



# “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY  
IN SRI LANKA'S ECONOMIC CRISIS

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**Cover photo:** Sri Lankans wait in line with empty cooking gas cylinders near a gas distribution center in Colombo, Sri Lanka. 21 May 2022

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# CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>5</b>
HOW THE ECONOMIC CRISIS IS IMPACTING HUMAN RIGHTS	5
NECESSARY SOLUTIONS	6
RECOMMENDATIONS	8
<b>1. METHODOLOGY</b>	<b>9</b>
<b>2. BACKGROUND</b>	<b>10</b>
2.1 BACKGROUND TO THE ECONOMIC CRISIS	12
2.2 PROTESTS AND POLITICAL CONTEXT	14
<b>3. THE RIGHT TO HEALTH UNDERMINED</b>	<b>16</b>
3.1 SHORTAGES IN MEDICINES AND EQUIPMENT	16
3.2 IMPACT OF FUEL SHORTAGES	18
3.3 LONGER TERM IMPACTS	22
3.3.1 IMPACT ON HEALTH WORKERS	22
3.3.2 IMPACT ON LONG-TERM HEALTH, INCLUDING MENTAL HEALTH	23
3.4 THE RIGHT TO HEALTH	23
<b>4. THE RIGHT TO FOOD THREATENED</b>	<b>25</b>
4.1 INFLATION AND AFFORDABILITY OF FOOD	26
4.2 DOMESTIC FOOD PRODUCTION AND FOOD SECURITY	28
4.3 RISING CHILD MALNUTRITION	30
4.4 THE RIGHT TO FOOD	32
<b>5. SOCIAL PROTECTION: GAPS AND OPPORTUNITIES</b>	<b>34</b>
5.1 LIMITATIONS OF EXISTING PROGRAMMES	35
5.2 THE CASE FOR A UNIVERSAL APPROACH TO SOCIAL PROTECTION IN SRI LANKA	37
5.3 THE RIGHT TO SOCIAL SECURITY	38
<b>6. DEBT RESTRUCTURING AND ECONOMIC REFORM</b>	<b>40</b>
6.1 BACKGROUND TO SRI LANKA'S DEBT	40

## **"WE ARE NEAR TOTAL BREAKDOWN"**

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA'S ECONOMIC CRISIS

Amnesty International

6.2 WHY SRI LANKA'S DEBT IS A HUMAN RIGHTS ISSUE	41
6.2.1 THE BURDEN OF DEBT SERVICING	41
6.2.2 LINKS TO ECONOMIC REFORM	42
6.2.3 PROCEDURE AROUND DEBT RESTRUCTURING	42
6.3 DEBT RESTRUCTURE, RELIEF AND ECONOMIC REFORM	43
6.3.1 DEBT RESTRUCTURE AND RELIEF	44
6.3.2 FEARS AROUND AUSTERITY MEASURES	45
6.3.3 NEW LOANS FROM THE IMF	47
<b>7. CONCLUSIONS AND RECOMMENDATIONS</b>	<b>49</b>
7.1 RECOMMENDATIONS	50

# EXECUTIVE SUMMARY

## **“We are near total breakdown”.**

Kashi (name changed), 45-year-old trade union representative working with the *Malaiyaha Tamil* community

Sri Lanka is facing a severe economic crisis. This is a result of government policy decisions over decades, as well as more recent external factors. The crisis has had a catastrophic impact on economic and social rights. There have been serious shortages in food, fuel, medicines, and other essential items. As of June 2022, an estimated 11% of households reported their income had stopped and 62% of households said their income reduced; and as of July, food inflation reached 90.9% on a yearly basis. Several countries have offered emergency financial assistance to Sri Lanka. Humanitarian actors and international organizations have started to repurpose existing activities in Sri Lanka towards mitigating the impacts of the economic crisis. However, current support is insufficient to meet needs: as of 2 September 2022, only 24.7% of the funding that the United Nations Office for the Coordination of Humanitarian Affairs estimates is needed to respond to the crisis has been committed.

This report highlights the human rights impacts of the current economic crisis in Sri Lanka, with a focus on the rights to adequate food and health. It outlines some key steps that the Sri Lankan government and the international community (including donor states and Sri Lanka’s governmental and private creditors) must put in place to protect human rights, including moving towards universal approaches to social protection; increasing the amount of international assistance available; and considering all options for debt relief, in line with human rights obligations, including in negotiations around debt restructure and relief in Sri Lanka.

Research for this report is based on: (i) 55 interviews with daily wage earners; people who have precarious jobs; people working in the tea plantation sector from the *Malaiyaha Tamil* community; public health workers; staff members of civil society groups, international organizations, and humanitarian organizations; and individual experts on issues relevant to this report; (ii) secondary data, including relevant statistics around Sri Lanka’s debt obligations, published by the Sri Lankan Central Bank and international organizations; needs assessments conducted by civil society groups and international and humanitarian organizations in the context of the ongoing economic crisis; and studies of Sri Lanka’s health, tax and social security systems. Amnesty International sent letters containing a detailed list of questions to relevant government ministries. Any responses have been reflected in the text of this report.

## **HOW THE ECONOMIC CRISIS IS IMPACTING HUMAN RIGHTS**

### **“15 days of vitamins cost LKR 2,000 [USD 5.55]. I got dengue and was given [prescribed] vitamins for one month but I can’t buy it. How can I afford it?”**

Yashoda (name changed), a woman daily wage earner with two children.

**“WE ARE NEAR TOTAL BREAKDOWN”**

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Amnesty International

People's right to health has been threatened in the economic crisis. Serious shortages in essential and life-saving drugs and equipment emerged as one of the major concerns in Sri Lanka as the economic crisis deepened. When its foreign exchange reserves began to run low, the government was unable to purchase the required drugs and equipment, leading to severe shortages. Health workers in the public health system and staff members in non-governmental organizations confirmed the extent of shortages to Amnesty International and explained how they coped. For example, in June 2022, a paediatric surgeon said she had seen shortages in intravenous potassium chloride, intravenous antibiotics, and insulin, and shortages in equipment (intravenous lines, canulae, syringes) in paediatric sizes. "We even had a shortage of gauze", she said. "We didn't have catheters and endotracheal tubes in smaller sizes, so we were asked to re-use them". In other instances, people were asked to purchase medicines or equipment from private pharmacies, because government hospitals did not have stocks. "But not everyone could afford it. Those who couldn't, just went home and came back worse", a doctor said.

Severe shortages in fuel in Sri Lanka as a result of the economic crisis have also impacted people's ability to access timely and quality healthcare. Fuel shortages have made transport either unavailable or extremely expensive, and made it difficult, if not impossible, for people to physically access healthcare services. The difficulties are further compounded for people who are living and working in plantations from the *Malaiyaha Tamil* community, for whom health facilities were already too far away, even prior to the crisis.

**"Due to this economic crisis, [my husband] lost his job, so the main income of my family has been stopped. We are unable to buy essential food items. Last month we were without any meal for two days because we didn't have anything to cook... When they feel hungry, [my children] ask for meals, and sometimes they cry for meals".**

Savita (name changed), a 39-year-old *Malaiyaha Tamil* woman.

People's right to food is also at risk. Food inflation in Sri Lanka has become alarmingly high. The steep increases in the price of food, combined with reductions in household income and loss of livelihood, mean that people are either unable to afford sufficient and nutritious food, or must spend a much larger proportion of their income on food-related expenses, often at the cost of other essential services like healthcare, housing and education. Over 6.2 million people (28% of the population) are estimated to be moderately acute food insecure, 66,000 people are estimated to be severely acute food insecure, and 8.7 million people (39.1% of the population) are not consuming an adequate diet. There is also a linked, specific concern around child malnutrition. Even prior to the crisis, malnutrition in children under five was widespread in Sri Lanka. The crisis worsened the problem. With falling incomes, shrinking livelihood options and inflation in food prices, people are less likely to be able to afford adequate and nutritious food for their children, as well as for women during and after pregnancy. In June 2022, doctors at the Lady Ridgeway Hospital for Children (LRH) said 20% of children admitted had malnutrition.

As the economic crisis has intensified and the lack of essential items and services has become more acute, people in Sri Lanka have engaged in protests calling for the government to take responsibility for the economic crisis. The government has responded to the largely peaceful protests with excessive use of force among other human rights violations. They have also implemented emergency laws giving sweeping powers to the police and armed forces in an effort to curb the protests.

## NECESSARY SOLUTIONS

**"In my life... I have never experienced this kind of a crisis."**

Kumar (name changed), who leads a civil society organization working with the *Malaiyaha Tamil* community.

