. Harsha de Silva as the Chairman of the Public Finance Committee (COPF) is the third most trusted (43%) by Sri Lankans.

- A quarter of Sri Lankans (25%) place their trust in Prof. Ranjith Bandara, the Chairman of the Committee on Public Enterprises (COPE).
- Patali Champika Ranawaka as the Chairman of the National Council sub-committee on identifying short and medium-term programs related to economic stabilization is trusted by 23%.

International Assistance to the Economic Crisis

- Sri Lankans highly rank Asian countries when inquired into which country the public thinks would assist Sri Lanka to overcome the economic crisis.
- Most Sri Lankans (37%) believe that China would assist Sri Lanka in overcoming the economic crisis. Almost one fourth of Sri Lankans (24%) are of the view that India would assist Sri Lanka and 14% believe Japan would assist Sri Lanka to overcome the economic crisis.
- Less than 10% of Sri Lankans think either the USA or European countries would assist Sri Lanka to overcome the economic crisis.

Economic Difficulties Experienced by Sri Lankans

- The survey findings reveal that the economic difficulties of the Sri Lankans continue. 82% indicate that their quality in consumption or purchase of food items have altered as a result of the economic crisis. Furthermore, 66% experience difficulties in affording medicine or medical treatments, 37% state that they have reduced their expenditure on their children's education, one out of every three people (35%) claim that they have reduced the portion or size of their meals, or the number of meals consumed per day, and around 31% indicate that either they or someone in their families have lost employment.

Willingness to Migrate

- Close to 60% of Sri Lankans claim that they will consider migrating to another country if they were given an opportunity. From this, a majority are the youth. The survey also reveals that it is mostly the Sinhalese youth who show the highest level of interest in migrating if given an opportunity. When asked as to which countries they would prefer migrating to, a majority prefer East Asian countries, mainly Japan and South Korea. European countries are chosen as the second-highest preferred destination.

Attitude Towards Liberal Economic Policies

- The survey findings indicate that more than half of Sri Lankans (56%) are of the belief that the government should allow foreign companies to invest in the country. Close to 65% state that the government should not restrict a person's earning capacity and 34% of people state that government corporations should be privatised as running businesses is not the government's responsibility.

Public Opinion on Welfare Policies

- People express mixed opinions on the question in relation to welfare policies. Although a majority support the reduction of government employees, people do expect the government to take responsibility to look after its people and spend on welfare programmes.
- The public expresses mixed opinions as to whether it is the government's responsibility to ensure that every citizen has a job. Youth, as well as adults (above 30 years) share the same opinion with regard to the proposal of reducing government employees and the fact that the government should take the responsibility of providing welfare support to its citizens.
- Nonetheless, there is more support among the youth that it is the individual's responsibility to find a job and not the government's.

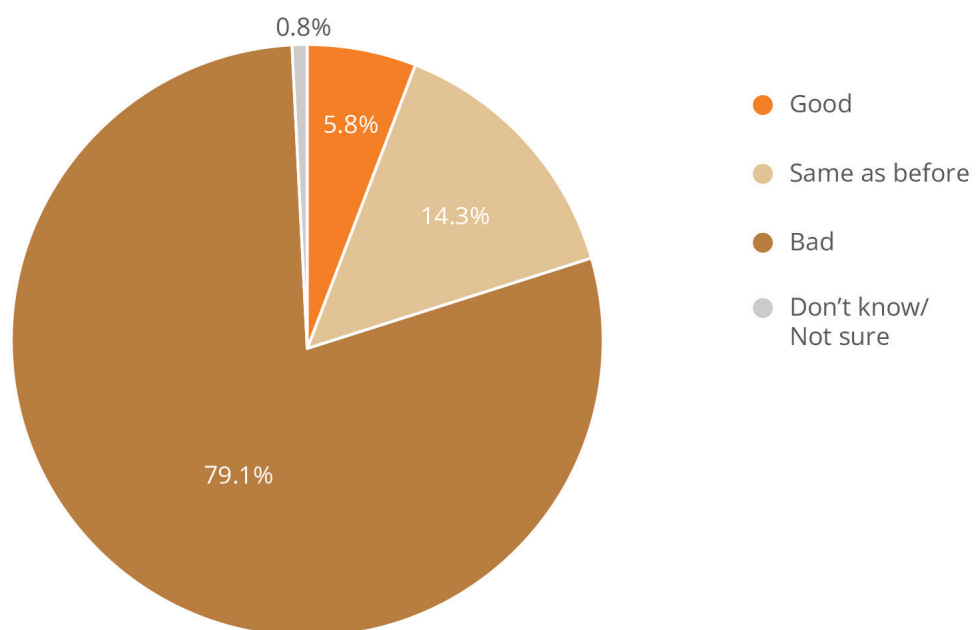
Optimism and Pessimism about the Future Economic Condition

- According to the findings, 41% of Sri Lankans express their pessimism towards Sri Lanka's economic future. Especially those who are in the age bracket of 30 and above express a high rate of pessimism towards the country's economic future. Those who engage in self-employment and in the private sector harbor relatively higher levels of pessimistic views on the country's economic future. It is only 18% of people who believe that the economic situation of Sri Lanka will get better in a year.

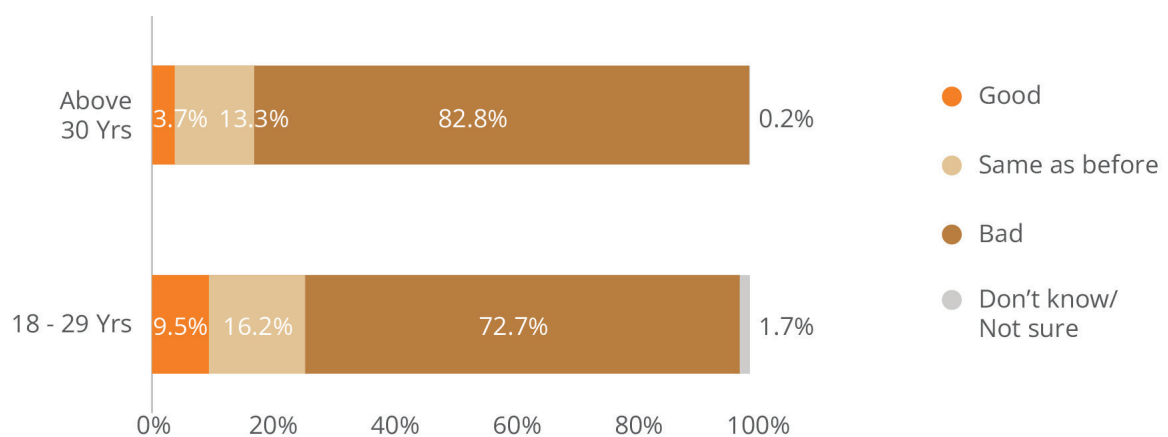
Findings

Economic Situation Compared to a Year Ago

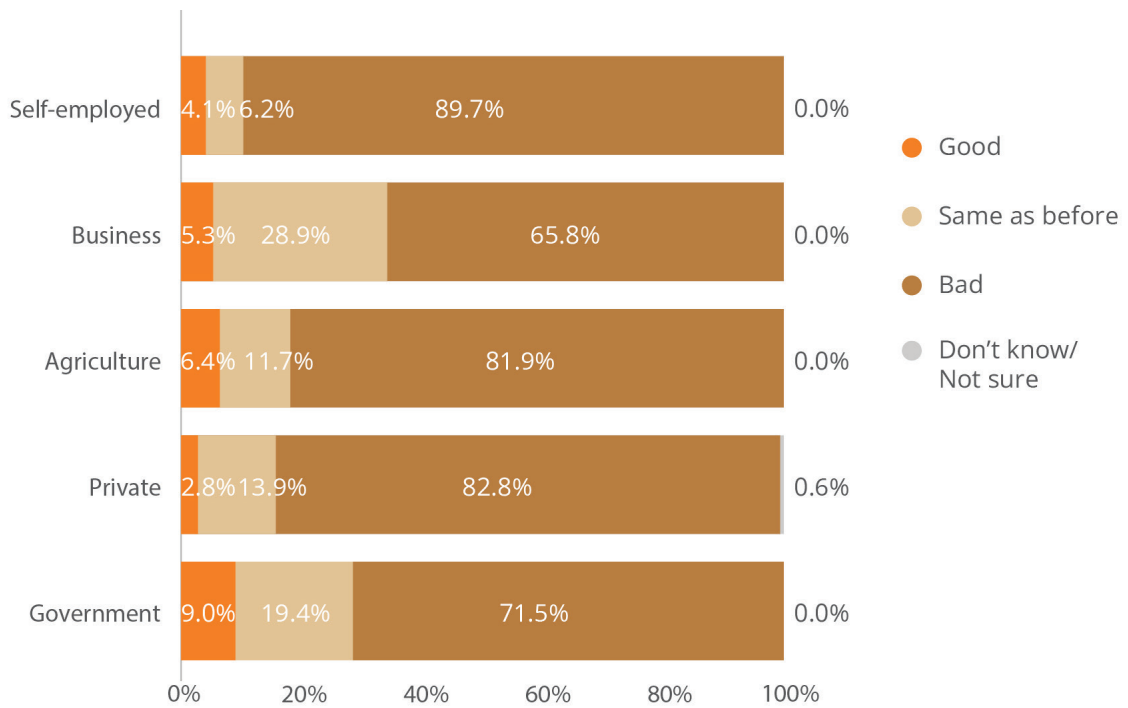
Graph 01 - Economic Situation Compared to a Year Ago by National



