

Socio-Economic Challenges of COVID-19 in Sri Lanka

Special reference to human wellbeing

Fareena Ruzaik¹, Mubassara Begum²

¹Department of Geography, University of Colombo

²Independent Researcher

fareena@geo.cmb.ac.lk

DOI: 10.29322/IJSRP.11.02.2021.p11021

<http://dx.doi.org/10.29322/IJSRP.11.02.2021.p11021>

ABSTRACT

The objective of this study is to identify the socio-economic challenges, providing more weightage to human wellbeing, during this COVID-19 outbreak. The secondary data were predominantly used. The result revealed that the socio-economically most affected people are low-income earners, daily wages laborers, and business community; due to the curfew, locked down situation and import trade restrictions imposed by the Central Bank of Sri Lanka. The security forces, front-line health care workers, quarantined people and patients associated with long medical history are at higher risk. Their mental health and human wellbeing are beyond normal conditions, due to sleep-deprived workload, stress, frustration, depression, isolation and genuine psychological fear of being infected by this novel-virus. The cost of living has been increased, while the rising of the Colombo Consumer Price Index (CCPI, 2013=100) from 5.7% in January 2020 to 6.4% in September 2020, align with increasing trend of prices for essential goods. The economic loss is 4% of Gross Domestic Products, amounting to LKR735 billion. Tourist arrival had dropped by 65-75% from January to October 2020. The income source of 65-70% of families had been affected, while 7-10% lost their entire income. 30-35% of families reduced their food consumption pattern/frequency. 75-80% of families experienced verbal abuse and 7-10% were physically abused and 5-7% had sexual violence. More than 90% of higher education institutions conducted their education over the Internet. This study recommends to implement a sustainable recovery and development plan on health services, economy, education, social wellbeing and other similar sectors.

Key Words: COVID-19, socio-economic challenges, human wellbeing, sustainable recovery, mental health.

1. INTRODUCTION

The 2019 novel coronavirus disease (COVID-19) was first identified in December 2019 in Wuhan, the capital of Hubei Province in China. Since then the outbreak has significantly expanded across the borders, leading the World Health Organization (WHO) to declare COVID-19, a pandemic on 11 March 2020. According to WHO, the mortality rate of COVID-19 is likely to be significantly lower than for Severe Acute Respiratory Syndrome (SARS-2003) or Middle East Respiratory Syndrome (MERS-2012) or Zika virus epidemic (2015), but higher than for seasonal flu. Why is it so dangerous? Studies show that the average number of new infections generated by a single infectious person could be more than the aforesaid flu. As the outbreak continues to spread across the world have resorted to varying levels of public health softy measures, including movement restrictions, nationwide curfews, travel bans and border closures to tackle the pandemic. These measures are having a huge impact on people's lives, families and communities; whilst having significant consequences on domestic and international trade and ultimately national economy as well (PWC, 2020).

Sri Lanka, as a developing country with a land area of 65,610 km² and a population spread of 21.4 million people, is a predominantly agricultural country, which was graduated to the upper-middle-income country status in terms of per capita Gross National Income (GNI) in 2019, as per the World Bank's country classification. The value of the country's GDP at current market prices was

USD 84.0 billion in 2019, compared to USD 88.4 billion in 2018. Per capita GDP and per capita GNI at current market prices were estimated at USD 3,852 and USD 3,741, respectively in 2019. Sri Lankan economy recorded a subdued growth of 2.3% in 2019 (CBSL, 2019). However, the anticipated growth rate of 5.6% average, based on the growth rate recorded between 2010 and 2018, could not be achieved, due to the multifarious adverse impacts that occurred in 2018 and the years afterward. Natural disasters (flood situation and landslides-May/2018, heavy rains and flooding-Sep/2018), and Easter Sunday terrorist attacks in April-2019 were major incidences among them. Moreover, the COVID-19 pandemic situation does not allow breathing space for the Sri Lankan economy to rethink its micro and macro-level adjustments towards better prospects and lead to the shocking year 2020, in terms of its socio-economic challenges and human wellbeing without a clear distinction between rich and poor people. However, the Sri Lankan government has taken every measure to safeguard the people, according to their health first concept.

2. OBJECTIVES

This study defines the following objectives.

Main Objective

To identify the socio-economic challenges, providing more weightage to human wellbeing, during this COVID-19 outbreak and to recommend an applicable recovery mechanism by improving people's living standards.

Sub-Objectives

- To identify the socio-economic and health challenges of the peoples of Sri Lanka.
- To assess, to which extent the socio-economic challenges have affected people's wellbeing.
- To recommend sustainable measures to upgrade the individuals' status, those who are vulnerable to the socio-economic challenges.