### "WE ARE NEAR TOTAL BREAKDOWN"

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA'S ECONOMIC CRISIS

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## **MOVING TOWARDS UNIVERSAL APPROACHES TO SOCIAL PROTECTION**

In the context of sky-rocketing inflation and severe shortages in food, medical equipment and goods, and fuel, among other commodities, access to adequate levels of social protection is key to protecting human rights. There are several government-run schemes and programmes in Sri Lanka that provide different types of social protection. However, there are some key, long-standing limitations to these programmes, particularly the Samurdhi programme, that have been further exposed by the current crisis. These include lack of sufficient funding, inadequacy of the level of benefits, poor targeting, and the exclusion of a large proportion of people due to administrative inadequacies.

Several arguments have been made for why schemes offering universal benefits are a desirable way to guarantee the right to social security. For example, the targeting of benefits based on levels of poverty has been criticised by experts for arbitrariness, excluding people who should be covered, stigmatizing effects, and higher administrative costs. These concerns already existed in Sri Lanka, and their impact has become more acute. Civil society groups are articulating the need to move towards more universal approaches to social protection in the context of Sri Lanka's economic crisis. This is particularly relevant because the impact of the economic crisis is spreading to much larger sections of society.

The government of Sri Lanka is currently considering a new social protection strategy. However, there is concern that in the current economic and fiscal climate in Sri Lanka, the government may introduce reforms that simply increase the number of those eligible for targeted assistance, based on poverty levels, instead of addressing the other limitations of these programmes as well. This would be a missed opportunity. Furthermore, reforms to existing social assistance programmes should not rely on narrower targeting and move towards comprehensive social protection coverage. It is also crucial for any reform of the social protection system in Sri Lanka to be carried out in line with international human rights standards, principles of transparency, and with the meaningful participation of people who will be affected by it, including those it is intended to support.

## **AVOIDING HARMFUL AUSTERITY AND ASSESSING IMPACT**

In times of economic crisis, states often put in place measures to reduce deficits by increasing government revenues and reducing expenditure. There is concern that with time, the Sri Lankan government may take such measures. In terms of reducing expenditure, human rights monitoring bodies have noted, both, the human rights risks associated with austerity programmes and that states continue to have human rights obligations even "in times of economic crisis, [when] adjustments in the implementation of some Covenant rights might be inevitable". On this basis, they have developed criteria for how austerity measures should be developed and implemented, where they are considered necessary.

Among other obligations, international human rights standards stipulate that governments and international financial institutions should conduct human rights impact assessments before economic reform programmes are implemented. Human rights impact assessments are necessary to understand what the possible impact of a particular policy might be, especially when these may not be obvious, and to put in place measures to mitigate this impact. It is not clear whether these have been conducted, or are planned, in Sri Lanka.

Austerity measures are consistent with states' human rights obligations only after less harmful alternatives to reduce the deficit have been carefully considered. Therefore, before the government of Sri Lanka introduces potentially regressive policies, it must explore other, less rights limiting, options and address taxation in a manner that equitably increases revenue without disproportionately burdening people on lower incomes. Analysts and civil society groups have proposed options to this effect in Sri Lanka, which are considered in more detail in this report.

## **HUMAN RIGHTS CENTRAL IN UPCOMING DEBT NEGOTIATIONS**

Reducing Sri Lanka's large debt repayments will create more fiscal space for the government to invest in health and social protection. Sri Lanka's public debt has increased substantially over the past decade. As of end 2021, total outstanding external debt of the government was USD 32.2 billion. At 30.1% of GDP, Sri Lanka had "one of the highest levels of gross financing needs [i.e., the amount it needed to borrow and the debt that matured each year], among emerging market economies" according to the International Monetary Fund (IMF). Its debt service payments were also very high. For example, in 2020, Sri Lanka's interest payments alone were 71.4% of government revenue (the global average is 6% and the average in South Asia is 21.1%), and 32.9% of government expense (the global average is 5.4% and the average in South Asia is 22.6%). The fact that the government needs to spend this amount annually to service its debt reduces the

### **"WE ARE NEAR TOTAL BREAKDOWN"**

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA'S ECONOMIC CRISIS

fiscal space available for the government to spend on sectors like health, education and social protection, which directly impacts economic and social rights.

In March 2022, the IMF said that Sri Lanka's public debt was unsustainable. In May 2022, Sri Lanka defaulted on its debt payments for the first time. On 1 September 2022, IMF staff and the Sri Lankan authorities reached a staff-level agreement on a 48-month arrangement under the Extended Fund Facility (EFF) for about USD 2.9 billion. As negotiations around the agreement between Sri Lanka and the IMF continue, it is important that human rights and social spending are prioritized. Furthermore, the government must ensure that discussions and decision-making are transparent.

The IMF also stated that "debt relief from Sri Lanka's creditors and additional financing from multilateral partners will be required to help ensure debt sustainability and close financing gaps", as negotiations with the government continue. The government of Sri Lanka is currently in discussions with a range of creditors and lenders on restructuring Sri Lanka's debt. These actors all have human rights responsibilities, and the outcomes of these discussions have significant human rights impacts. Debt restructuring should enable Sri Lanka to service its external debts without compromising its capacity to fulfil its international human rights obligations. Debt relief to reduce the quantum of annual repayments is needed, and all options for debt relief should be on the table, including debt cancellation.

## RECOMMENDATIONS

Amnesty International has made a comprehensive set of recommendations in the context of the ongoing crisis to all relevant actors. The full list appears at the end of this report. Some of the key recommendations include:

1. The Sri Lankan government should reform existing social assistance programmes in a manner that offers comprehensive social protection coverage, and moves away from narrowly targeting particular groups.
2. The Sri Lankan government should increase expenditure on social assistance programmes to respond to the growing need for support, and ensure allocations are sufficient to ensure the right to an adequate standard of living for everyone.
3. Sri Lanka's multilateral, bilateral, and private creditors should act in accordance with their human rights responsibilities while negotiating Sri Lanka's debt restructure, ensure debt relief, and consider all options for debt relief including debt cancellation.
4. Bilateral and multilateral donors should support Sri Lanka with all possible financial and technical assistance in a manner that allows the government to strengthen human rights protections for people in the country.
5. The Sri Lanka government should avoid harmful austerity measures inconsistent with human rights, and ensure that future loan agreements, in particular those involving conditions linked to economic, social and fiscal policy reforms, are transparent and available for public scrutiny.



# 1. METHODOLOGY

This report highlights the human rights impacts of the current economic crisis in Sri Lanka, with a focus on the rights to adequate food and health, and more limited discussion of social security provision. It also outlines some key steps that policy makers and donors must consider to ensure that relief and recovery measures are consistent with human rights.

This report is based on a combination of desk research and qualitative interviews. It relies extensively on secondary data, including

- Studies of Sri Lanka's health, tax and social security system, conducted by international organizations, the government and non-governmental actors;
- Statistics relevant to the issues discussed in this report, including around Sri Lanka's debt obligations, published by the Sri Lankan Central Bank and international organizations; and
- Needs assessments conducted by civil society groups and international and humanitarian organizations that identify gaps and needs for people in the context of the ongoing economic crisis.

This report reflects the situation in Sri Lanka from April to September 2022, with an emphasis on what happened between June and August 2022 (when interviews were conducted). The statistics have been updated for what was available on 20 September 2022. The situation in Sri Lanka is rapidly evolving, and statistics will likely change with time.

Between June and August 2022, Amnesty International researchers and a consultant spoke with 29 people, 15 men and 14 women, to understand how the ongoing economic crisis is impacting their lives, especially their access to food and health. These interviews were conducted with daily wage earners, who had precarious jobs, and people from the *Malaiyaha Tamil* community, including those working in the tea plantation estates.<sup>1</sup> Amnesty International chose to focus on these groups, as we believed they were likely to be severely impacted by the economic crisis and rising inflation. These interviews were all conducted in person. In compliance with informed consent given by interviewees, the report protects the identity of some respondents. The date of the interview is given, but some names have been changed and identifying details have been anonymised. Amnesty International researchers also spoke with four health workers in the public health system, 17 staff members of civil society groups, international organizations, and humanitarian organizations, and five individual experts with knowledge of Sri Lanka's health system, debt profile, and / or economic context in June and July 2022. Many of these people worked with groups and communities in different parts of the country, and their perspectives have been reflected in this report. These interviews were conducted on the phone or via online platforms/conference calls.

Amnesty International sent letters containing a detailed list of questions, to the Ministry of Finance, Ministry of Health, and Ministry of Women, Child Affairs and Social Empowerment in August 2022. The Ministry of Women, Child Affairs and Social Empowerment responded, which has been reflected in the text of this report.

We would like to express our profound gratitude to the people who shared their stories with us, without whom this report would not be possible.