Graph 02 - Economic Situation Compared to a Year Ago by Age

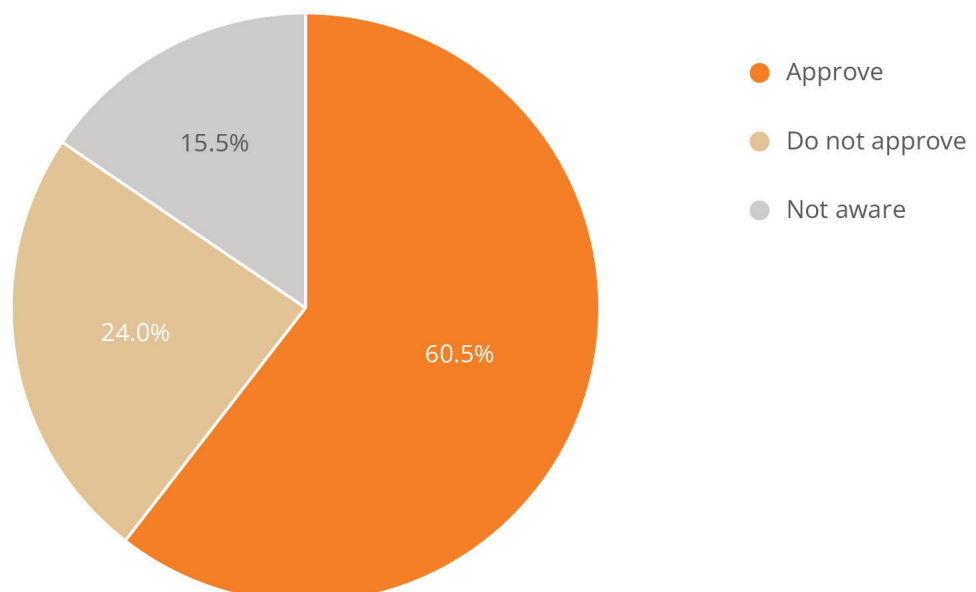


Graph 03 - Economic situation Compared to a Year Ago by Occupation Sector

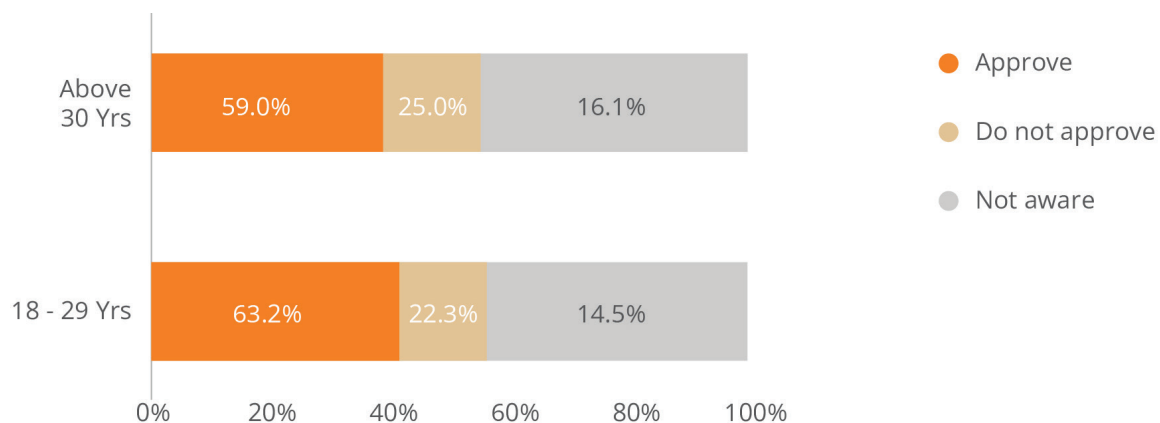


Perception on IMF Assistance

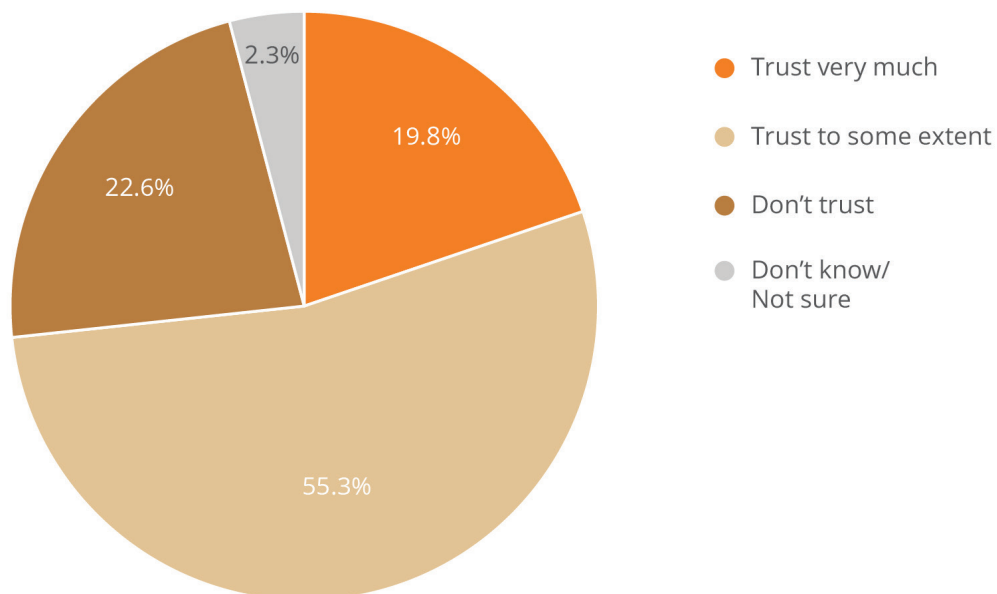
Graph 04 - Approval or Disapproval of the Government Approaching IMF by National



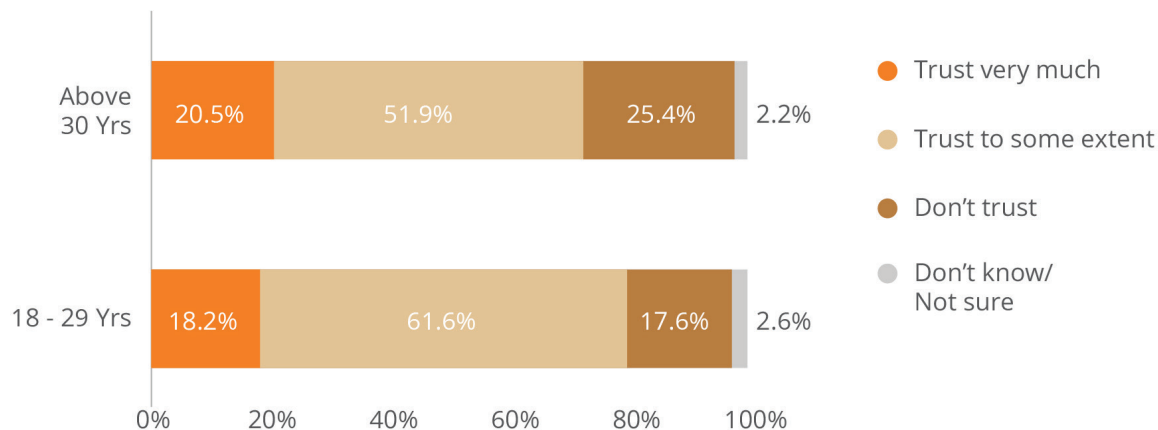
Graph 05 - Approval or Disapproval of the Government Approaching IMF by Age



Graph 06 - Trust on IMF Assistance by National



Graph 07 - Trust on IMF Assistance by Age



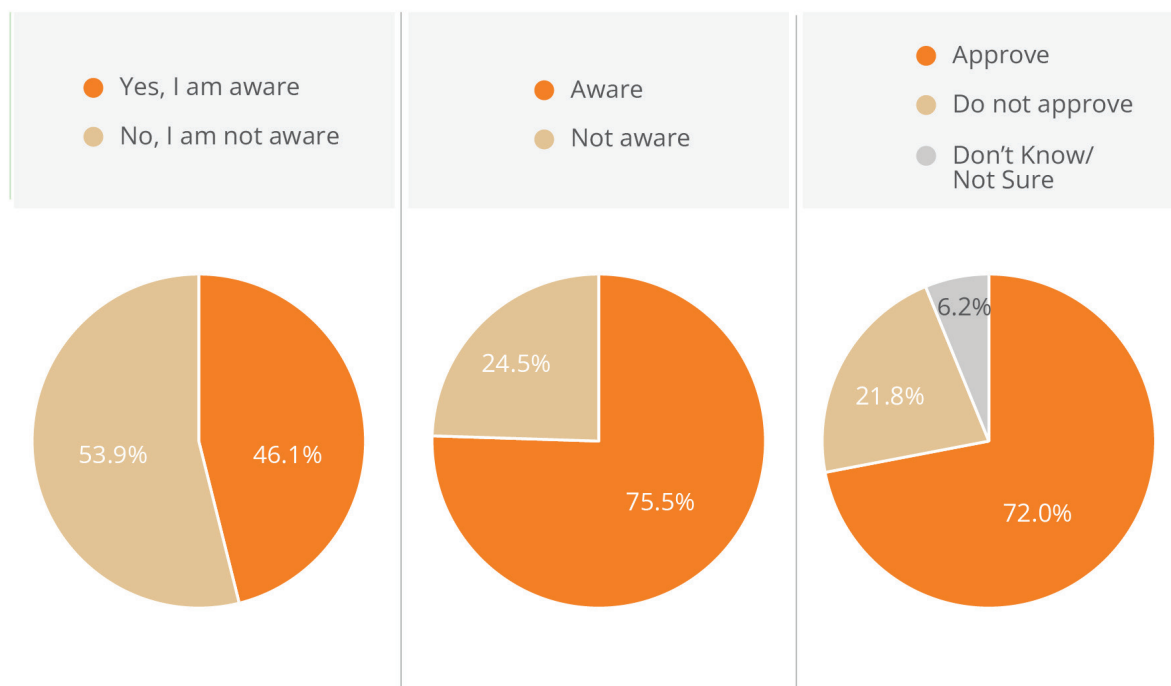
Awareness and Perception on UN Resolution

Graph 08 - Awareness and Perception on UN Resolution by National

Are you aware that a resolution on Sri Lanka has been passed by the UN Human Rights Council in Geneva recently?

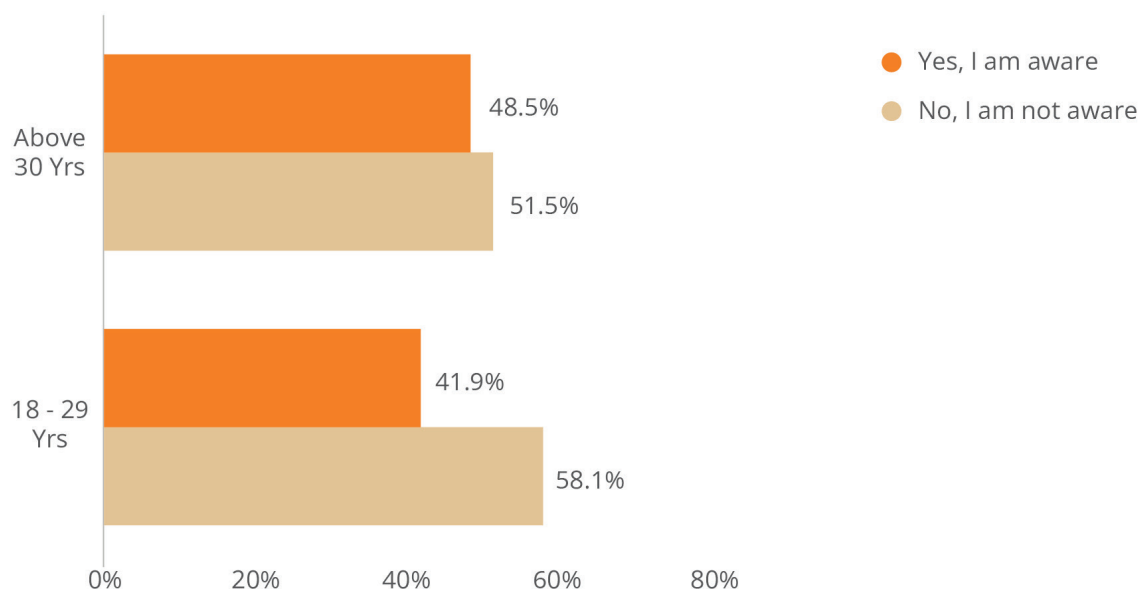
Are you aware that this resolution addresses economic crisis in the country?