3. RESEARCH PROBLEM

The diffusion of COVID-19 Coronavirus is socialized, among the general public during October-2020 with the second wave-impacted patient identified in the apparel industry in Minuwangoda and subsequently more people in the main fish market in Peliyagoda were

identified. Thereafter, the diffusion pattern of this novel virus has become high risk and dispersed, almost all the geographical region of the island at present. However, Sri Lanka as a developing country, cannot be locked down further, since it will adversely affect the socio-economic status of the country and the well-being of the people. Sri Lankan government has spent more on managing this pandemic situation, although the country's income generation was limited, mainly due to the drawbacks in the tourism industry and investment inflow. Hence, one-to-one opposite parameters *viz.*, managing health impacts and upgrading socio-economic status, has become a difficult task. However, all these parameters have been managed at the center point to maintain sustainability, correctly recognizing the prevailing demand and supply of the economy. Accordingly, the government imposes certain restrictions for the betterment of the people and economy of the country, which has adversely impacted people's wellbeing too. Hence, this study also attempts to investigate the Socio-Economic Challenges of COVID-19 and its impacts on human wellbeing in Sri Lanka.

4. METHODOLOGY

This study predominantly collected data from secondary sources, such as reports, journal articles and relevant websites, following the quantitative and qualitative approach. The COVID-19 spread is an ongoing pandemic situation in Sri Lanka too and this study paid attention only on available information as of 28th December 2020 in the aforesaid source, since local health guidelines restrict physical contacts and prevailing social perceptions in meeting unknown people. The researcher analyzes the data according to the objective of this study and provides their own opinions, applying the philosophy of interpretivism. Microsoft Excel has been used to analyze the quantitative data and drive year-to-year percentage difference, based on the following formula.

$$C\% = \frac{(X_2 - X_1) * 100}{X_1}$$

Where, C%= Relative change of the current year
X₁=Previous year value
X₂=Current year value

5. RESULT & DISCUSSION

The COVID-19 is a biological weapon that was shackled the global economy and the socio-economic status of almost all the nations. This has now become a series of threats to the world; since it is speedily spreading by human-to-human contact, no specific medicines have

been discovered, and causes of coronavirus are still not being identified. Hence, the Sri Lankan government has also extended its priorities for the immediate socio-economic response; which includes protecting health systems and related services during the crisis, social protection and economic recovery-protecting jobs, micro entrepreneurship, small and medium-sized enterprises, informal economy workers, social cohesion and community resilience, macroeconomic response and multilateral cooperation (UN-Sri Lanka, 2020). Considering the facts, this study deals with the following areas in terms of results and discussion.

1. COVID-19 pandemic in Sri Lanka.
2. Economic challenges, its impacts and recovery responses.
3. Social challenges, its impacts and recovery responses.
4. Anticipated future challenges and contingency approach

5.1. COVID-19 pandemic in Sri Lanka.

Sri Lanka's first confirmed COVID-19 patient was identified on 11th March 2020; after the Wuhan outbreak in December 2019 and subsequently, the World Health Organization (WHO) declared COVID-19 as a global infection during March 2020 (WHO, 2020). Prior to that, a Chinese woman from Hubei was recognized with Coronavirus infection on 27th January 2020. Sri Lankan health authority had great challenges to safeguard the health status of 21.4 million people of the country, although the major cause for a virus is still unknown. However, Sri Lanka has recorded a total infected people of 42,702 and out of which, 34,623 patients have been recovered and 199 were dead as of 28.12.2020 (Epidemiology Unit, 2020). As of 30th of September, 2020, it was reported as 3,374 confirmed cases, 13 deaths, and 3,230 cured (Epidemiology Unit, 2020). During the shorter period of time, a drastic increase occurred, due to the infection outbreak (2nd wave) in an apparel industry (33rd cluster) in the Gampaha district and subsequently in the main Fish Market (34th cluster) in Peliyagoda. The 34th cluster has become a major reason for spreading this disease to all the geographical regions of the island; since the fish market is the major fish trading floor of the island. Hence, Sri Lankan Government has taken every step to manage these situations at a middle point with the support of security forces and health sector professionals, extending various preventive and management strategies, under the provision of quarantine and prevention of diseases law no. 12 of 1952. The Sri Lankan government's proper response to overcome this situation was largely

successful and it is ranked, among the best responsive countries in the world by WHO, considering its well-planned management mechanism. However, both government and the peoples of Sri Lanka are still struggling to bring-up their economic and social status to ordinary level by way of alternative efforts and many cut downs.