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<sup>1</sup> Malaiyaha Tamils were brought to Sri Lanka from India to work in the plantation sector over 200 years ago under British colonial rule. This community continues to face multiple forms of discrimination on the basis of their descent today. UN Special Rapporteur on Contemporary Forms of Slavery, including its Causes and Consequences (UN Special Rapporteur on contemporary forms of slavery), Report: *Visit to Sri Lanka*, 6 July 2022, UN Doc. A/HRC/51/26/Add.1, [ohchr.org/en/documents/country-reports/ahrc5126add1-visit-sri-lanka-report-special-rapporteur-contemporary-forms](https://ohchr.org/en/documents/country-reports/ahrc5126add1-visit-sri-lanka-report-special-rapporteur-contemporary-forms), para. 52.

# 2. BACKGROUND



## ARUNI<sup>2</sup>

Aruni (name changed) lives with her husband, three children and mother-in-law in Moratuwa, south of Colombo. No one in their household has a regular source of income. “I don’t really know what our monthly income is, it depends on how we receive work... We don’t have a daily income as such and there are days we don’t have an income. Our income if any is between LKR 500 [USD 1.39] or LKR 1,000 [USD 2.78] per day.<sup>3</sup> That is because we don’t have a stable job”, she explained. Since the crisis began, Aruni said the cost of living in Colombo was very high, and they were unable to afford sufficient food.

“Last night our whole family shared one loaf of bread, which we had dipping it in tea. If we cook lunch, we don’t have dinner, and if we don’t have dinner then there is nothing for the morning too. Some days we don’t eat at all also. We drink water or some tea on those days. That happens to our kids too sometimes, but if we get some food, even a measure of rice, we prepare that and give the children. My husband and I can go hungry. We feed the kids with what we have,” she said. Aruni also explained how other household expenses were adding up. “We don’t have a refrigerator so we can’t keep food anyway more than a day. We have not paid our electricity bills and water bills, and we have very little usage, but the cost is so high. We are unable to pay these bills”.

Their family used to receive assistance through the *Samurdhi* programme (Sri Lanka’s largest social assistance programme discussed later in this report). However, this is no longer the case. Aruni explained that the registration for the *Samurdhi* programme was in her name. When she had moved to another country as a migrant worker some years ago, she was removed from the programme, and she has been unable to get added to the system again. “We spoke to them and filed appeals, but they said we can’t be registered again. They say they have stopped registration of new beneficiaries for the *Samurdhi*. They keep sending us from the *Samurdhi* [office] to the District Secretariat and vice versa. We are struggling so much”, she said.

Her main request from the government is to create more employment opportunities. As the crisis has progressed, her family has found it harder to find work. “My mother-in-law used to work every day of the week in a house close by. But they stopped her now saying they can’t manage to pay her the daily wage. We used to go to another house close by they also stopped saying they can’t afford to pay us for our help now... My husband sometimes goes with a fish monger to sell fish in the market. If he [the fishmonger] calls my husband, he goes to help him. On those days we have a bit of income. That is how we live”, Aruni said. “Our biggest necessity is a job, even self-employment”.

Aruni’s story is not unique in Sri Lanka today.

Sri Lanka is facing a severe economic crisis, which has had a catastrophic impact on people’s ability to access essential goods and services, that underpin their economic and social rights. The crisis has adversely impacted incomes, and people all over the country are struggling to access adequate food, healthcare, electricity, fuel and other essential items. As of June 2022, an estimated 11% of households reported their

<sup>2</sup> Interview in person with Aruni (name changed), 22 June 2022, Moratuwa

<sup>3</sup> As per the World Bank, global poverty lines are USD 2.15, USD 3.65, and USD 6.85, reflecting the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. <https://www.worldbank.org/en/topic/poverty>

income had stopped and 62% of households said their income reduced.<sup>4</sup> Two in five households say their income has decreased by more than 50%.<sup>5</sup> Inflation is extremely high; as of July, food inflation reached 90.9% on a yearly basis.<sup>6</sup> Households are finding it harder to access the food they need. As a result of inflation, the government raised the Official Poverty Line in Sri Lanka by 42% this year alone (as a comparison, it had been raised by around 51% between 2012 and 2021).<sup>7</sup> Over 6.2 million people (28% of the population) are estimated to be moderately acute food insecure and 66 000 people are estimated to be severely acute food insecure.<sup>8</sup> There was also a serious shortage of fuel in the country, with the World Food Programme (WFP) estimating in July 2022 that “[r]emaining petrol reserves will likely be insufficient to meet normal needs”.<sup>9</sup> This has impacted people’s ability to carry out regular functions like going to school and work.

While more comprehensive studies on the impact of the economic crisis have not yet been published, it is likely that groups that already face marginalization, including people in precarious, daily wage jobs; in the informal sector; from the *Malaiyaha Tamil* community; older persons, persons with chronic health conditions, persons with disabilities, and people living in poverty and with limited reserves and savings, including in urban areas, face more severe impacts. An assessment by the World Food Programme and Food and Agriculture Organization has already noted that the “highest level of acute food insecurity is in the Estate sector (tea production) and among female-headed households, households with no education, Indian Tamil population and Samurdhi programme beneficiaries”.<sup>10</sup>

## “The High Commissioner urges the international community to support Sri Lanka in its recovery, in line with obligations around international cooperation and assistance”.

United Nations High Commissioner for Human Rights (2022)<sup>11</sup>

Several countries have offered emergency financial assistance to Sri Lanka.<sup>12</sup> Humanitarian actors and international organizations have started to repurpose existing budgets to direct their activities towards mitigating impacts of the economic crisis in Sri Lanka. However, current funding is insufficient to meet growing need. A Humanitarian Needs and Priorities (HNP) Plan was published by the Office for the Coordination of Humanitarian Affairs through the Regional Office for Asia and the Pacific (OCHA ROAP) on 9 June 2022. The Plan estimated that USD 47.2 million was needed to meet the needs identified, and as of 2 September 2022, only 24.7% of that amount had been committed to the humanitarian response.<sup>13</sup> OCHA ROAP estimated that 5.7 million people (about 25% of the population) in Sri Lanka needed humanitarian

<sup>4</sup> UN Office for the Coordination of Humanitarian Affairs (OCHA), *Humanitarian Needs and Priorities – Sri Lanka Food Security Crisis*, June-September 2022, 9 June 2022, [sri.lanka.un.org/en/185471-sri-lanka-humanitarian-needs-and-priorities-plan](https://sri.lanka.un.org/en/185471-sri-lanka-humanitarian-needs-and-priorities-plan), p. 5.

<sup>5</sup> FAO/WFP, *Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka* - September 2022, p. 39, <https://www.wfp.org/publications/faowfp-crop-and-food-security-assessment-mission-cfsam-democratic-socialist-republic>

<sup>6</sup> FAO/WFP, *Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka* - September 2022, p. 17 (previously cited)

<sup>7</sup> Sri Lanka Department of Census and Statistics, *Official poverty line by district, June 2022*, [statistics.gov.lk/povertyLine/2022\\_new](https://statistics.gov.lk/povertyLine/2022_new) (accessed on 21 September 2022)

<sup>8</sup> FAO/WFP, *Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka* - September 2022, p. 1 (previously cited)

<sup>9</sup> WFP, “Sri Lanka: Situation report”, 29 July 2022, available at [reliefweb.int/report/sri-lanka/wfp-sri-lanka-situation-report-29-july-2022](https://reliefweb.int/report/sri-lanka/wfp-sri-lanka-situation-report-29-july-2022), p. 1.

<sup>10</sup> FAO/WFP, *Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka* - September 2022, p. 1 (previously cited)

<sup>11</sup> UN High Commissioner for Human Rights, *Report: Situation of Human Rights in Sri Lanka - Comprehensive Report of the United Nations High Commissioner for Human Rights*, Advance Unedited Version, UN Doc. A/HRC/51/5, 6 September 2022, [ohchr.org/en/press-releases/2022/09/sri-lanka-critical-juncture-un-report-urges-progress-accountability](https://ohchr.org/en/press-releases/2022/09/sri-lanka-critical-juncture-un-report-urges-progress-accountability), para. 14.

<sup>12</sup> See, for example, WFP, *Japan contributes USD 1.5 million to help Sri Lanka provide food assistance to people affected by the economic crisis*, 20 May 2022, [wfp.org/news/japan-contributes-usd-15-million-help-sri-lanka-provide-food-assistance-people-affected](https://www.wfp.org/news/japan-contributes-usd-15-million-help-sri-lanka-provide-food-assistance-people-affected); Al Jazeera, “India says ‘ready to help Sri Lanka in quick economic recovery’”, 23 June 2022, [aljazeera.com/news/2022/6/23/india-says-ready-to-help-sri-lanka-in-quick-economic-recovery](https://www.aljazeera.com/news/2022/6/23/india-says-ready-to-help-sri-lanka-in-quick-economic-recovery); Hindu, “Willing to work with India to help Sri Lanka, says China”, 9 June 2022, [thehindu.com/news/international/willing-to-work-with-india-to-help-sri-lanka-says-china/article65507538.ece](https://www.thehindu.com/news/international/willing-to-work-with-india-to-help-sri-lanka-says-china/article65507538.ece)

<sup>13</sup> OCHA Regional Office for Asia and Pacific (ROAP), “Sri Lanka multi-dimensional crisis situation report 4”, 2 September 2022, available at [reliefweb.int/report/sri-lanka/sri-lanka-multi-dimensional-crisis-situation-report-no-4-2-september-2022](https://reliefweb.int/report/sri-lanka/sri-lanka-multi-dimensional-crisis-situation-report-no-4-2-september-2022), p. 3.