Do you approve or disapprove of this resolution?

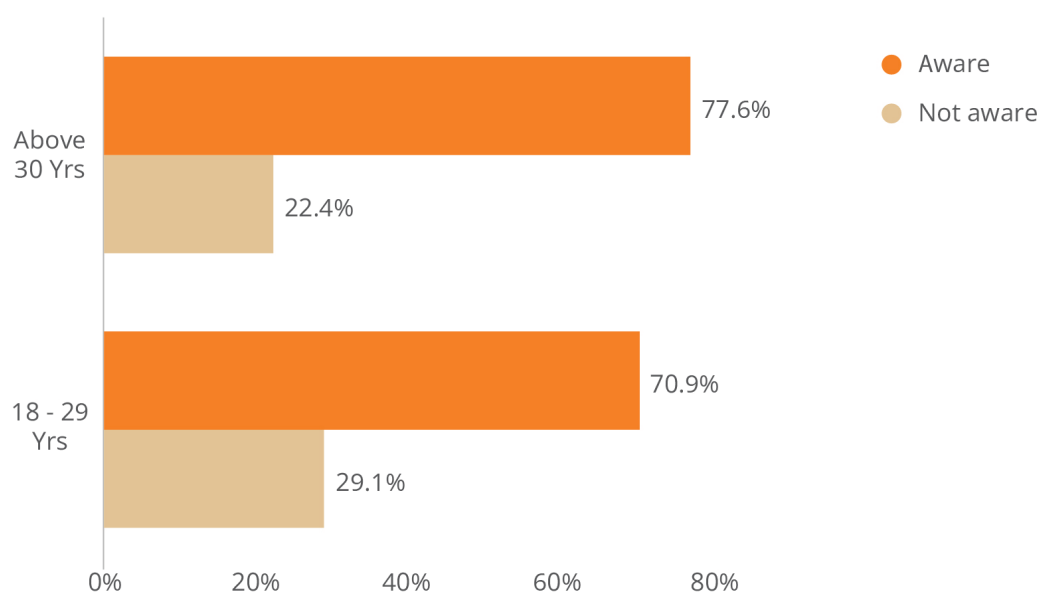


Graph 09 - Awareness and Perception on UN Resolution by Age

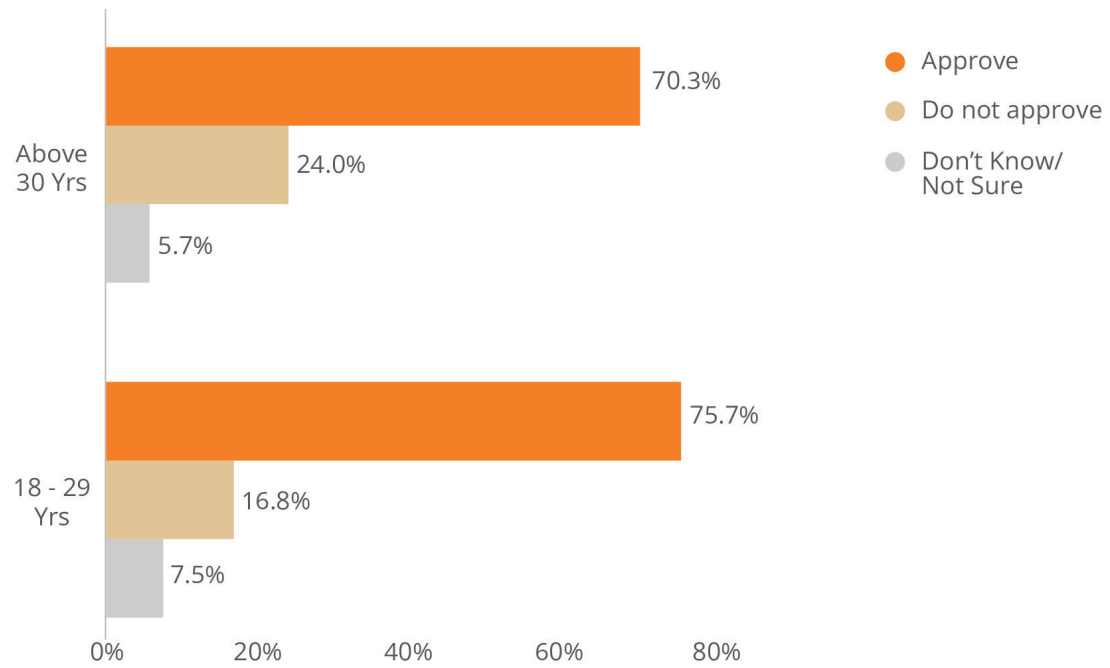
Are you aware that a resolution on Sri Lanka has been passed by the UN Human Rights Council in Geneva recently?



Are you aware that this resolution also demands the government to address and be accountable for the ongoing economic crisis?



Do you approve or disapprove of this resolution?

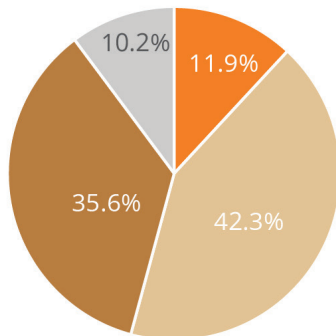


Awareness and Perception on Proposed Inland Revenue Amendment Bill

Graph 10 - Awareness, Approval or Disapproval on proposed Inland Revenue Amendment Bill by National

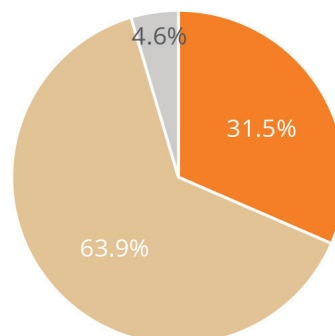
Are you aware of the proposed Inland Revenue Amendment Bill?

- Yes, I am aware of that amendment, and most of its contents
- No, I am not aware of that amendment
- Yes, I am aware of that amendment, and some of its contents
- Don't Know/ Not Sure



Do you approve or disapprove of this Inland Revenue Amendment Bill?

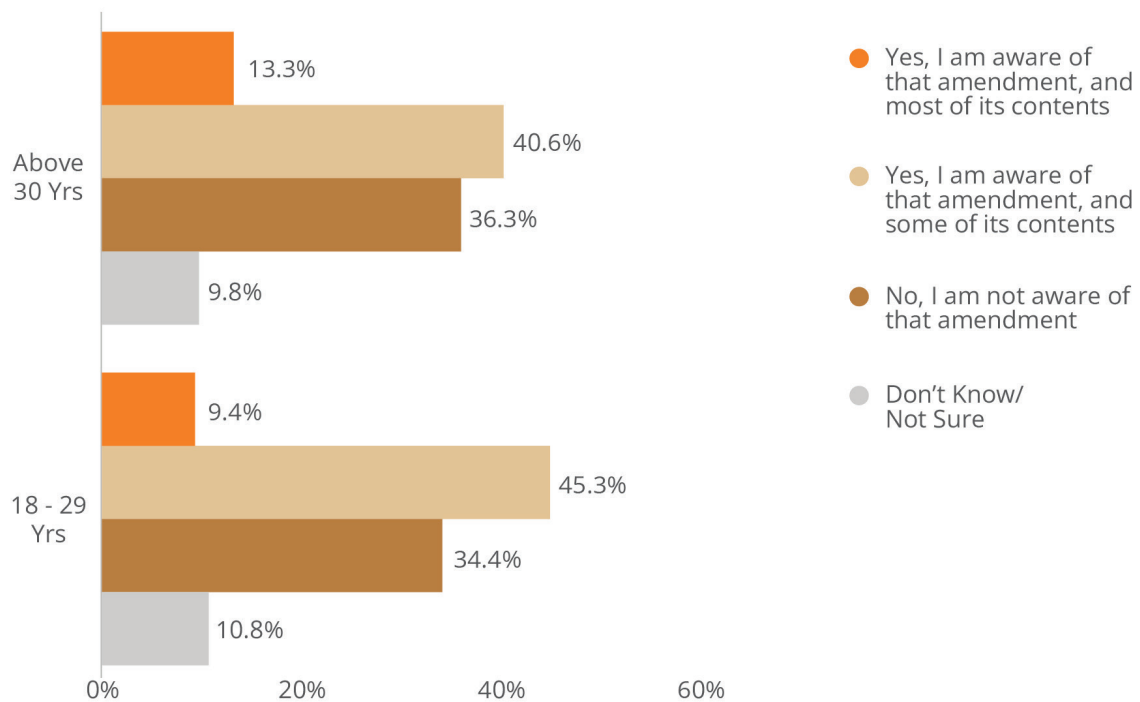
- Approve
- Do not approve
- Don't Know/ Not Sure