5.2. Economic challenges and impact on human well-being

The right statistics on the economic impacts of the COVID-19 crisis on Sri Lanka are still unknown, since the Central Bank of Sri Lanka (CBSL) in the process of collecting statistical data to prepare its 2020-Annual report. However, Sri Lanka has all capabilities to secure the same economic growth rate in the year 2020, as in the previous year (2.3%); but the second wave of COVID-19 outbreak abolished that dream and this study estimated that the anticipated economic growth rate shall be approximately 1.2-1.5% in 2020. The major justification behind this is the ground fall decline (-66.1% drop in revenue) of the tourism industry in 2019, no tourist arrivals during April to October-2020 and disruption of smooth functions of almost all the government and private sector institutions. Furthermore, Sri Lankan manufacturers, trading and service sectors expect that this situation worsened with the imposition of travel restrictions for both local and international. This will be further exacerbated by the increasing disruptions to people and goods movement, seen across the island with measures taken to contain the spread of COVID-19 (PWC, 2020). However, the year 2018/19 is not a healthy year for the Sri Lankan economy, due to the multifarious calamities including Easter Sunday terrorist attacks and political instability. Moreover, COVID-19 pandemic situation in Wuhan, during December-2019 adversely impacted local business on large scale, since 75% of importations are taken-place from China. During the first quarter of 2020, the social distancing, curfew, locked down, quarantine, international trade restrictions, and isolation in the identified geographical area, especially in the commercial capital (Colombo) of Sri Lanka has generated a great shock to the country's economy, since it is obstructed country's demand and supply functions. The subsequent travel bans, closing of ports and airports, declining foreign remittances and export proceeds, lack of inward investments, higher inflation rate, and increasing trend of the exchange rate (USD/LKR) paralyzed the country's socio-economic status further. As stated above, large drawbacks on the tourism sector and related services, more expenses on healthcare and public safety measures and their adverse spill-over effects were felt

across the economy, worsening the sluggish growth of the economy and further dampening business confidence (PWC, 2019).

Accumulation of all these government's healthcare and public safety measures have resulted in very high adverse impacts on the socio-economic conditions of the people (low-income earners, daily wages laborers, and business community) and finally to the country as well. Accordingly, the followings are the summarized form of economic challenges that are confronted by the Sri Lankan Government and response to overcome such situation, while upgrading human wellbeing.

1. Reduction in national income
2. Increase in public expenditure
3. Impact on tourism
4. Drawback in the International Trade
5. Increase in the inflation rate
6. Reduction in per capita income
7. Increase in the exchange rate

Reduction in national income directly impacts the per capita income of the people from USD 3,741 in 2019 to further reduction in 2020. The year-to-year change of exports (-13.2%), imports (-24.9%), earning from tourism (-66.1%) and exchange rate USD/LKR (-1.89%) were recorded, during October-2020, compared to the corresponding month of the previous year; while inflation (CCPI 2013=100) rate was at 5.2% (CBSL, 2020). Accordingly, the major economic indicators recorded an unfavorable or reduced figure, compared to the previous year. This situation has given shockwave to the country's economy and the people and it was felt by the common general public irrespective of poor and rich in terms of increase in prices, cost of living and household expenditure. Inflationary pressures in September 2020 reach to 6.4% approx. due to higher food prices, owing to tighter supply conditions and supply-chain disruptions (CBSL-ERD, 2020). Considering the above, the government of Sri Lanka has taken multiple measures to upgrade the economy and social status of the citizens through various governing bodies, mainly CBSL; under circular Nos. 04, 05 and 06 of 2020 on concessions granted to COVID-19 hit Businesses including self-employment, individuals, foreign currency earning corporates, etc. The main actions of which are depicted below.

1. CBSL suspend imports and exports (Control) release of foreign exchange for the importation of selected non-essential consumer goods (Directions no. 02 of 2020).

2. Overseas investment and capital transfers to overseas country temporally suspended by CBSL.
3. Imports and Exports (Control) Department restricted to the importation of luxury items (Direction No 5 & 6 of 2020).
4. The time period for submission of Goods Received Note (GRN)/Customer Declaration to the Sri Lanka Customs, under the Imports and Exports (Control) Regulations No. 4 of 2020 is amended to 120 days instead of 90 days in August-2020.
5. A circular was issued to all local banks and leasing companies informing relief measures to assist businesses and individuals, who were adversely affected by the COVID-19 outbreak, by way of debt moratorium on capital and interest, provision of working capital at an interest rate of 4.00 percent per annum. Further concessions were granted on credit card payments, reduction of minimum monthly payment dues on credit cards, the extension of the validity of cheques and to keep all branches of licensed banks open on non-curfew days and corporate branches to be kept open during curfew days (Circular No. 4 of 2020).
6. Incentive scheme on inward worker remittance as per the circular No: 33/04/012/0011/004 dated 22.12.2020 was introduced. The foreign currency income earned through employment by a Sri Lankan National, who is working/has worked abroad will qualify to receive an additional LKR 2/- per one USD, remitted or covered to LKR w.e.f. 28.12.2020.
7. Bank of Ceylon, People's Bank, National Savings Bank, Sri Lanka Insurance Cooperation, Employee Provident Fund, Employee's Trust Fund to jointly invest in the treasury bonds and bills to stabilize the money market at a 7% interest rate.