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

assistance,<sup>14</sup> and that as of 16 August 2022, only 21.7% of these people had been reached through their interventions.<sup>15</sup>

## 2.1 BACKGROUND TO THE ECONOMIC CRISIS

**“The crisis has been long in the making. It’s linked to policy choices, and neo-liberal policies, taken forward since the 1970s”.**

Ahilan Kadirgamar, Political economist at the University of Jaffna<sup>16</sup>

Sri Lanka’s economic crisis is a consequence of multiple governmental decisions as well as more recent external factors. It has been building up for several years. There is no single, uniformly accepted reason for the crisis, and multiple causes have been attributed by experts and commentators. The causes include corruption; high levels of debt; tax cuts in 2019, which led to a reduction in government revenue and increased the deficit; unsustainable currency printing and the decision to artificially maintain the value of the Sri Lankan rupee by using up reserve foreign currency; the impact of the Covid-19 pandemic, in particular reduced earnings from tourism and remittances; the sudden decision to stop importing chemical fertilizers affecting domestic food production; and the impact of the conflict in Ukraine.<sup>17</sup> Many of these are discussed in more detail in later parts of this report.

While the government’s policies compounded the risk of an economic crisis over time, measures to address poverty specifically have had some success. Until 2020, poverty in Sri Lanka had been consistently reducing. In 2009-2010, the poverty rate was at 19.9%, which dropped to 11% in 2016,<sup>18</sup> and according to projections, this had further fallen to 9.2 % in 2019.<sup>19</sup> Sri Lanka’s 2019 Household Income and Expenditure Survey found that the average household income per month was LKR 76,414 [USD 209], showing an increase of approximately 7.8% from 2016 to 2019.<sup>20</sup> It also found that on average, households were spending 35.1% of their income on food, and the rest on non-food items.<sup>21</sup>

Within this context, however, “low earnings and lack of safety net, partly due to high informality, lead to high levels of vulnerability”.<sup>22</sup> While overall poverty had decreased, income inequality had not. According to the Center for Poverty Analysis, “[m]ore than half the total household income of the country is enjoyed by the richest 20% in Sri Lanka while the bottom decile gets only 5%, with the share of household income being just 1.6% for the poorest 10%”.<sup>23</sup> More specifically, some groups of people, such as the *Malaiyaha Tamils*, experienced systemic discrimination and marginalization and unequal access to essential services for

<sup>14</sup> OCHA, *Humanitarian Needs and Priorities – Sri Lanka Food security Crisis* (previously cited), p. 16.

<sup>15</sup> OCHA ROAP, “Sri Lanka multi-dimensional crisis situation report 4” (previously cited), p. 2.

<sup>16</sup> Phone interview with Ahilan Kadirgamar, 28 June 2022.

<sup>17</sup> For analysis on different causes for the ongoing crisis see, for example, FAO/WFP, *Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka - September 2022*, (previously cited) p. 7; International Monetary Fund (IMF), *Sri Lanka: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Sri Lanka*, 25 March 2022, Country Report 22/91, [imf.org/en/Publications/CR/Issues/2022/03/25/Sri-Lanka-2021-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-515737](https://www.imf.org/en/Publications/CR/Issues/2022/03/25/Sri-Lanka-2021-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-515737), p. 9; Thamashi De Silva, Simon Commander, Saul Estrin, “What lies behind Sri Lanka’s collapse?” *LSE Blogs*, 19 July 2022, <https://blogs.lse.ac.uk/businessreview/2022/07/19/what-lies-behind-sri-lankas-collapse/>.

<sup>18</sup> Yeon Soo Kim and others, *Sri Lanka Poverty Assessment: Accelerating Economic Transformation - Synthesis Report*, October 2021, World Bank Group, [documents.worldbank.org/en/publication/documents-reports/documentdetail/153941634242634615/sri-lanka-poverty-assessment-accelerating-economic-transformation-synthesis-report](https://documents.worldbank.org/en/publication/documents-reports/documentdetail/153941634242634615/sri-lanka-poverty-assessment-accelerating-economic-transformation-synthesis-report), p. 16

<sup>19</sup> Yeon Soo Kim and others, *Sri Lanka Poverty Assessment: Accelerating Economic Transformation - Synthesis Report* (previously cited), p. 13. Though according to estimates this increased to 11.7% in 2020, following the pandemic.

<sup>20</sup> Sri Lanka Department of Census and Statistics, “Household income and expenditure survey – 2019: Final results (January to December 2019)”, [statistics.gov.lk/IncomeAndExpenditure/StaticallInformation](https://statistics.gov.lk/IncomeAndExpenditure/StaticallInformation), p. 4.

<sup>21</sup> Sri Lanka Department of Census and Statistics, “Household income and expenditure survey – 2019: Final results (January to December 2019)” (previously cited), p. 8. The previous survey in 2016 had found a similar ratio, with households on average spending 34.8% of their income on food Sri Lanka Department of Census and Statistics, *Household income and expenditure survey – 2016: Final report*, [statistics.gov.lk/IncomeAndExpenditure/StaticallInformation](https://statistics.gov.lk/IncomeAndExpenditure/StaticallInformation), p. 58.

<sup>22</sup> World Bank, *The COVID-19 Impact on Livelihoods and Poverty in Sri Lanka: Background Note to Sri Lanka Poverty Assessment*, 2021, [openknowledge.worldbank.org/handle/10986/35496](https://openknowledge.worldbank.org/handle/10986/35496), p. 13.

<sup>23</sup> Center for Poverty Analysis (CEPA), “The Correlation between poverty and inequality”, 14 January 2021, [cepa.lk/blog/the-correlation-between-poverty-and-inequality](https://cepa.lk/blog/the-correlation-between-poverty-and-inequality)

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Amnesty International

decades.<sup>24</sup> Members of the *Malaiyaha Tamils* community have historically resided in Sri Lanka's tea plantations. Their long-standing social, economic and political marginalization is linked to several factors, including the relative absence of the state, and public services in plantation areas; the dependence of the community on plantation companies for essential services such as health care and housing; and delayed access to citizenship in Sri Lanka.<sup>25</sup>

Corruption and mismanagement of resources in Sri Lanka have also been a significant issue, and many observers identify these as contributors to the crisis as well. According to Transparency International Sri Lanka, "the prevailing crisis has been caused by decades of misuse and mismanagement of public resources, kleptocracy, systemic corruption and an overall lack of transparency and accountability in both governance as well as in the public service sector".<sup>26</sup> Corruption also featured prominently in the report of the UN Independent Expert on the effects of foreign debt on Sri Lanka in 2019, where they were "informed about alleged corruption at various levels, including in the context of the implementation of social programmes".<sup>27</sup>

The Covid-19 pandemic had a serious impact on Sri Lanka's economy, and people's lives and livelihoods.<sup>28</sup> The government introduced a range of mobility restrictions to address the pandemic, which affected economic activity, jobs and livelihoods. In 2020, the economy contracted by 3.6%.<sup>29</sup> Poverty and inequalities increased, with "over 500,000 people... estimated to have fallen into poverty".<sup>30</sup> Sri Lanka was also particularly impacted by the reduction in tourism during this period, and remittances from workers abroad also dropped.<sup>31</sup> Both impacted Sri Lanka's foreign exchange reserves adversely.<sup>32</sup>

Conditions progressively worsened, and by the end of 2021 - early 2022, the government began to run out of foreign exchange reserves to import essential commodities, like fuel and medicines. Inflation increased dramatically in the country, electricity began to be rationed, and lines for fuel increased. In March 2022, the International Monetary Fund (IMF) said that Sri Lanka's public debt was unsustainable,<sup>33</sup> and in May 2022, Sri Lanka defaulted on its debt payments for the first time.<sup>34</sup>

On 2 September 2022, Sri Lanka passed an interim budget, which addressed some of the country's needs in this time of crisis. Proposed expenditure had increased compared to what was estimated at the start of the year, with two largest increases being for interest payments (an increase of LKR 263 billion) and social protection (an increase of LKR 163 billion).<sup>35</sup> In his speech, the President noted that the government had spent an additional LKR 31,000 million from May to July 2022 to support people affected by the crisis, and also outlined other measures that would be implemented to assist people.<sup>36</sup> The interim budget also proposed a number of tax reforms to increase revenue, including a further increase in VAT to 15% (tax policy before and after the crisis will be discussed in more detail later in the report).