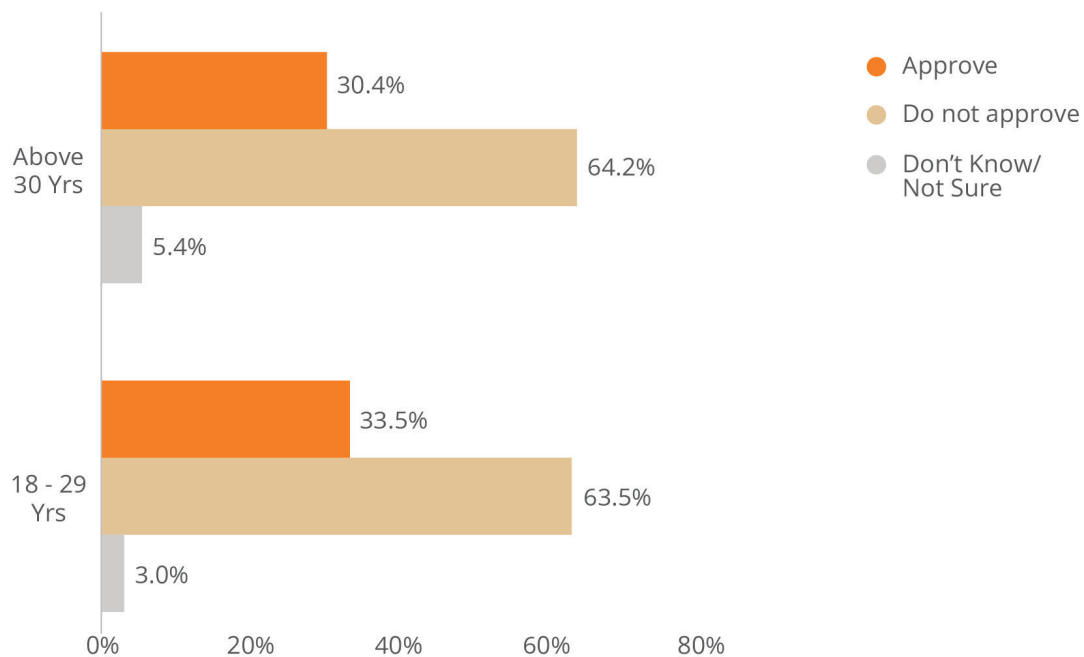
Q4.1

Graph 11 - Awareness, Approval or Disapproval on Proposed Inland Revenue Amendment Bill by Age

Are you aware of the proposed Inland Revenue Amendment Bill?

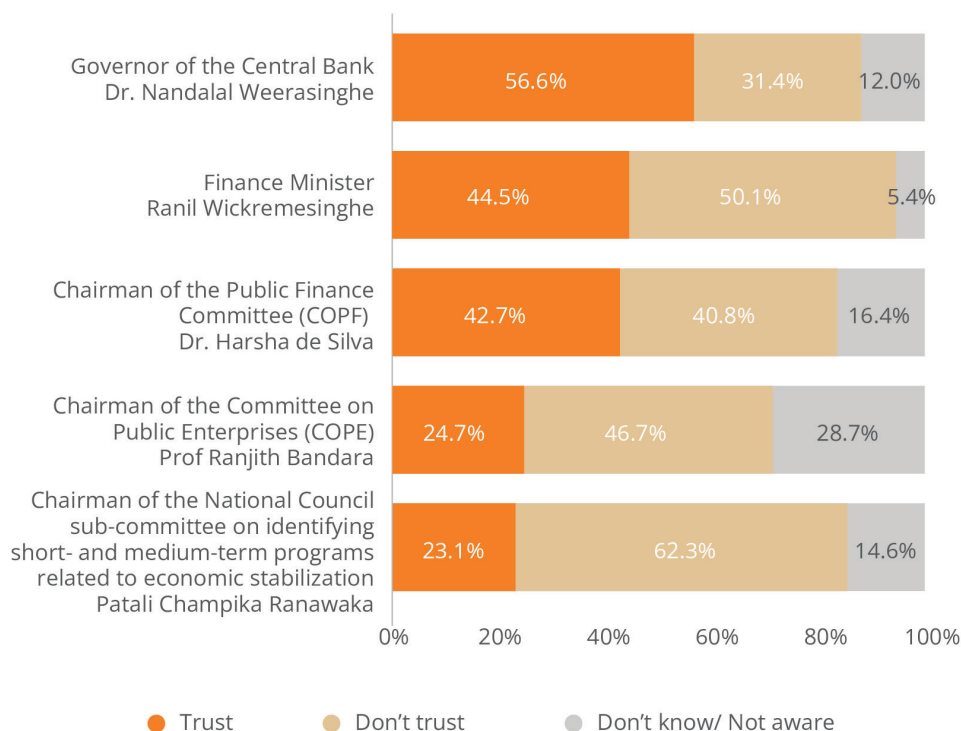


Do you approve or disapprove of this Inland Revenue Amendment Bill?