Considering the all above and to reverse all these situations into the expected level at least by end of 2021; the government must prepare an integrated short term plan consisting of swift actions to attract foreign investments, overseas remittances through banking channels, the overseas business quota for exports, tax/duty-free exports and other applicable measures to upgrade the economic status of the country is required. The expert panel or task force to monitor all suggested actions from top-to-bottom is more important to direct all initiatives towards success. If Sri Lanka would maintain

its economic growth rate above 5% and the inflation rate below 4% during the 3rd quarter of 2021; this will have a favorable impacts on human wellbeing in the end of 2021.

5.3. Social challenges and impact on human well-being

The Government of Sri Lanka has taken swift actions to address COVID-19 pandemic health issues, with the identification of the first impacted person in Sri Lanka with the participation of Sri Lanka Security Forces, Health sector officials and Private sector participation, during the first wave of the pandemic in second quarter-2020. The effort was a great success since the pandemic was almost restricted to the Western province at the identified locations (quarantine centers, specific areas, Sri Lankan Navy, *etc.*); without allowing them to socialize and spread to other geographical regions of the island. This has become a major reason for upgrading Sri Lanka as the top ten-high level of responsiveness countries in the world by the WHO. While processing all recovery mechanisms to achieve at least 5% economic growth by the end of 2020, the second wave of COVID-19 outbreak, during October-2020 disrupted entire responsive measures of the government and upset down all socio-economic dreams.

The result revealed that socio-economically most affected people are low-income earners, daily wages laborers, and business community; due to the curfew and locked down situation and import trade restrictions imposed by the CBSL. Similarly, the security forces, front-line health care workers, quarantined people, and patients associated with long medical history are at higher risk. Their mental health and human wellbeing are beyond normal conditions, due to sleep-deprived workload, stress, frustration, depression, isolation, and genuine psychological fear of being infected by this novel-virus. Apart from this, the cost of living has been increased, while the rising of the Colombo Consumer Price Index (CCPI, 2013=100) from 5.7% in January 2020 to 6.4% in September 2020, align with increasing trend prices for essential goods. Further, the barriers to religious, cultural, and recreational activities, as well as fears about coronavirus infection, have disrupted public happiness. Impacts on health care activities have affected those with infectious diseases and other serious illnesses and pregnant women. Students and teachers face various problems due to online education activities. The virus is disrupting human wellbeing directly by affecting the socio-economic sectors.

According to the UNICEF/UNDB telephone survey, 71% of the 2,067 households representing all

districts of Sri Lanka reported the total or partial loss of income, which was impacted on the family well-being of the Sri Lankan population. Overall, 39.4% of respondents said they had lost gross income and 31.6% had lost part of their income (UN-Sri Lanka, 2020). Similarly, a survey conducted by World Vision among households in their project areas found that 93% were partially affected and 78% fully affected by the COVID-19 crisis; 65% of daily wage workers who responded have lost their entire income; while 31% have experienced reduced incomes; in contrast, among those paid monthly, 19% no longer have any income while 30% are living on reduced incomes and reduced their daily consumption of food (UN-Sri Lanka, 2020). The unemployment rate in Sri Lanka decreased to 5.7% in the third quarter of 2020, which was the highest in 11 years due to the coronavirus pandemic (Trading Economics, 2020). Currently, more than 1.7 million temporary employees in the private sector are at the risk of facing drastic wage cuts and layoffs (Jayawardane, 2020). This situation leads to a shortage of people's consumption and spending. Labor Force Participation Rate in Sri Lanka has decreased to 50.20% in the second quarter of 2020 from 51% in the first quarter of 2020. The employment rate in Sri Lanka decreased to 94.30% in the first quarter of 2020 from 95.50% in the fourth quarter of 2019. Youth Unemployment Rate in Sri Lanka increased to 27.70% in the second quarter of 2020 from 26.80% in the first quarter of 2020 (Trading Economics, 2020).

According to the UN advisory paper on immediate socio-economic response to COVID-19 in Sri Lanka (July 2020) stated that the consolidation of all the above factors negatively impacted the social status of the public as listed below,

1. The people with COVID-19 infections and persons in quarantine and their families face health impacts, income and job losses, and the risk of stigma; because of perceived transmission risks.
2. The healthcare service providers and frontline workers face higher transmission risks, higher workloads impacting physical and mental well-being, periods of separation from families, and the risk of stigma; because of perceived transmission risks.
3. The people in poverty and low-income workers face increased risks of transmission, due to the living and working conditions, pre-existing health conditions and poor health and nutrition, loss of jobs and wages, and the risk of falling deeper into poverty and adopting negative coping mechanisms like borrowing, cutting down on nutrition, and withdrawing children from school. In 2020 poverty