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<sup>24</sup> Verité Research, *Hill Country Tamils: Analysis of Legal and Policy Issues Affecting Labour and Governance Structure*, February 2022, [veriteresearch.org/publication/hill-country-tamils-analysis-of-legal-and-policy-issues-affecting-labour-and-governance-structure](https://veriteresearch.org/publication/hill-country-tamils-analysis-of-legal-and-policy-issues-affecting-labour-and-governance-structure), pp. 4-5.

<sup>25</sup> Verité Research, *Hill Country Tamils: Analysis of Legal and Policy Issues Affecting Labour and Governance Structure* (previously cited); Verité Research and Institute on Statelessness and Inclusion, *Hill Country Tamils of Sri Lanka: Towards Meaningful Citizenship*, August 2019, [veriteresearch.org/publication/hill-country-tamils-of-sri-lanka-towards-meaningful-citizenship](https://veriteresearch.org/publication/hill-country-tamils-of-sri-lanka-towards-meaningful-citizenship); International Centre for Ethnic Studies (ICES), *Estate Workers in Sri Lanka: An Account of the Legal and Policy Framework*, 2020, [ices.lk/publications/8815](https://ices.lk/publications/8815).

<sup>26</sup> Transparency International Sri Lanka, "15-points on essential anti-corruption reforms to revive Sri Lanka", 2022, [tisrilanka.org/?s=15-points+on+essential](https://tisrilanka.org/?s=15-points+on+essential)

<sup>27</sup> UN Independent Expert on the Effects of Foreign Debt and Other Related International Financial Obligations of States on the Full Enjoyment of All Human Rights (UN Independent Expert on foreign debt), Particularly Economic, Social and Cultural Rights (UN Independent Expert on the effects of foreign debt), Report: *Visit to Sri Lanka*, 17 July 2019, UN Doc. A/HRC/40/57/Add.2, [ohchr.org/en/documents/country-reports/ahrc4057add2-visit-sri-lanka-report-independent-expert-effects-foreign](https://www.ohchr.org/en/documents/country-reports/ahrc4057add2-visit-sri-lanka-report-independent-expert-effects-foreign), para. 58.

<sup>28</sup> World Bank, *The COVID-19 Impact on Livelihoods and Poverty in Sri Lanka: Background Note to Sri Lanka Poverty Assessment* (previously cited).

<sup>29</sup> International Monetary Fund (IMF), *Sri Lanka: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Sri Lanka*, (previously cited), p. 4.

<sup>30</sup> According to the World Bank, the USD 3.20 poverty rate is projected to have increased from 9.2 percent in 2019 to 11.7 percent in a post-Covid world in 2020. Yeon Soo Kim and others, *Sri Lanka Poverty Assessment: Accelerating Economic Transformation - Synthesis Report* (previously cited), pp. 8-9.

<sup>31</sup> Central Bank of Sri Lanka, *Earnings from Tourism and Workers' Remittances*, <https://www.cbsl.gov.lk/en/statistics/statistical-tables/external-sector>

<sup>32</sup> Central Bank of Sri Lanka, *Earnings from Tourism and Workers' Remittances*, <https://www.cbsl.gov.lk/en/statistics/statistical-tables/external-sector>

<sup>33</sup> IMF, *Sri Lanka: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Sri Lanka* (previously cited), p. 4.

<sup>34</sup> Guardian, "Sri Lanka defaults on debts for first time", 19 May 2022, [theguardian.com/world/2022/may/19/sri-lanka-defaults-on-debts-for-first-time](https://www.theguardian.com/world/2022/may/19/sri-lanka-defaults-on-debts-for-first-time)

<sup>35</sup> Interim Budget Speech – 2022, p. viii, <https://www.parliament.lk/files/pdf/budget/2022/interim-budget-speech-2022-en.pdf>

<sup>36</sup> Interim Budget Speech – 2022, p. 11, <https://www.parliament.lk/files/pdf/budget/2022/interim-budget-speech-2022-en.pdf>

## **"WE ARE NEAR TOTAL BREAKDOWN"**

### **PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA'S ECONOMIC CRISIS**

## 2.2 PROTESTS AND POLITICAL CONTEXT

**“We think what the government did, attacking a peaceful struggle, was wrong”.**

Protester at *Gotagagama*<sup>37</sup>



Sri Lankan health workers shout slogans in protest at Colombo, Sri Lanka 28 April 2022.

© NurPhoto via Getty Images

As the economic crisis intensified, people in Sri Lanka began protesting and calling for the government to take responsibility for the economic crisis. Sporadic, localised protests began in February 2022. On 31 March, hundreds of protestors demonstrated outside the President’s personal residence; the police used tear gas and water cannons to disperse the protest. A state of emergency was declared on 1 April, with a 36-hour curfew. Protests continued to be organized, and peaceful protests were often met with brutal and repressive responses from authorities, and attacks from supporters of the ruling party.<sup>38</sup> One person was killed in Rambukkana when police opened fire at people protesting and demanding fuel.<sup>39</sup> On 9 May, supporters of the ruling party attacked peaceful protestors in Galle Face and, in retaliation, anti-government groups attacked pro-government supporters and destroyed buses believed to have transported them. The attacks escalated into targeting parliamentarians, damaging their vehicles and acts of arson against their homes, businesses, and party offices. Nine people, including a parliamentarian, were killed and 220 were injured.<sup>40</sup> On 9 July, tens of thousands of protestors took over the President’s secretariat, official residence and the Prime Minister’s official residence. Police used tear gas, water cannons and live ammunition on protestors, and at least one protester was critically injured. On 22 July, the military and the police carried out a pre-dawn attack on the peaceful protest site outside the Presidential Secretariat, ‘GotaGoGama’.<sup>41</sup>

The government’s responses have resulted in serious human rights concerns and violations: the army has been deployed with shooting orders to contain the protests;<sup>42</sup> the government has imposed multiple curfews restricting human rights;<sup>43</sup> police have unlawfully arrested peaceful protestors, in some cases flouting due-

<sup>37</sup> Amnesty International, “Sri Lanka: Shameful, brutal assault on peaceful protestors must immediately stop”, 22 July 2022, [amnesty.org/en/latest/news/2022/07/sri-lanka-shameful-brutal-assault-on-peaceful-protestors-must-immediately-stop](https://www.amnesty.org/en/latest/news/2022/07/sri-lanka-shameful-brutal-assault-on-peaceful-protestors-must-immediately-stop)

<sup>38</sup> See the timeline of protests in Amnesty International, “Sri Lanka: Shameful, brutal assault on peaceful protestors must immediately stop” (previously cited)

<sup>39</sup> Island, “One killed, 24 wounded in police shooting at Rambukkana”, 20 April 2022, [island.lk/one-killed-24-wounded-in-police-shooting-at-rambukkana](https://www.island.lk/one-killed-24-wounded-in-police-shooting-at-rambukkana)

<sup>40</sup> Amnesty International, “Sri Lanka: New emergency regulations and shooting orders threaten human rights”, 11 May 2022, [amnesty.org/en/latest/news/2022/05/sri-lanka-new-emergency-regulations-and-shooting-orders-threaten-human-rights](https://www.amnesty.org/en/latest/news/2022/05/sri-lanka-new-emergency-regulations-and-shooting-orders-threaten-human-rights)

<sup>41</sup> Amnesty International, “Sri Lanka: Shameful, brutal assault on peaceful protestors must immediately stop” (previously cited)

<sup>42</sup> Amnesty International, “Sri Lanka: New emergency regulations and shooting orders threaten human rights” (previously cited); Amnesty International, “Sri Lanka: Shameful, brutal assault on peaceful protestors must immediately stop” (previously cited)

<sup>43</sup> Amnesty International, “Sri Lanka: New emergency regulations and shooting orders threaten human rights” (previously cited); Amnesty International, “Sri Lanka: “Shameful, brutal assault on peaceful protestors must immediately stop” (previously cited)

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Amnesty International

process safeguards;<sup>44</sup> the government has issued emergency regulations giving law enforcement broad powers;<sup>45</sup> and the government has detained three protestors under the Prevention of Terrorism Act (PTA).<sup>46</sup>

In interviews for this report, people also raised concerns regarding possible developments that could shrink civic space by greater government oversight on the working of NGOs.<sup>47</sup>