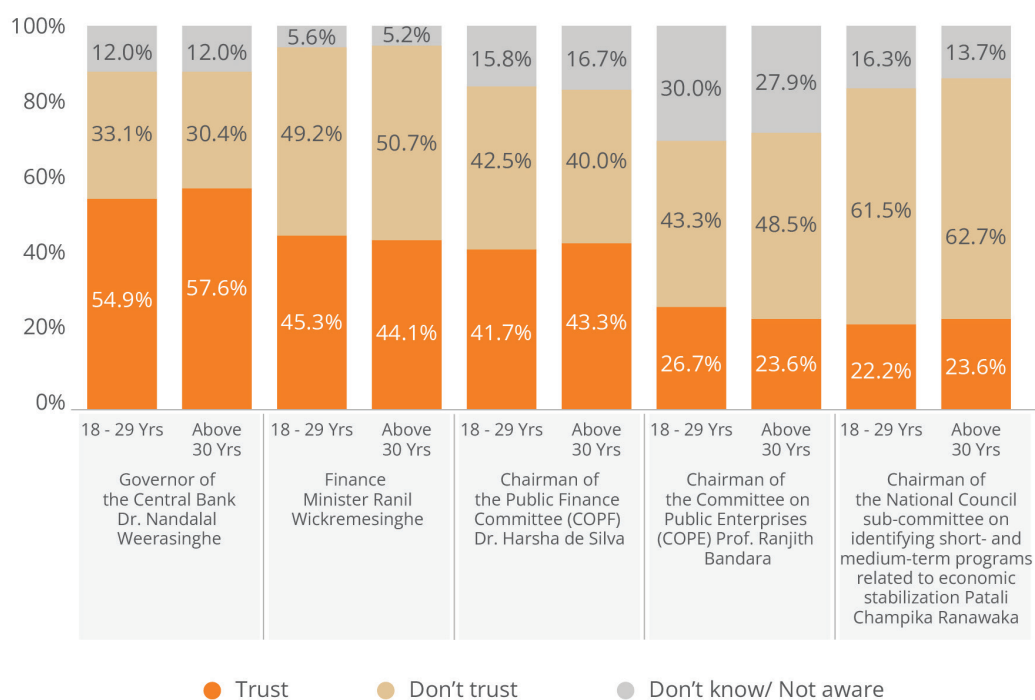


Trust in Personnel Driving Economic Reforms

Graph 12 - Trust in Personnel Driving Economic Reforms by National

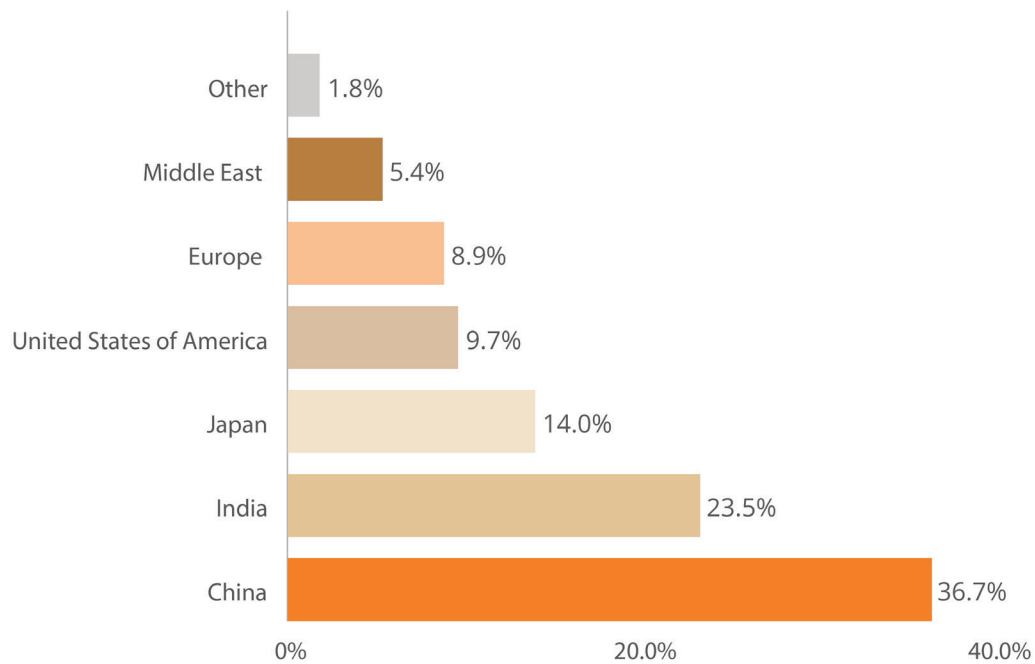


Graph 13 - Trust in Personnel Driving Economic Reforms by Age

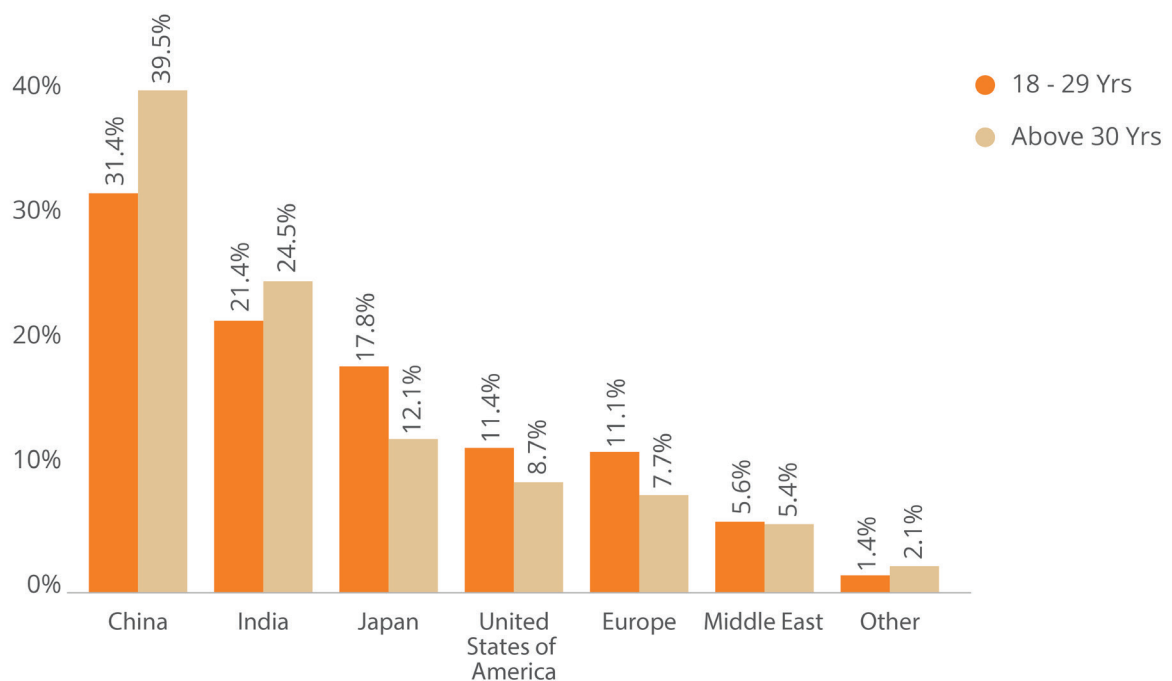


International Assistance to Overcome the Economic crisis

Graph 14 - Public Perception on Potential International Assistance by National



Graph 15- Public Perception on Potential International Assistance by Age



Economic Difficulties Experienced by Sri Lankans

Graph 16 - Economic Difficulties Experienced by Sri Lankans by National

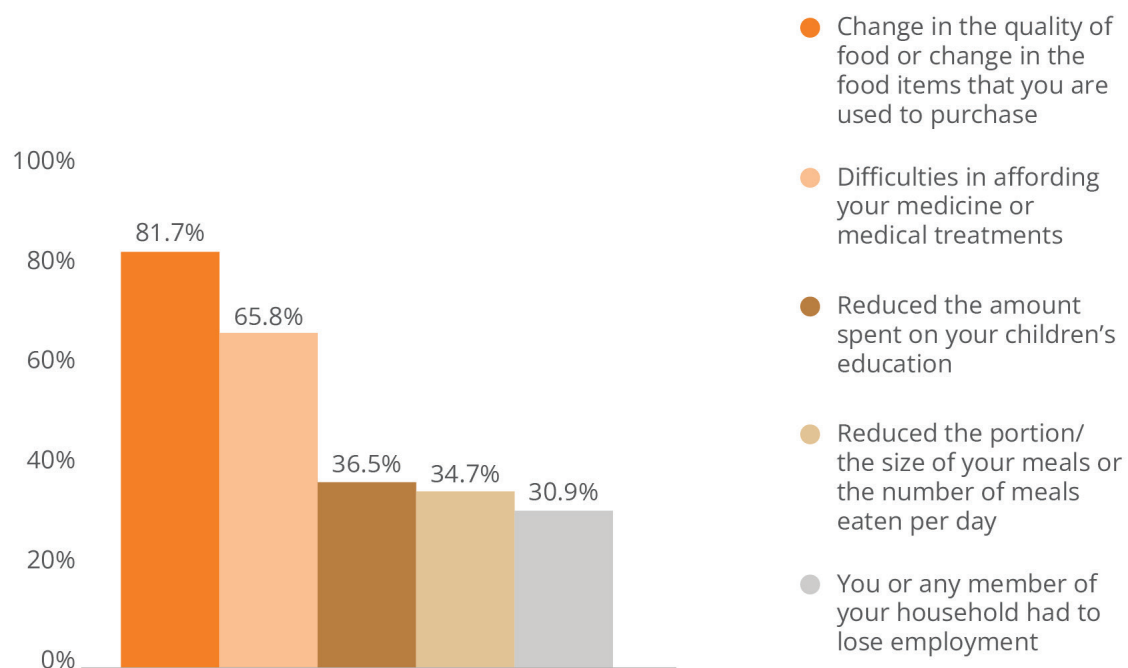
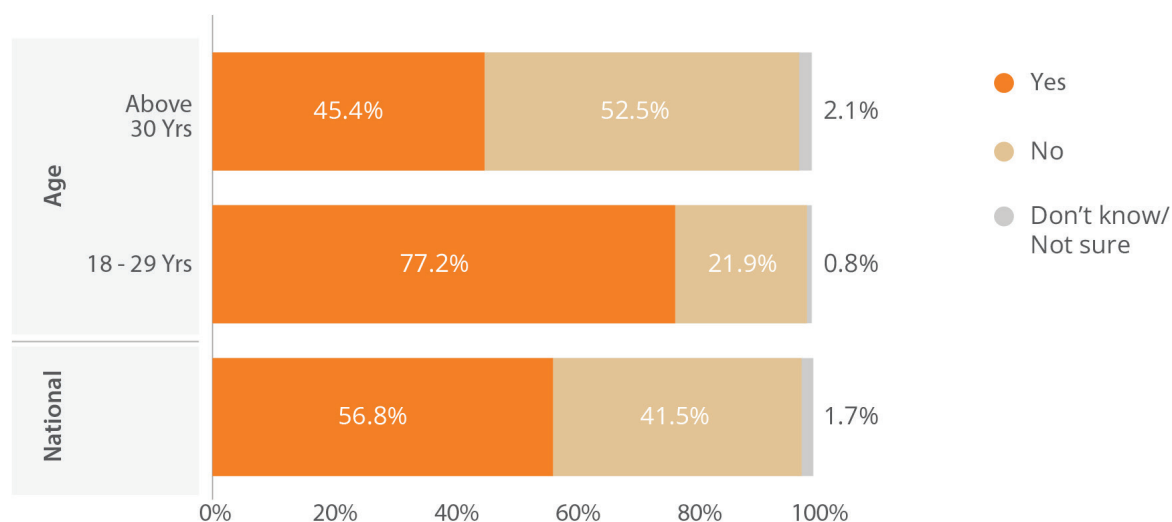


Table 01 - Economic Difficulties Experienced by Sri Lankans by Age

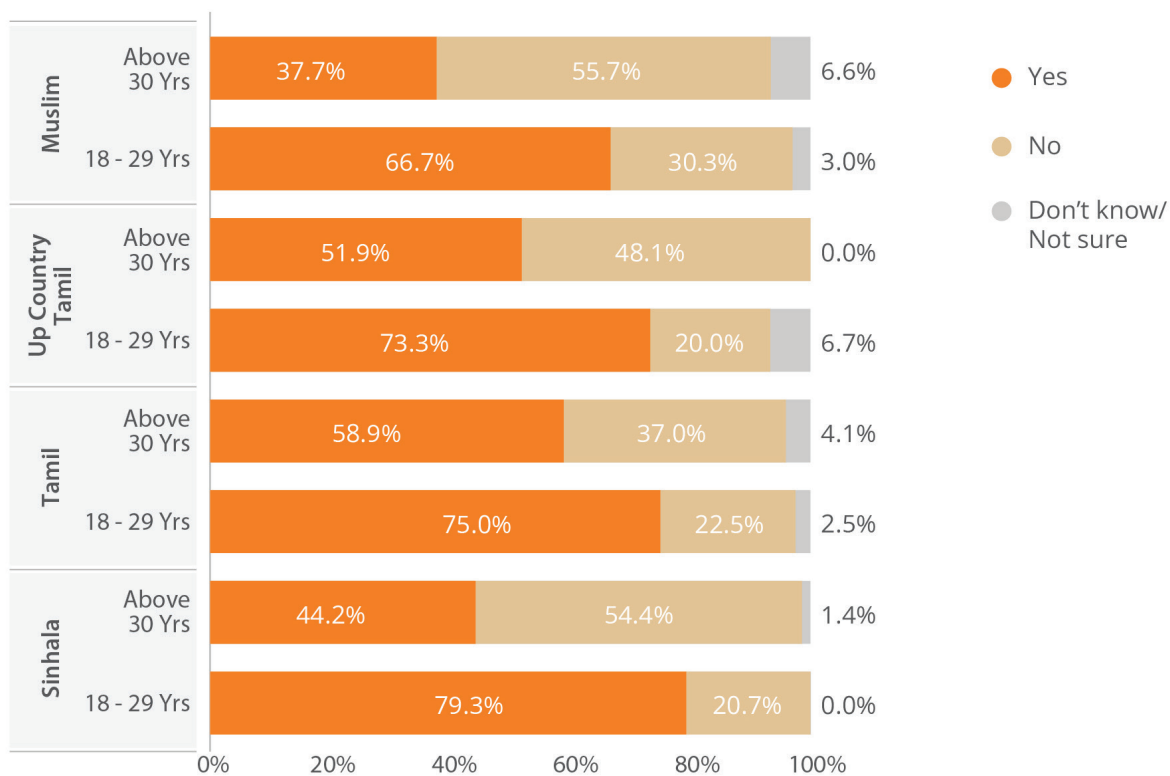
		Municipal Council	Urban Council	Pradeshiya Sabha
Change in the quality of food or change in the food items that you are used to purchase	Yes	76.4%	69.7%	84.3%
	No	23.6%	27.0%	14.7%
	Don't Know	0.0%	3.3%	1.0%
Reduced the portion/the size of your meals or the number of meals eaten per day	Yes	28.2%	47.5%	33.7%
	No	71.8%	47.5%	65.0%
	Don't Know	0.0%	4.9%	1.3%
Difficulties in affording your medicine or medical treatments	Yes	58.7%	63.1%	67.2%
	No	40.4%	31.1%	28.0%
	Don't Know	0.9%	5.7%	4.7%
Reduced the amount spent on your children's education	Yes	36.4%	37.7%	36.4%
	No	40.9%	30.3%	28.6%
	Don't Know	22.7%	32.0%	35.1%
You or any member of your household had to lose employment	Yes	20.9%	31.1%	32.3%
	No	74.5%	68.9%	59.1%
	Don't Know	4.5%	0.0%	8.6%

Willingness to Migrate

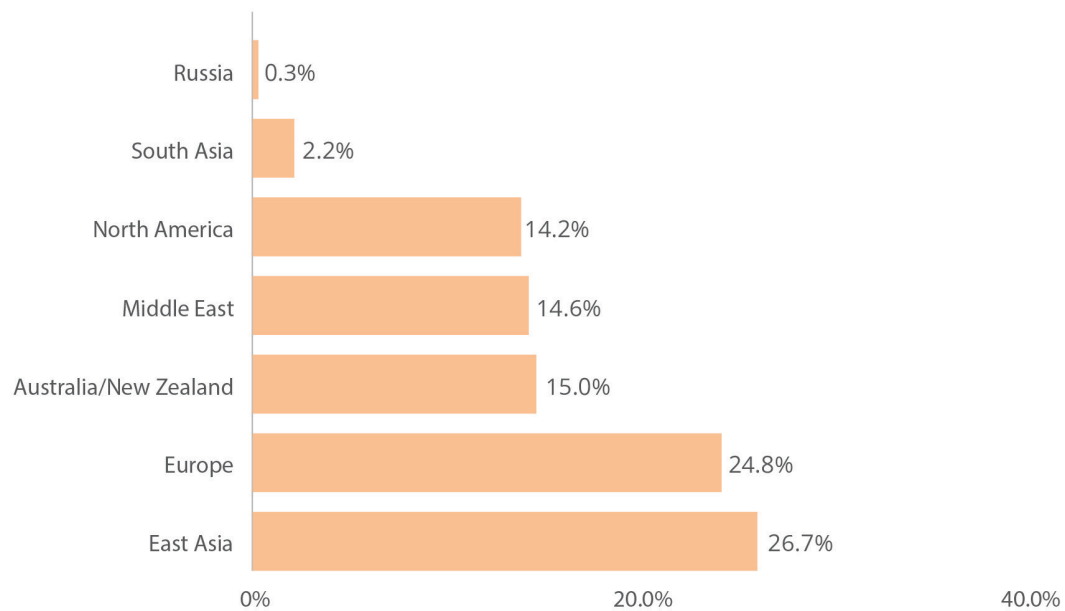
Graph 17 - Willingness to Migrate by National and Age