- levels are expected to rise to 13%, up from 8.9% in 2019. This is a significant setback that would imply a reversal of more than five years' worth of progress in improving welfare (Zervos, 2020). 30% of respondents reduced their food consumption; this has led to a drastic reduction in the consumption of nutritious foods, especially dairy products, meat, fish, and eggs. Data show that more than 80% of households reduce the consumption of dairy products and 85% of households reduce the consumption of meat, fish, and eggs (UN-Sri Lanka, 2020).
4. The homeless and persons living in informal urban settlements face additional difficulties, practicing social distancing and accessing assistance.
 5. Informal economy workers face insecure employment, are unable to take leave, if they or their family members are ill and lack of social protection benefits.
 6. Women are highly represented in health and essential services and face higher transmission risks, highly represented in some of the worst-hit sectors and have a harder time returning to work or recovering businesses, impacted by interrupted health and nutrition services, shouldering additional caregiver responsibilities during curfews, and at higher risk with reduced access to protection and justice services. A recent study found that 26% experienced domestic violence, 76.8% of respondents experienced verbal abuse and 7.8% experienced physical and 5.6% sexual violence during curfew period. The survey further stated that 49% of the main culprits were neighbors, 25% were parents, 24% were close relatives and 10% were policemen (Phakathi, 2020).
 7. Children (including children in care institutions) are impacted by reduced family incomes, and thus reductions in the quantity and quality of meals, interrupted schooling, with disproportionate effects on those unable to access remote schooling opportunities, interrupted access to school feeding and other health and nutrition services (which is also an extra cost for their families) and at higher risk of violence, child abuse and child labor. A father in the Ampara district killed his two children by throwing them into a well during the lockdown. Children's homes in the East and Northwestern province have reported that children, who were sent back to their families, due to lockdown have returned after the lifting of curfew with signs of severe abuse. A school in the north reported at least four teenage girls found pregnant when they returned to school (Jeyasankar, 2020).
 8. During COVID-19 epidemics, more than 90% of higher education institutions conducted distance learning (mostly online). More than half of the teachers in higher education institutions are unfamiliar with online education, especially 12% of teachers in state higher education institutions and 27% of teachers in other higher education institutions, who respond that they do not use online education. Nearly half of the students surveyed responded that mobile data packages are somewhat affordable or not affordable. Poor internet connection is the first challenge that students face during online learning. Data show that more than 70% of students, 68% of government institutional teachers, and 76% of non-governmental institutional teachers face connection problems during online teaching and learning.
 9. Minorities including ethnic minorities and people living with diverse sexual orientations and gender identities face increased levels of scrutiny; risks of stigma and discrimination; fear of backlash from other groups; and risk of social tensions and violence. COVID-19 related health and safety practices may have unintended impacts on religious and cultural practices.
 10. The elderly face higher risks of transmission and higher (global) mortality risks; maybe deprioritized when accessing emergency or planned care for other diseases and medical conditions; and difficulties accessing basic services, essentials and care (from paid care-workers or family members) during curfews.
 11. Persons living in institutional settings (prisons, detention centers, *etc.*) face increased risks of transmission due to living conditions; separation from family due to restricted family visits; and constrained access to legal aid and other remedies during curfews.
 12. Persons living with disabilities face challenges receiving public health and safety information; and difficulties accessing basic services, essentials and care (from paid care workers or family members) during curfews.
 13. Persons living with HIV/Aids and other chronic medical conditions may face disrupted access to regular medical care, health services and medicines; and the risk of stigma because of perceived 'additional' transmission risks.
- (Source: UN-Sri Lanka, 2020)
- However, the Government of Sri Lanka quickly responded to the crisis by way of below-depicted measures.