Simultaneously, there has been a political crisis with significant turnover in political leadership in the last few months. In April, many cabinet members resigned. In May, the Prime Minister, Mahinda Rajapaksa resigned, and Ranil Wickremesinghe was appointed Prime Minister.<sup>48</sup> In July, President Gotabhaya Rajapaksa resigned and Ranil Wickremesinghe was elected President by the legislature, while Dinesh Gunawardena became Prime Minister.<sup>49</sup>

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<sup>44</sup> Amnesty International and others, “Sri Lanka: End government crackdown on peaceful protesters” (Index: ASA 37/5928/2022), 5 August 2022, [amnesty.org/en/documents/asa37/5928/2022/en](https://www.amnesty.org/en/documents/asa37/5928/2022/en); Amnesty International, *Penalized for Protesting: Sri Lanka’s Crackdown on Protesters* (Index: ASA 37/5986/2022), 8 September 2022, [amnesty.org/en/documents/asa37/5986/2022/en](https://www.amnesty.org/en/documents/asa37/5986/2022/en)

<sup>45</sup> Amnesty International, “Sri Lanka: New emergency regulations and shooting orders threaten human rights” (previously cited)

<sup>46</sup> The PTA is a draconian law that continues to be used by the Government of Sri Lanka to target, and harass minorities, activists, journalists and critical voices. Despite assurances to amend the problematic legislation, proposed amendments have fallen severely short of safeguarding rights protected by international human rights law and the Constitution of Sri Lanka. Amnesty International, “Sri Lanka: Protesters must not be detained under the draconian anti-terror law”, 22 August 2022, [amnesty.org/en/latest/news/2022/08/sri-lanka-protesters-must-not-be-detained-under-the-draconian-anti-terror-law](https://www.amnesty.org/en/latest/news/2022/08/sri-lanka-protesters-must-not-be-detained-under-the-draconian-anti-terror-law); Amnesty International, *Sri Lanka: End the Use of and Repeal the Draconian PTA* (Index: ASA 37/5241/2022), 18 February 2022, [amnesty.org/en/documents/asa37/5241/2022/en](https://www.amnesty.org/en/documents/asa37/5241/2022/en)

<sup>47</sup> Interview by voice call with staff member of a humanitarian organization, 17 August 2022.

<sup>48</sup> Al Jazeera, “Ranil Wickremesinghe: Sri Lanka’s returning prime minister,” 12 May 2022, [aljazeera.com/news/2022/5/12/ranil-wickremesinghe-who-is-sri-lankas-new-prime-minister](https://www.aljazeera.com/news/2022/5/12/ranil-wickremesinghe-who-is-sri-lankas-new-prime-minister)

<sup>49</sup> Hindu, “Dinesh Gunawardena sworn in as Sri Lanka Prime Minister,” 22 July 2022, [thehindu.com/news/international/dinesh-gunawardena-sworn-in-as-sri-lanka-prime-minister/article65671621.ece](https://www.thehindu.com/news/international/dinesh-gunawardena-sworn-in-as-sri-lanka-prime-minister/article65671621.ece)

#### **“WE ARE NEAR TOTAL BREAKDOWN”**

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS



# 3. THE RIGHT TO HEALTH UNDERMINED

**“We buy our medicines from the pharmacy. We spent more than LKR 4,000 [USD 11.11] on medicines recently. 15 days of vitamins cost LKR 2,000 [USD 5.55]. I got dengue and was given [prescribed] vitamins for one month but I can’t buy it. How can I afford it?”**

Yashoda (name changed), a woman daily wage earner with two children.<sup>50</sup>

In Sri Lanka, healthcare (including medicines) is theoretically available free of cost for everyone. The government provides most health services in the country (95% of inpatient care and 50% of outpatient care as of 2021).<sup>51</sup> The public health system is mainly funded by general government revenues. According to UNICEF, allocations by the central government towards health increased between 2015 and 2021, both in nominal and real [adjusted for inflation] terms.<sup>52</sup> However, governmental expenditures on health as a share of GDP has dropped over the past decade.<sup>53</sup> Governmental health expenditure accounts for about half of Sri Lanka’s total expenditure on health, with private contributions making up the remaining amount, which includes households’ payments for medical goods, health insurance and payments made to private service providers.<sup>54</sup>

## 3.1 SHORTAGES IN MEDICINES AND EQUIPMENT

Serious shortages in essential and life-saving drugs and equipment emerged as one of the major concerns in Sri Lanka as the economic crisis began to worsen.<sup>55</sup> Sri Lanka imports close to 80% of its medicines and medical equipment.<sup>56</sup> When its foreign exchange reserves began to run low, the government was unable to

<sup>50</sup> Interview in person with Yashoda (name changed), July 2022, Moratuwa.

<sup>51</sup> Lalini Rajapaksa and others, *Sri Lanka Health System Review*, 5 July 2021, Health Systems in Transition, Volume 10, Number 1, World Health Organization Regional Office for South-East Asia, [apo.who.int/publications/i/item/sri-lanka-health-system-review](http://apo.who.int/publications/i/item/sri-lanka-health-system-review), p. 26.

<sup>52</sup> UNICEF Sri Lanka, *Budget Brief: Health Sector - Sri Lanka 2021*, June 2022, [unicef.org/srilanka/reports/budget-brief-health-sector](http://unicef.org/srilanka/reports/budget-brief-health-sector), p. 7.

<sup>53</sup> Sri Lanka’s total health expenditure as a share of GDP was 4.2% in 2000 and 3.8% in 2018. UNICEF Sri Lanka, *Budget Brief – Health Sector* (previously cited), p.8.

<sup>54</sup> Sri Lanka’s total health expenditure as a share of GDP was 4.2% in 2000 and 3.8% in 2018. UNICEF Sri Lanka, *Budget Brief – Health Sector* (previously cited), p.9. Total health expenditure includes public and private health expenditure.

<sup>55</sup> See, for example, Guardian, “‘People are going to die’: Crisis-hit Sri Lanka runs out of medicine”, 31 May 2022, [theguardian.com/world/2022/may/31/people-are-going-to-die-crisis-hit-sri-lanka-runs-out-of-medicine](https://theguardian.com/world/2022/may/31/people-are-going-to-die-crisis-hit-sri-lanka-runs-out-of-medicine); Al Jazeera, “‘Death sentence’: Doctors in Sri Lanka decry medicine shortage”, 23 May 2022, [aljazeera.com/news/2022/5/23/death-sentence-doctors-in-sri-lanka-decry-medicine-shortage](https://aljazeera.com/news/2022/5/23/death-sentence-doctors-in-sri-lanka-decry-medicine-shortage); UN News, “Sri Lanka’s economic crisis pushes health system to brink of collapse”, 17 August 2022, [news.un.org/en/story/2022/08/1124842](https://news.un.org/en/story/2022/08/1124842)

<sup>56</sup> OCHA, *Humanitarian Needs and Priorities – Sri Lanka Food Security Crisis* (previously cited), p. 6.

purchase the required drugs and equipment, leading to severe shortages. In the early months of the crisis, comprehensive assessments of the extent of the shortages in the health sector were not available, with limited information made available at the facility level or in specific sectors (e.g. cancer care). However, recently, more comprehensive data is available on this issue. For example, in July 2022, according to OCHA “There are 250 regular laboratory items and 600 complimentary items out of stock at national level... the system faces stockouts of essential medicines and supplies, both in the public and private sectors”.<sup>57</sup> In an appeal released in August 2022, the United Nations Population Fund (UNFPA) said there were “7 vital and 188 essential drugs out of stock. Another 163 drugs will go out of stock in the next 2-3 months”.<sup>58</sup>

## “Nurses are drawing blood without gloves. This is dangerous for the nurse and the patient”.

Health worker in an interview with Amnesty International<sup>59</sup>

Health workers in the public sector and staff members in non-governmental organizations confirmed the extent of shortages in the past few months to Amnesty International and explained how they coped.