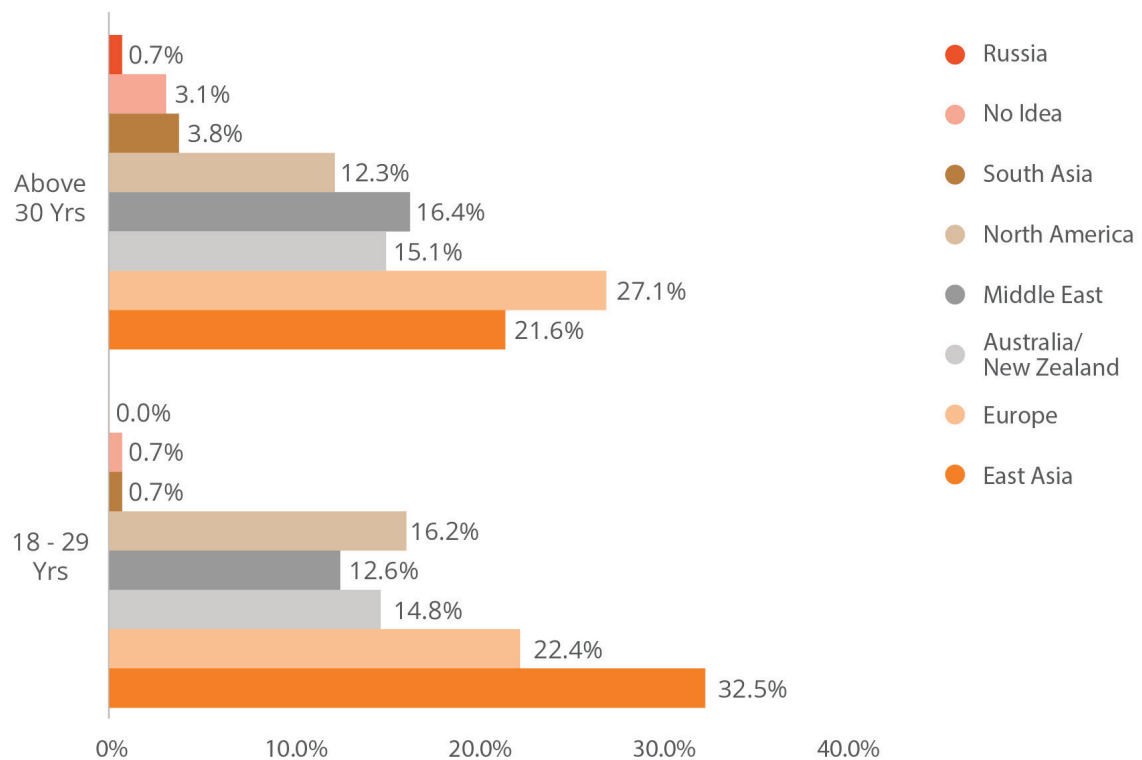
Graph 18 - Willingness to Migrate by Age, Ethnic Wise



Graph 19 - Preference of Countries to Migrate by National

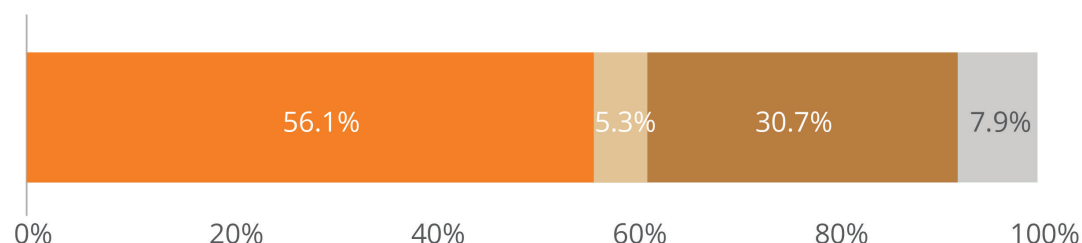


Graph 20 - Preference of Countries to Migrate by Age

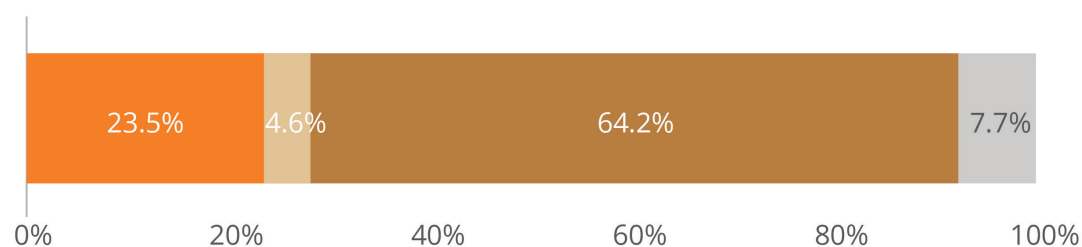


Attitude towards Liberal Economic Policies

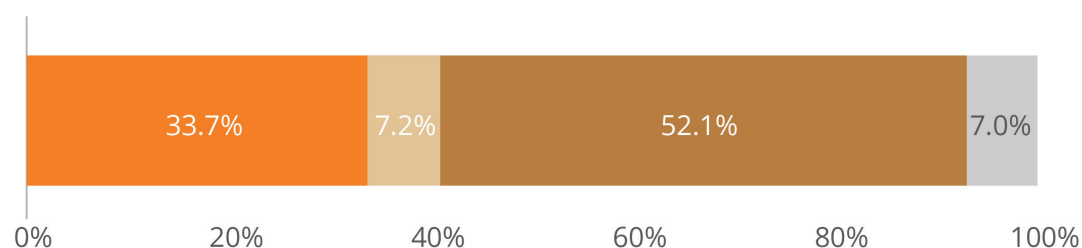
Graph 21 - Attitude towards Liberal Economic Policies by National



- The government should allow foreign companies to invest in our country, as an increase in trade, benefits everyone
- The government should not allow foreign companies to invest in our country, as they exploit us
- Neither
- Could not understand/ No Opinion

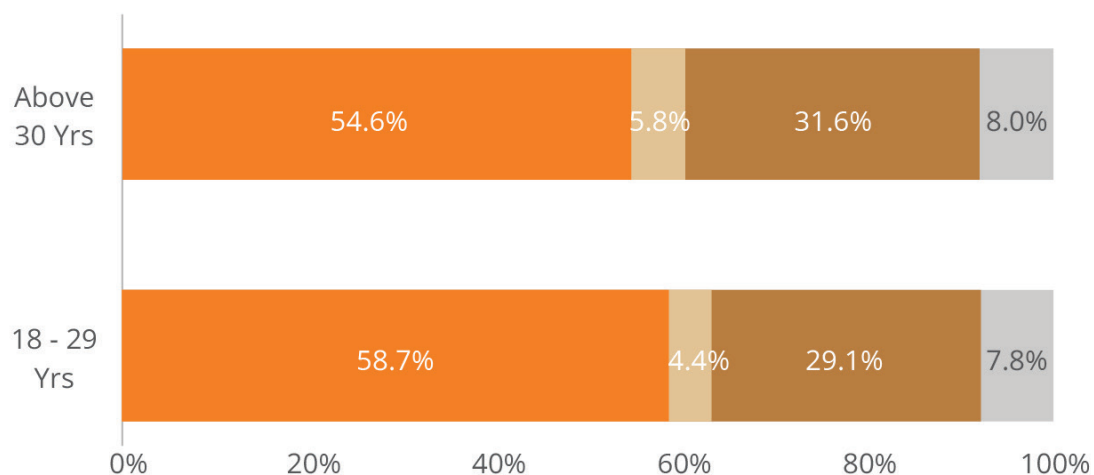


- The government should impose a limit of income in order to reduce the income gap of its citizens
- The government should not restrict a person's earning capacity
- Neither
- Could not understand/ No Opinion

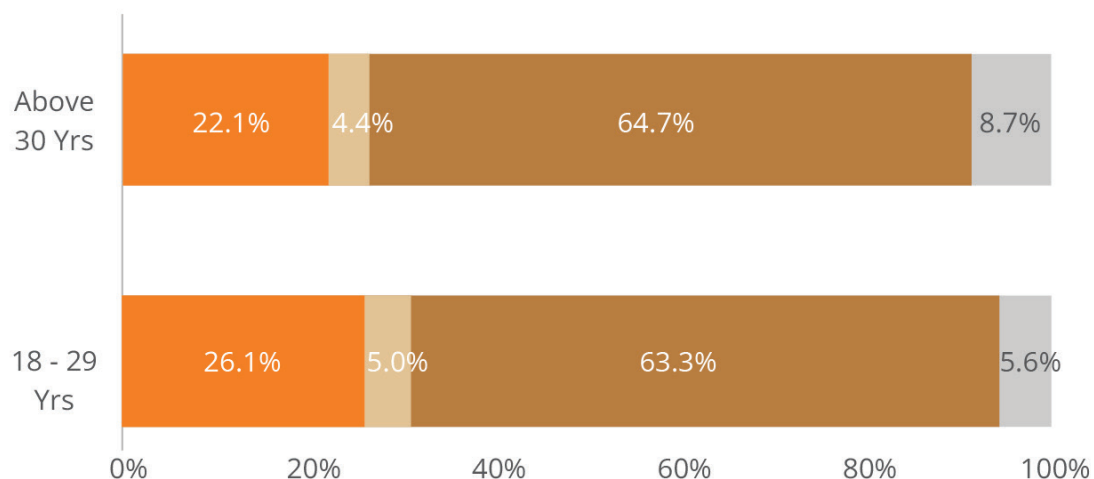


- Government corporations should be privatised as running businesses is not the government's responsibility
- Government corporations should not be privatised as it is necessary for the country's development
- Neither
- Could not understand/ No Opinion