1. On the spot cash amount of LKR 5000/- among the 5.7 million families/households, the total amounting 55 billion per month were distributed. This grant was given three or four times, during the period of March to October 2020 as per the Researcher's understanding.
2. Dry rations for the approximate money value of LKR 4000-5000/- packs were distributed in isolated, quarantine and curfew areas.
3. Musical shows and entertainment activities by Sri Lankan forces have been carried out, maintaining health guidelines.
4. More data at lower/discounted rate to access social media and ZOOM/TEAM learning/ teaching purposes have been provided.
5. Permission granted to essential goods sellers to enter into the quarantine and isolated area to sell food and essential items (eg. Gas cylinders) to the public, providing health/safety instructions.
6. Establishment of a Coronavirus Task Force, which has effectively co-ordinated the health and containment, quarantine and contact tracing efforts.
7. To extend until 30 April 2020 all payments on income and VAT taxes, driving license renewal fees; all bills on water and electricity, assessment taxes, and bank Cheque valued less than Rs 15,000; and repayment of all credit cards below the limit Rs. 50,000.
8. A six-month moratorium on the leasing loan installments of all three-wheelers.
9. A moratorium on loan installments until 30 May 2020 from salaries of all public and private (except the board of directors) sector employees.
10. A three-month moratorium on all personal bank and leasing loan installments of value less than Rs. 1 million.
11. The March trainee allowance of Rs. 20,000 of all graduates selected for employment will be deposited into their respective bank accounts.
12. To double the Agrahara Insurance benefits for all health, police, civil defense, and all government servants engaged in controlling the spread of the COVID-19.
13. A six-month debit moratorium on tourism, garment, and small & medium industries and for the Central Bank of Sri Lanka to re-evaluate the finances.
14. A 15% interest rate of credit cards for domestic transactions of value up to Rs. 50,000.00 and the minimum monthly charge to be reduced by 50%.
15. Maximum Interest Rates on Pawning Advances of Licensed Banks was limited to 12% on 27.04.2020.
16. Sri Lanka Ports, Customs, and other related institutions to release without any interruption to relevant entities food and essentials such as fertilizers, medicines, and fuel.
17. To provide interest-free loans of Rs. 10,000 to Samurdhi recipients and Samurdhi cardholders through all Samurdhi Bank Associations.
18. To exempt Lanka Sathosa and Co-operative shops from VAT and other local taxes and charges.
19. Samurdhi Authority to issue title certificates to Samurdhi and low-income families immediately for issuing nutritional food items to low-income families. They should be provided with rice, lentils, onions, and food cards on weekly basis.
20. From the President's Fund, a special bank account has been opened at the Bank of Ceylon for tasks related to preventing the spread of the Coronavirus and for providing the necessary healthcare and relief measures. For this purpose, Rs. 100 million had been deposited from the President's Fund. Tax and foreign exchange control restrictions have been lifted for all local and foreign donors who wish to contribute to this fund.
(Source: President Office, 2020, above 1-20)
21. To address the future demand for fruit and vegetables, the Sri Lankan Ministry of Agriculture introduced a home gardening program called Saubhagya Gewatta (Prosperous Home Gardens). 'From garden to table' is the principal concept behind this program; during the COVID-19 pandemic, the Government of Sri Lanka initiated the Saubhagya National Programme on Harvesting and Cultivation on 4 April 2020 which aims to develop 1 million home gardens. It will encourage rural seed farm projects, popularise organic fertilizer use, encourage the production of home crops, and promote home gardens for self-consumption (Hossain, 2020).

5.4. Anticipated future challenges and contingency approach

Sri Lankan government's prime objective is "Health/safety of the public first" since it is secured by section 14 (2) of the constitution of Sri Lanka and it is considered a basic human right. Hence, the government has put forward every step to safeguard 21.4 million people of the country; regardless of its adverse impacts on the economy and social wellbeing. Since this is the first experience for all the countries in the world, Sri Lanka addresses the following areas in the context of recovery and to face similar challenges in the future to reduce adverse socio-economic impacts by way of a contingency sustainable approach. The idea behind this is, how the country can be operated during such disaster or diffusion

situation in the future, without compromising to each other sector? Are we ready for 3rd wave, if arises? When COVID-19 situation will be ended? In this context, attention should be paid to the alternative approach to handle local and international trading, tourism sector, operation of government institutions, transportations, and education *etc.*, these mechanisms currently exist with financial institutions and most of the private sectors in Sri Lanka. Accordingly, future challenges can be categorized into two major sections.

1. Recovery and development: health services, economy (agriculture, industry and services), education, social wellbeing and other similar sectors.
2. Preparedness, continuity and disaster recovery plan for a similar situation in the future.

6. CONCLUSION & RECOMMENDATIONS

6.1 Conclusion

The coronavirus transmission is the most devastating pandemics in the world. The world's powerful countries also shaken by looking at the impacts of this novel virus, since it is having a massive adverse effect on the individuals and communities in a multifarious way. The government has imposed nationwide curfew, movement restrictions, travel bans to mostly impacted counties, total travel bans, lockdown, and isolation, *etc.* during first wave of outbreak, which have had a massive impacts on people's lives, families and communities; whilst having significant consequences on the national economy too. However, the government of Sri Lanka has taken required measures to minimalize such impacts. Approximately, 890,000 people of the nation enter into the low-income earner/poor category, due to the drop of their income, after May-2020 (Zervos, 2020), which has resulted in a large drawback in their consumption patterns. This has led to domestic violence. The job cut, work from home, unemployment and no job for day pay workers lead to sexual violence and created an insecure situation for women and children. Similarly, the short and long-term effects of physical and mental health created degeneration in individual wellbeing. Further, the elderly (aged 60+) people with chronic medical conditions, pregnant women and postpartum women, children, and drug addicts are the most vulnerable and impacted peoples, among the confirmed cases. The people working in essential services, front-line healthcare workers, and Armory forces are physically and mentally affected by COVID-19, due to the occupational risk and fear. Also, people living in elderly

homes/orphanages/disabled's homes are also found as mentally disturbed people. Daily paid workers; people living in slums/shanties/estate homes and other congested dwellings in urban and estate sector; smallholder farmers; people working in the tourism industry; families of drug addicts/alcohol withdrawal symptoms; small, medium, and large-scale business sector are found as most economically affected. Basically, the people at all levels of the country have been subjected to various types of vulnerabilities, due to the COVID-19 issue.