In June 2022, a paediatric surgeon said she had seen shortages in intravenous potassium chloride (used to treat many common illnesses), in intravenous antibiotics, and insulin, as well as shortages in equipment (intravenous lines, canulae, syringes) in paediatric sizes. “We even had a shortage of gauze”, she said. “We didn’t have catheters and endotracheal tubes in smaller sizes, so we were asked to re-use them”.<sup>60</sup> Another doctor working in an Intensive Care Unit (ICU) explained how they had shortages in some drugs prescribed for people with chronic kidney conditions. They previously issued prescriptions for one month but had started to do it for one week at a time. “This increases the costs for the patient, because they need to come to us more often to have [the prescription] filled”, she said.<sup>61</sup> She also said that most hospitals had shortages in blood thinners, anti-venom, and anti-rabies medication. Another doctor working on patients with chronic kidney diseases said that they had shortages in dialysis fluid. “We used to offer most patients dialysis twice a week, and now we only offer once a week,” she said. “We have moved from optimal management to minimal management”.<sup>62</sup>

In other instances, people were asked to purchase medicines or equipment from private pharmacies, because government hospitals did not have stocks. “But not everyone could afford it. Those who couldn’t, just went home and came back worse”, a doctor said.<sup>63</sup> Some people who spoke with Amnesty International who had sought health care in recent months said health workers had asked them to purchase medicines, which they were often unable to afford. Piyaseeli (name changed), whose family relies on daily wage income, explained that her husband has cataract, and “needs medicine for his eyes, and the medicine cost LKR 3,450 [USD 9.6]. He can’t afford it for his eyes. We don’t get this from the state hospitals. They tell us to buy from the pharmacy”.<sup>64</sup>

Medicines in the private sector have also become more expensive, because of the de-valuation of the Sri Lankan Rupee and because they are in short supply, making them even more unaffordable. Nilmini (name changed), also from a fishing community reliant on daily wages, for example, told Amnesty International how her mother’s medication for diabetes used to cost LKR 300 [USD 0.83] before the crisis, and now it costs LKR 1,000 [USD 2.78] per week.<sup>65</sup> Ramesh (name changed), a 55-year-old *Malaiyaha Tamil* man who runs a pharmacy told Amnesty International that the cost of medicines had doubled in general since the crisis started.<sup>66</sup> Divya (name changed), a *Malaiyaha Tamil* woman explained how it was difficult even to afford essential, common medicines, like “medicines for children to treat common cold such as Panadol syrup”.<sup>67</sup>

<sup>57</sup> OCHA ROAP, “Sri Lanka multi-dimensional crisis situation report 1 - As of 15 July 2022”, available at [reliefweb.int/report/sri-lanka/sri-lanka-multi-dimensional-crisis-situation-report-no-1-15-july-2022](https://reliefweb.int/report/sri-lanka/sri-lanka-multi-dimensional-crisis-situation-report-no-1-15-july-2022), p. 2.

<sup>58</sup> United Nations Population Fund (UNFPA), *Upholding the Dignity and Building Resilience of Women and Girls: UNFPA’s Response to the Economic Crisis*, 1 August 2022, [srilanka.unfpa.org/sites/default/files/pub-pdf/unfpa\\_srilanka\\_appeal\\_010822\\_1.pdf](https://srilanka.unfpa.org/sites/default/files/pub-pdf/unfpa_srilanka_appeal_010822_1.pdf), p. 3.

<sup>59</sup> Interview by voice call with health worker, 15 June 2022.

<sup>60</sup> Interview by voice call with health worker, 16 June 2022.

<sup>61</sup> Interview by voice call with health worker, 15 June 2022.

<sup>62</sup> Interview by voice call with health worker, 20 June 2022.

<sup>63</sup> Interview by voice call with health worker, 15 June 2022.

<sup>64</sup> Interview in person with Piyaseeli (name changed), 22 June 2022, Moratuwa.

<sup>65</sup> Interview in person with Nilmini (name changed), 22 June 2022, Negombo.

<sup>66</sup> Interview in person with Ramesh (name changed), August 2022, Badulla. See also BBC, “Sri Lanka hikes price of medicines 40% amid economic crisis”, 30 April 2022, [bbc.co.uk/news/world-asia-61285290](https://www.bbc.com/news/world-asia-61285290)

<sup>67</sup> Interview in person with Divya (name changed), August 2022, [location withheld].

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Amnesty International

The costs of purchasing their own medication can be too high for many families. A doctor who provided kidney transplants explained how immunosuppressants for transplant patients were initially given free. But at the time Amnesty International spoke with her, shortages had meant that patients were asked to buy these. “They used to cost under LKR 100 [USD 0.28], now it is LKR 340 [USD 0.95]. They have to take 10 a day. That’s LKR 3,000 [USD 8.35] to LKR 4,000 [USD 11.14] a day”, she said.<sup>68</sup> Others mentioned this in interviews as well: for example, Priya, a 36-year-old *Malaiyaha Tamil* woman explained how her in-laws had to buy medicines from the pharmacies now, which they previously received free from the hospital. “Those drugs are so expensive that we don’t buy them, knowing that failing to take these drugs will cause a threat to their life”, she said.<sup>69</sup>

In the initial months of the crisis (approximately March 2022 to June 2022), the shortages were addressed by health workers or individual hospitals making public requests for donations to fill specific gaps. They would collate lists of what was needed and how much was needed,<sup>70</sup> and diaspora groups, or governmental and non-governmental actors in other countries would send some supplies. During this period, healthcare workers told Amnesty International that these donations were vital in ensuring that the health system was able to function and provide the care that it did.

However, as health workers explained, this approach had its limitations and a more comprehensive approach was needed. First, waiting for donations meant that health workers were not able to plan medical interventions and surgeries more than a week in advance, as they did not know whether and when drugs and equipment would reach them. As one doctor explained, “today I did a kidney transplant. However, I won’t be able to continue doing these, because we only have 50 syringes left. And every week there is something new out of stock. Last week it was no disposable gloves. We don’t even know what is missing and what is not. Everyday something new is missing”.<sup>71</sup> Second, donations were generally not distributed according to need. Donations tended to reach hospitals and health facilities where the health workers had connections, were able to publicize their needs, or knew people who were able to donate goods, instead of facilities where the needs might be greatest. All the health workers Amnesty International spoke with said that a more coordinated response was crucial to managing the shortages.

In more recent conversations (such as in July 2022), humanitarian organizations told Amnesty International that the Ministry of Health had started to coordinate a list of shortages of drugs and medical equipment, which included a prioritization of what was most urgent.<sup>72</sup> Funds to support their procurement were being made available by international donors, international humanitarian organizations and financial institutions. A recent report by the United Nations High Commissioner for Human Rights noted that the government had “made allocations for urgent requirements and sought international support for the importation of essential drugs and medical equipment”.<sup>73</sup>

## 3.2 IMPACT OF FUEL SHORTAGES



### PADAM<sup>74</sup>

Padam (name changed), a 37-year-old *Malaiyaha Tamil* man who works in a grocery store in Kahawatta, told Amnesty International: “Before the crisis I was able manage with my income, which was about LKR 30,000 [USD 83.55] per month and my wife was running a small shop nearby my house so that we had a fairly good income to run a decent life. We obtained bank loans to renovate our house – thus we have to pay LKR 15,000 [USD 41.75] per month for the loan. Now I’m unable to settle my finance and loans, and unable to feed my kids properly. Earlier I used to buy a kilo of rice for LKR 80 [USD 0.22] but now it is sold between LKR 280 [USD 0.78] to LKR 300 [USD 0.84], which [is a] 200% increase and unimaginable hike. I have not provided a biscuit packet to my children for a long time, which are expensive and were LKR 120 [USD 0.33] gone to LKR 300 [USD 0.84] now so that we are unable to afford them. If we have fever, we are not able to see a doctor. We are using a Panadol [acetaminophen] for our illness”.

<sup>68</sup> Interview by voice call with health worker, 20 June 2022.

<sup>69</sup> Interview in person with Priya (name changed), August 2022, [location withheld].

<sup>70</sup> Interviews by voice call with 4 health workers (conducted separately), June 2022.

<sup>71</sup> Interview by voice call with health worker, 20 June 2022.

<sup>72</sup> Interviews by voice call with staff members from humanitarian organizations (conducted separately), June and July 2022.

<sup>73</sup> UN High Commissioner for Human Rights, *Situation of human rights in Sri Lanka* (previously cited), para. 10.

<sup>74</sup> Interview in person with Padam (name changed), August 2022, Kahawatta.

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Speaking about the impact of inflation on their daily consumption, Padam said, “we use wheat flour to cook our breakfast. But we are unable to buy it due to the price hike. Earlier we bought all the essentials for 20 days within LKR 6,000 [USD 16.70] but now we are buying the same goods for between LKR 18,000 [USD 50] and LKR 20,000 [USD 55.69]”. Like others from the *Malaiyaha* Tamil community, Padam lives in an area without easy access to essential services. He spoke of the difficulties he faced when taking his mother to the nearest hospital which was 15 km away. “Before the crisis, I used my personal vehicle. Due to the fuel shortage, this became more challenging. If we use public transport, it is fully crowded nowadays and people like my mother cannot travel in the public transport because she very old. Tickets [prices] also increased massively”.