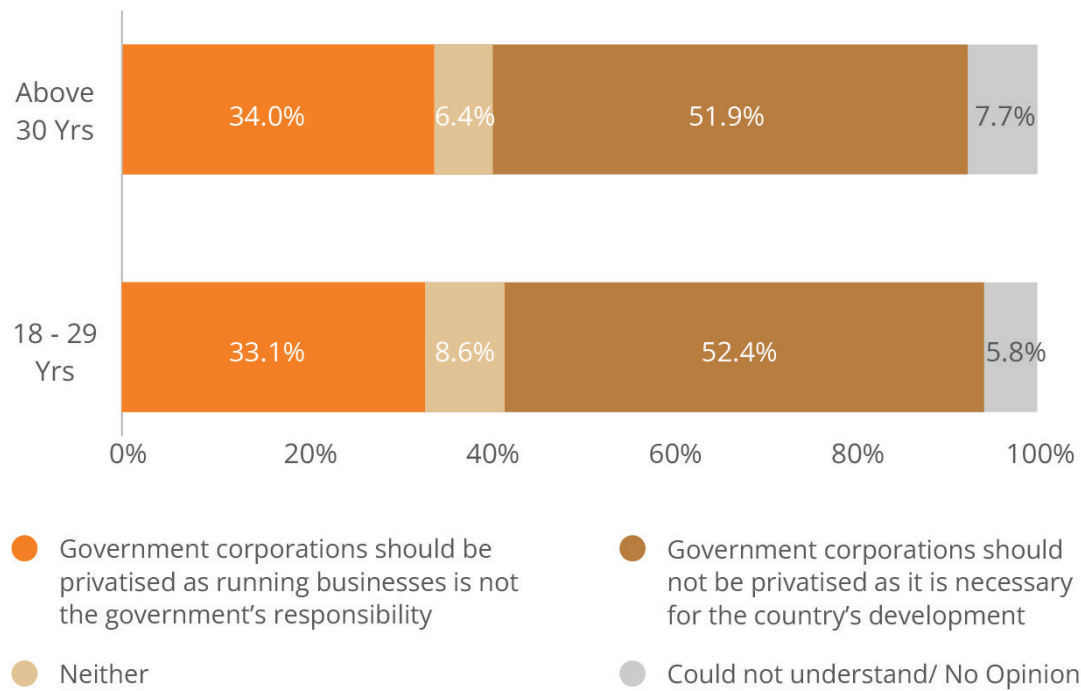
Graph 22 - Attitude towards Liberal Economic Policies by Age



- The government should allow foreign companies to invest in our country, as an increase in trade, benefits everyone
- The government should not allow foreign companies to invest in our country, as they exploit us
- Neither
- Could not understand/ No Opinion

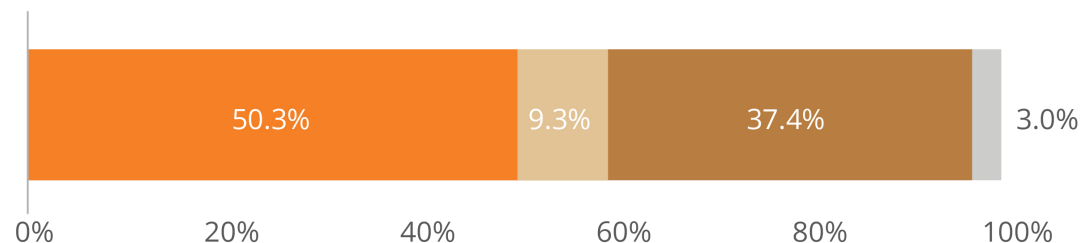


- The government should impose a limit of income in order to reduce the income gap of its citizens
- The government should not restrict a person's earning capacity
- Neither
- Could not understand/ No Opinion

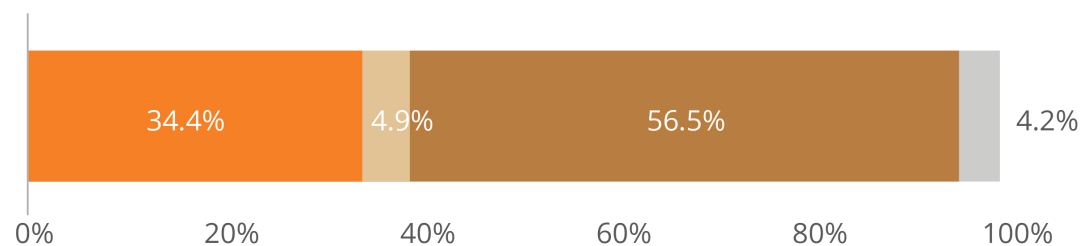


Public Opinion on Welfare Policies

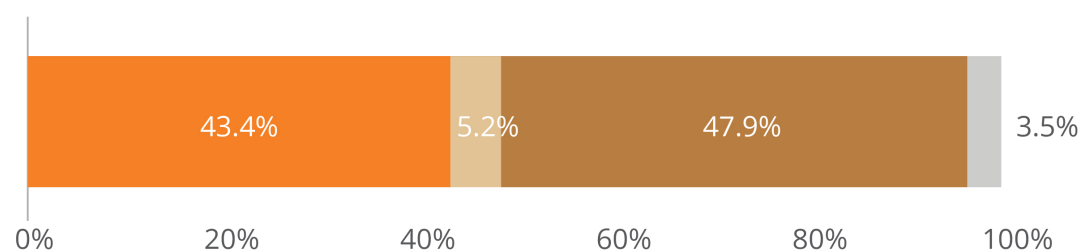
Graph 23 - Public Opinion on Welfare Policies by National



- The number of government employees should be reduced in order to reduce the government spending
- The number of government employees should not be reduced, even though it impacts high government spending
- Neither
- Could not understand/ No Opinion

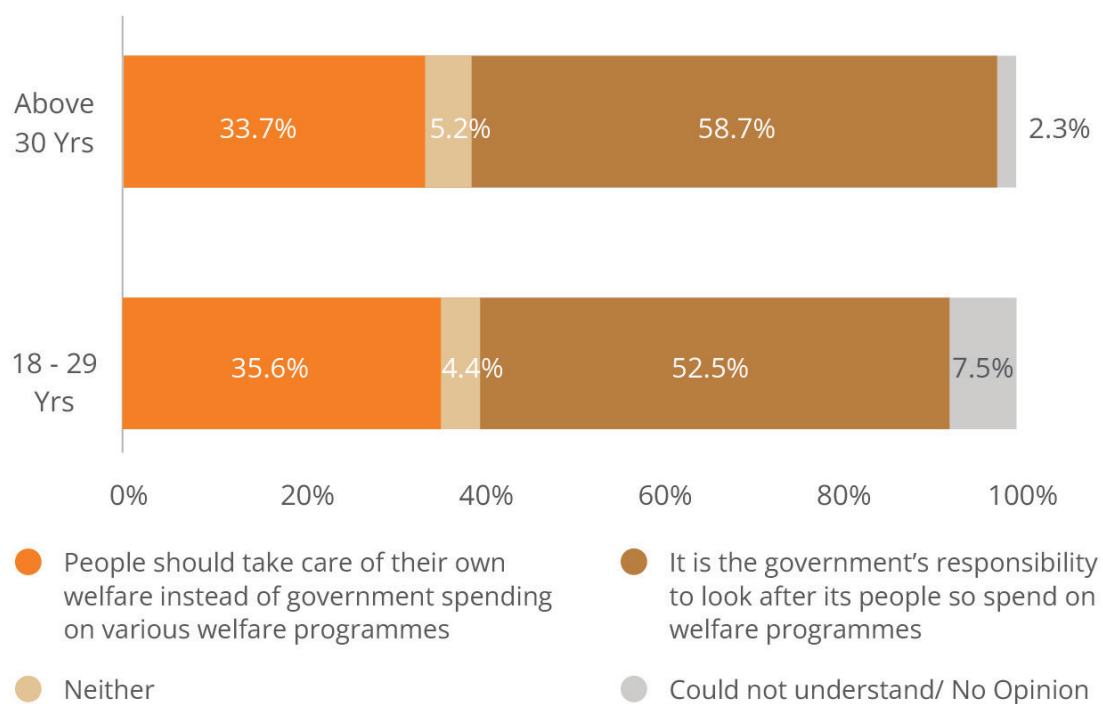
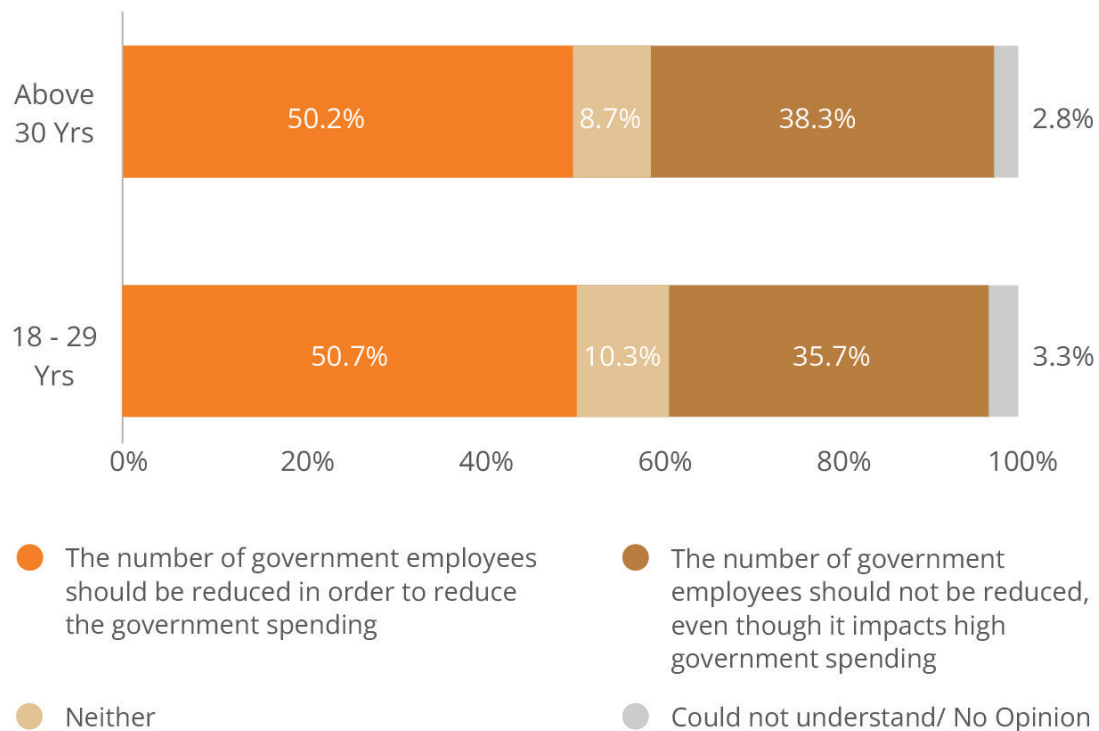