6.2. Recommendations

This study carefully evaluates the strength and weakness of coronavirus transmission, nature, the span of risk level and severity, its impacts on the economy and social status, remedial measures that are adhered by the government and recommended following suggestions to tackle such diseases in the future in a productive manner; minimizing adverse impacts to the economy and society.

- Diseases diffusion, lockdown, curfew, and isolation in the western province paralyze the smooth operation of entire geographical regions of the island, since most of the major supply chains in terms of administration, trading, transportation, education, *etc.* are consolidated into the Commercial Capital of Sri Lanka. It is suggested to identify the suitable geographical locations (province-wise or district-wise) to equip them with the required infrastructure to enable them to operate their geographical location at least for recovery periods without compromising to the economy and society. Hence, it is a timely requirement to establish a disaster recovery plan to ensure the smooth operation of the country to safeguard such destructions on our economy and social status.
- Japanese are adaptable earthquake and they were thought on immediate response extended by an individual to safeguard their lives first, then essentials belongings of them. Similarly, it is suggested to build a resilient society to adapt to COVID-19 or any such probable communicable diseases in the future.
- Suggested to Finance ministry/CBSL to establish a mechanism to attract quick investments, foreign aids, low-interest rates loan, overseas remittances and to use banking channel for international trade/non-trade transactions to bring down the pressure on the exchange rate, inflations and to reach 5% economic growth rate.
- It requires 10 years of irrevocable policy concerns on overseas investments in our country, containing the

- government's stands on concessions, grants, taxations, repatriation of capital, labor supply, trade union matters, or other applicable information. This will provide a picture to the overseas investors that although the government is changed, the existing policy will continue and also this provides a platform to establish their business plan for the next 10 years or more.
- It suggested further strengthen the existing COVID-19 relief fund, which was opened with the Bank of Ceylon and should be used for developing health care services and to provide relief to the impacted public. It requires more promotions in terms of tax benefits and exceptions from the foreign exchange control restrictions, among the overseas and domestic donors.
 - Promoting e-business channels for local and overseas trading is more productive, during the era such as COVID-19 transmission.
 - All Government and private schools must have a contingency plan to continue their teaching and learning *via*. electronic solutions. This requirement should be made mandatory by the ministry of education for all schools in Sri Lanka. How all students are going to be equipped with the required devices and data? We must find a solution for this too.
 - CBSL requirement is, all financial institutions must have their business continuity/disaster recovery plan and should be tested periodically to ensure smooth operations of their daily functions if any disaster situation arises in the future. Suggested to provide work from home options to government sector employees, after evaluating probability, pro and cons of this option.
 - Existing law should be strictly implemented, against domestic and sexual violence. Moreover, the general public must be educated and aware of safety procedures on domestic violence, sexual harassment, and child abuse, *etc.* and should be given emergency call numbers (Child abuse-1929/ Women help line-1938) to obtain quick assistance.
 - Basic safety measures recommended by the WHO, *viz.*, washing hands often, wearing a mask, maintain social distance, breathing exercises, avoid touching eyes, nose, and mouth with the uncleansed hand should be continued forever, especially among the children and elderly people.
 - People living with non-infectious diseases, caretakers, family members, and the general public should follow the safety measures recommended above by the WHO and also boost the body's immune system as appropriate.

- Consuming healthy foods and maintain regular meal patterns, get enough sleep, more exercise, keep your environment clean and maintain a good hygienic in daily work will assist to eradicate this novel virus from you and your family.
- Prepare an education action plan for all schools to cover the syllabus, especially for those who are going to sit for the A/L examination in August-2021.
- A comprehensive plan to improve the food security and nutrition level of the public is required.
- The Government to formulate a national action plan for socio-economic response, obtaining the opinions from the experts.

ACKNOWLEDGEMENT

The author wishes to thank all, those who have supported in providing information and technical assistance extended to make this article success.