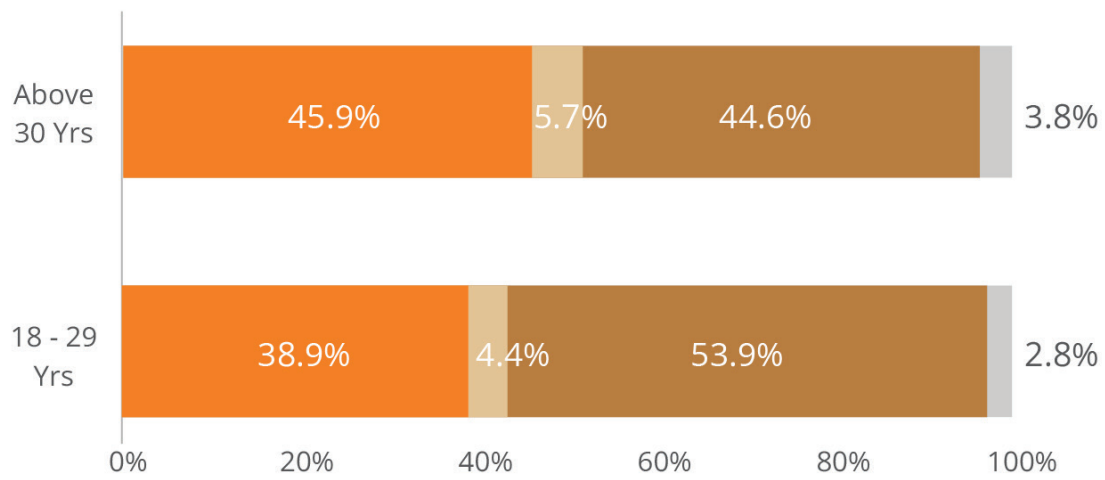
- People should take care of their own welfare instead of government spending on various welfare programmes
- It is the government's responsibility to look after its people so spend on welfare programmes
- Neither
- Could not understand/ No Opinion



- It is the government's responsibility to ensure that every citizen has a job
- It is the individual's responsibility to find a job and not the governments'
- Neither
- Could not understand/ No Opinion

Graph 24 - Public Opinion on Welfare Policies by Age

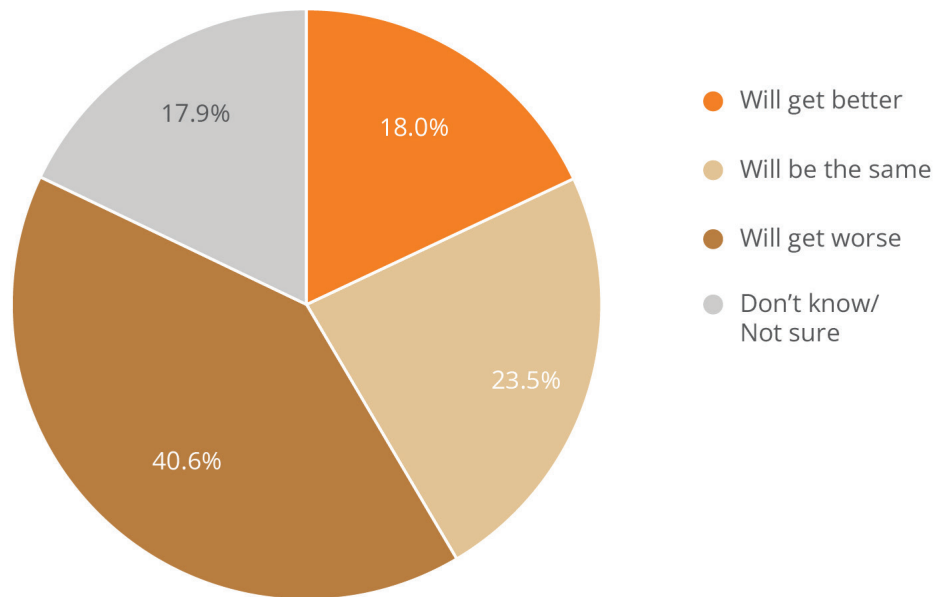




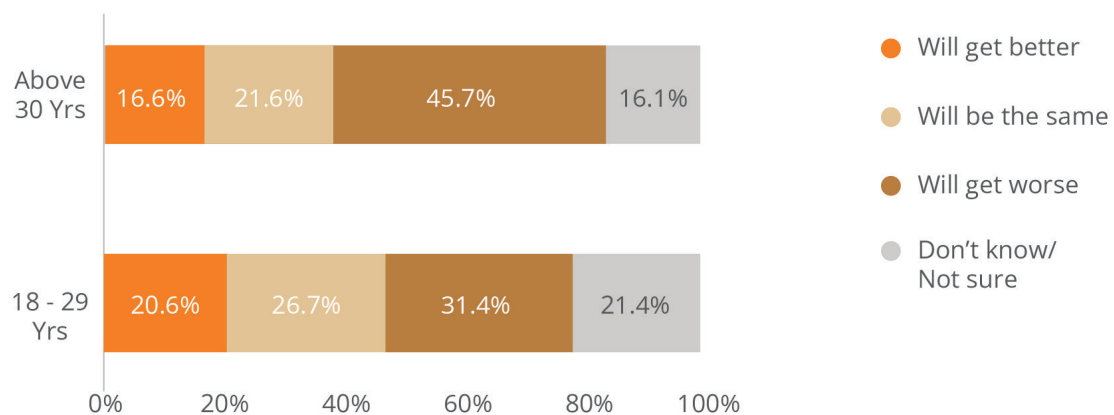
- It is the government's responsibility to ensure that every citizen has a job
- It is the individual's responsibility to find a job and not the governments'
- Neither
- Could not understand/ No Opinion

Optimism and Pessimism about the Future Economic Condition

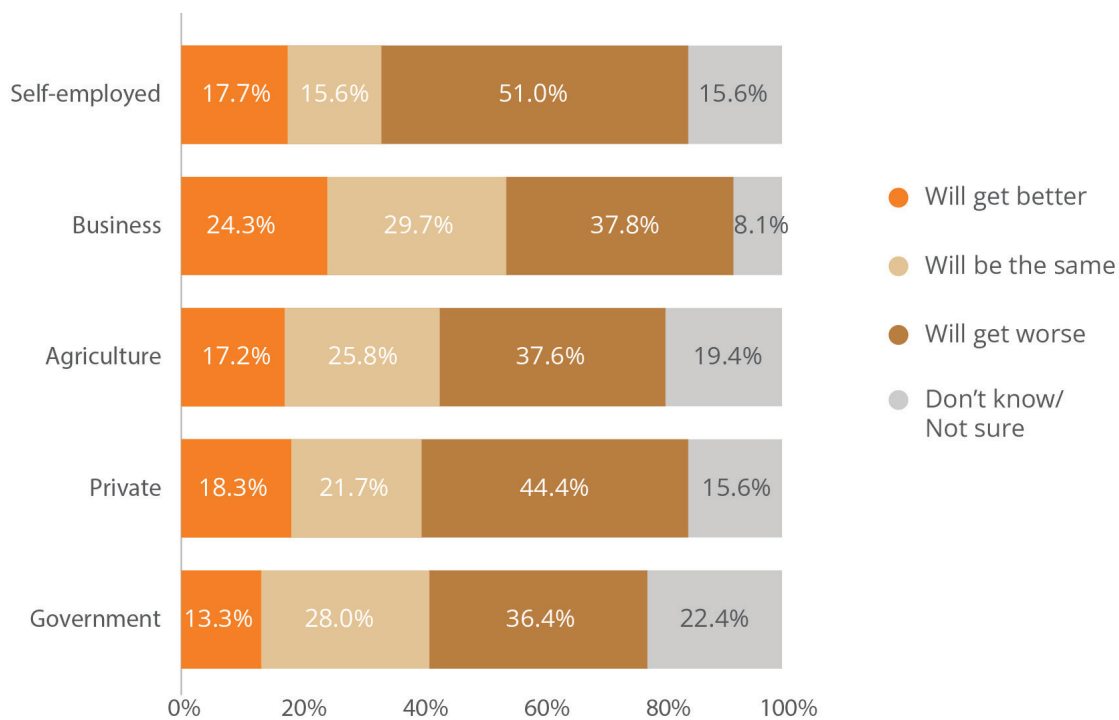
Graph 25 - Optimism and Pessimism about the Future Economic Condition by National



Graph 26 - Optimism and Pessimism about the Future Economic Condition by Age



Graph 27 - Optimism and Pessimism about the Future Economic Condition by Occupation Sector



END.

The Friedrich Naumann Foundation for Freedom was established in Germany in 1958 by the first president of the Republic of Germany, Theodor Heuss. The Foundation aims to promote the goal of making the principle of freedom valid for the dignity of all people and in all areas of society, both in Germany and abroad. Our work is funded by the German Parliament through the Federal Ministry of Economic Cooperation and Development, the Foreign Office and, increasingly by the European Union. The Friedrich Naumann Foundation for Freedom works in over 60 countries worldwide. In South Asia, FNF has offices in India, Pakistan, Bangladesh and Sri Lanka. Additionally FNF works with partners in Nepal, Bhutan and the Maldives. The association of our Foundation for Freedom with Sri Lanka is five decades old. During the period 1968 to 2013, and upon recommencing its work in 2016 the Foundation's work focuses on the core values of freedom and responsibility.



The Centre for Policy Alternatives (CPA) is an independent, non-partisan organization that focuses primarily on issues of governance and conflict resolution. Formed in 1996 in the firm belief that civil society's vital contribution to the public policy debate requires strengthening, CPA is committed to programmes of research and advocacy through which public policy is critiqued, alternatives identified and disseminated.

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Social Indicator (SI) is the survey research unit of the Centre for Policy Alternatives (CPA) and was established in September 1999, filling a longstanding vacuum for a permanent, professional and independent polling facility in Sri Lanka on social and political issues. Driven by the strong belief that polling is an instrument that empowers democracy, SI has been conducting polls on a large range of socio-economic and political issues since its inception.

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