REFERENCES

- [1]. Central Bank of Sri Lanka. (2019). Annual Report, Central Bank of Sri Lanka: Colombo. Retrieved on November 10, 2020, from <https://www.cbsl.gov.lk>.
- [2]. Central Bank of Sri Lanka. (2020). *Consumer Price Inflation*. Central Bank of Sri Lanka: Colombo. Retrieved on November 10, 2020, from <https://www.cbsl.gov.lk/en/measures-of-consumer-price-inflation>.
- [3]. Economic Research Department). (2020). Monetary Policy Review: November 2020. *The Central Bank of Sri Lanka continues its accommodative monetary policy stance, Press Release*. Retrieved on December 22, 2020, from <https://www.cbsl.gov.lk/en/press/press-releases/monetary-policy-review>.
- [4]. Epidemiology Unit – Ministry of Health, (2020). Corona Virus 2020. *epid.gov.lk*. Retrieved on November 10, 2020, from http://www.epid.gov.lk/web/index.php?option=com_content&view=article&id=225&Itemid=518&lang=en.
- [5]. Hayashi, R. Garcia, M. Maddawin, A. & Hewagamage, K. P. (2020). Online learning in Sri Lanka's higher education institution during the COVID-19 Pandemic. *ADB briefs*. Retrieved on December 2, 2020, from <https://www.adb.org/sites/default/files/publication/635911/online-learning-sri-lanka-during-COVID-19.pdf>.
- [6]. Hossain, S.T., (2020). Impacts of COVID-19 on the Agri-food Sector: Food Security Policies of Asian Productivity Organization Members. *Journal of Agricultural Sciences – Sri*

Lanka, 15(2), pp.116–132.
DOI: <http://doi.org/10.4038/jas.v15i2.8794>.

[7]. ICRA-International Credit Rating Agency. (2020). Economic impact of COVID-19 in Sri Lanka. *icralanka.com*. Retrieved on December 2, 2020, from <https://www.icralanka.com/wp-content/uploads/2020/04/economic-impact-covid-icra-1.pdf>.

[8]. Jeyasankar, V. (2020). Disproportionate Effects of COVID-19 on Sri Lankan Women. *Groundviews*. Retrieved November 11, 2020, from <https://groundviews.org/2020/08/04/disproportionate-effects-of-COVID-19-on-sri-lankan-women/>.

[9]. Jayawardana, P. (2020). COVID-19 and Sri Lanka's Labor Market Gaps: Permanent Protection for Temporary Employees. *IPS talking economics*. Retrieved on November 12, 2020, from <https://www.ips.lk/talkingeconomics/2020/09/09/COVID-19-and-sri-lankas-labour-market-gaps-permanent-protection-for-temporary-employees/>.

[10]. Phakathi, M. (2020). Report shows Sri Lanka has escalation of violence during COVID-19 Lockdown. *IPS inter press service news agency*. Retrieved November on 10, 2020, from <http://www.ipsnews.net/2020/08/report-shows-sri-lanka-escalation-violence-COVID-19-lockdown/>.

[11]. President Office, (2020). <https://www.presidentsoffice.gov.lk/index.php/concessions>, extracted on 18.12.2020.

[12]. Price Waterhouse Coopers (Private) Limited. (2020). COVID-19 Outbreak: Impact on Sri Lanka and Recommendations Economic impact to Sri Lanka—“Signals of global recession” COVID-19- *Outbreak: Impact on Sri Lanka and Recommendations*, Retrieved November on 10, 2020, from <https://www.pwc.com/lk/en/assets/COVID-19-Impact-on-Sri-Lanka-PwC.pdf>.

[13]. Trading Economics, (2020). Sri Lanka GDP from agriculture. *tradingeconomics.com*. Retrieved on November 10, 2020, from <https://tradingeconomics.com/sri-lanka/gdp-from-agriculture>.

[14]. UN-Sri Lanka, (2020). Tackling the COVID-19 economic crisis in Sri Lanka: Providing universal, lifecycle social protection transfers to protect lives and bolster economic recovery. *United Nation working paper*. Retrieved on November 10, 2020, from <https://www.unicef.org/srilanka/media/1366/file/UN%20Brief%20Social%20Protection%20Response%20Sri%20Lanka%20Summary.pdf>.

[15]. United Nation-UN IPC-IG, (2020). Research Report No. 47 on Socio-economic impacts of COVID-19, policy responses and the missing middle in South Asia. *International Policy Centre for Inclusive Growth (IPC-IG) Nations Development*

Programme and the United Nations Children's Fund. Retrieved on December 19, 2020, from https://ipcig.org/pub/eng/RR47_Socio_economic_impacts_of_COVID_19.pdf.

[16]. UN-Sri Lanka, (2020). UN advisory paper: immediate socio-economic response to COVID-19 in Sri Lanka, June 2020 (revised July 2020). Retrieved on December 19, 2020, from https://unsdg.un.org/sites/default/files/2020-07/LKA_Socioeconomic-Response-Plan_2020.pdf.

[17]. World Health Organization, (2020). Timeline WHO's COVID-19 response. *World Health Organization*. Retrieved on December 1, 2020, from <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/interactive-timeline>.

[18]. Zervos, F. H. (2020). Three ways Sri Lanka can deal with COVID-19 included poverty. *World Bank Blogs*. Retrieved December 13, 2020, from <https://blogs.worldbank.org/endpovertyinsouthasia/three-ways-sri-lanka-can-deal-COVID-19-induced-poverty>.