Severe shortages in fuel in Sri Lanka have also impacted people’s ability to access timely and quality healthcare. Primarily, fuel shortages have made transport either unavailable or extremely expensive, and made it difficult, if not impossible, for people to physically access healthcare services. Media outlets have carried multiples stories of people who struggled to reach health facilities in time to access the care they need,<sup>75</sup> including the story of an infant death for this reason.<sup>76</sup> An assessment from Save the Children asked households to explain why they were not able to access the healthcare they needed during the economic crisis. More than half said this was linked to cost, and more than two in five said it was due to lack of transportation to health facilities and transport costs.<sup>77</sup> More recently, the government prioritized certain sectors including health, law and order, and public transport in terms of allocation of the limited fuel supply, which may have improved access to healthcare for some.<sup>78</sup>



Motorists queue along a street to buy fuel at Ceylon petroleum corporation fuel station in Colombo on May 18, 2022.  
© AFP via Getty Images

People who spoke with Amnesty International confirmed difficulties related to costs of transport. Nilmini explained that the costs of transport to hospitals have increased. She lives in Negombo and visits Colombo National Hospital regularly to monitor a heart condition she has. The costs of going there by bus used to be LKR 150 [USD 0.4] pre-crisis. The same now costs LKR 350 [USD 0.96].<sup>79</sup> Piyaseeli also said, “if we go anywhere now, we need LKR 1,000 for the three-wheeler [rickshaw]- LKR 500 [USD 1.38] to go and LKR 500 to return. Everything is so expensive now”.<sup>80</sup> Similarly, Divya, a *Malaiyaha Tamil* woman told Amnesty International, “before, we were able to hire three-wheelers to take the sick [to a health centre], however, the fuel shortage and the price hikes of three-wheelers has made it impossible to visit the hospitals. The only way out is to skip or postpone treatments.<sup>81</sup> A doctor working in cancer care in the south of Sri Lanka described his patients’ difficulties around transport and said, “we are seeing a lot of patients defaulting on treatment and not coming to the hospital”.<sup>82</sup>

<sup>75</sup> See, for example, the experience of a pregnant woman: UN News, “Sri Lanka’s economic crisis pushes health system to brink of collapse”, 17 August 2022, [news.un.org/en/story/2022/08/1124842](https://news.un.org/en/story/2022/08/1124842)

<sup>76</sup> News First, “Sri Lanka: Two-day old baby dies as fuel crisis forces delay in admitting her to hospital”, 23 May 2022, [newsfirst.lk/2022/05/23/sri-lanka-two-day-old-baby-dies-as-fuel-crisis-forces-delay-in-admitting-her-to-hospital/](https://newsfirst.lk/2022/05/23/sri-lanka-two-day-old-baby-dies-as-fuel-crisis-forces-delay-in-admitting-her-to-hospital/)

<sup>77</sup> Save the Children, *Sri Lanka Crisis: Rapid Needs Assessment*, June 2022, [resourcecentre.savethechildren.net/document/sri-lanka-crisis-rapid-needs-assessment/](https://resourcecentre.savethechildren.net/document/sri-lanka-crisis-rapid-needs-assessment/), p. 21.

<sup>78</sup> Ceylon Today, “Priority sectors to receive fuel identified”, 20 June 2022, [ceylontoday.lk/2022/06/20/priority-sectors-to-receive-fuel-identified](https://ceylontoday.lk/2022/06/20/priority-sectors-to-receive-fuel-identified)

<sup>79</sup> Interview in person with Nilmini (name changed), 22 June 2022, Negombo.

<sup>80</sup> Interview in person with Piyaseeli (name changed), 22 June 2022, Moratuwa.

<sup>81</sup> Interview in person with Divya (name changed), August 2022, [location withheld].

<sup>82</sup> Interview by voice call with health worker, 27 June 2022.

#### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Amnesty International

**“Although every Sri Lankan has been affected by the current economic crisis, the magnitude of the impact is extremely high in the plantations – because they are already poor and vulnerable to external shocks”.**

Shekar (name changed), a social worker who works with the Malaiyaha Tamil community working on plantation estates<sup>83</sup>

The difficulties are further compounded for people living and working in plantations, who are *Malaiyaha Tamils*. A report published prior to the economic crisis noted that “[t]hose living on plantations face several barriers to accessing healthcare services. Among these barriers is the lack of roads and transport facilities, particularly at the higher elevations of the plantations”.<sup>84</sup> Similarly, the Special Rapporteur on contemporary forms of slavery, including its causes and consequences stated that “[d]ue to the remoteness of the plantations, there are no quality hospitals nearby and workers often have to pay for private transport to access healthcare, including in the event of an emergency”.<sup>85</sup>

These barriers have been exacerbated with the crisis. Shekar, a social worker who works with the *Malaiyaha Tamil* community working on plantation estates, told Amnesty International, “most of the people [in plantations] are reluctant to get ... medicine - either the transport is not available or [they] cannot afford the transport, both of these situations arise due to lack of fuel”.<sup>86</sup> Jyoti (name changed), a 35-year-old *Malaiyaha Tamil* woman who currently works in an estate, said: “In most cases, plantations are geographically isolated from mainstream government services, which has created a kind of relative poverty in this community... If we need to get medicine for my 8-month-old baby, we have to spend a lot of money for transport and buying medicine outside [from private pharmacies or other private vendors]. Because now doctors advise us to buy medicine outside”. She added that, “hospitals are located far away from us, which is another challenge for us... If we hire a three-wheeler to the hospital, we need to pay LKR 2,000 [USD 5.55] (it was LKR 400 [USD 1.11] before), and with my baby it is difficult to travel by crowded public transport”.<sup>87</sup> Trisha (name changed), a 27-year-old *Malaiyaha Tamil* woman, is currently working as a teacher explained how she was unable to go to the hospital and government vaccination site for her child’s vaccinations, because she lived far away and was not “able to walk around 15km carrying my baby for these things”.<sup>88</sup>

Difficulties in accessing transport to health facilities due to fuel shortages have also impacted health workers and ambulances. “People can’t come into work because they are stuck in fuel lines”, one doctor said. “It’s a good day if you get fuel in eight hours... I have seen ambulances parked in front of fuel stations for hours for fuel”. She mentioned that two surgeries had been cancelled in her hospital because staff could not reach the facility.<sup>89</sup>

1990 Suwa Seriya, a free ambulance service in Sri Lanka, has also had to temporarily suspend its services in some areas due to a lack of fuel (at the time of writing, 1990 Suwa Seriya said these services had resumed).<sup>90</sup>

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<sup>83</sup> Interview in person with Shekar (name changed), August 2022, [location withheld].

<sup>84</sup> Verité Research and Institute on Statelessness and Inclusion, *Hill Country Tamils of Sri Lanka: Towards Meaningful Citizenship* (previously cited), p. 27.

<sup>85</sup> UN Special Rapporteur on contemporary forms of slavery, *Visit to Sri Lanka* (previously cited), para. 57.

<sup>86</sup> Interview in person with Shekar (name changed), August 2022, [location withheld].

<sup>87</sup> Interview in person with Jyoti (name changed), August 2022, [location withheld].

<sup>88</sup> Interview in person with Trisha (name changed), August 2022, [location withheld].

<sup>89</sup> Interview by voice call with health worker, 20 June 2022.

<sup>90</sup> Newswire, “Fuel crisis: 1990 ambulance service temporarily suspended in 83 areas”, 10 July 2022, [newswire.lk/2022/07/10/fuel-crisis-1990-ambulance-service-temporarily-suspended-in-83-areas](https://newswire.lk/2022/07/10/fuel-crisis-1990-ambulance-service-temporarily-suspended-in-83-areas)

**TEMPORARILY SERVICE SUSPENDED  
AREAS DUE TO SHORTAGE OF FUEL**  
🕒 AS AT 4PM 10TH JULY 2022

District	Affected Areas
Baticaloa	Yakarei, Eravur, Karadiyanaru, Kokkadicholai, Valachichena, Kattankudi
Anuradhapura	Mitirinhala, Rambewa, Padaviya, Beddangala, Nedawachchaya, Horanapallana, Kobbithigalawa, Dyanadawa
Polonnaruwa	Dimbulgala, Aralaganwila, Kaduruwela, Manampitiya, Dalukkane, Polonnaruwa Town
Puttalam	Puttalam Town, Mundel, Wanathawilluwa, Saliyawewa, Nawagattigama, Anamadawa
Badulla	Gradurukotte, Diyawaddagama, Wewagama, Ginnoruwa, Uvaparasagarani, Kinnakolaya
Moraragala	Thanamalwila, Hambegamuwa, Siyambalanduwa, Sewanagala, Dambagala, Ethimala, Katharagama, Hedigama

\*Some adjoining areas may also be affected



**TEMPORARILY SERVICE SUSPENDED  
AREAS DUE TO SHORTAGE OF FUEL**  
🕒 AS AT 4PM 10TH JULY 2022

District	Affected Areas
Hambantota	Ambalanthota, Hambanthota, Katuwana, Nonagama, Hungama
Matara	Norawala, Weligama
Galle	Karapitiya, Ahangama, Hiridawewa, Alungalla, Ambalangoda, Kazadeniya, Alunzemani, Baddegama, Hindurua
Kalutara	Beruwala, Maggona, Payyala, Aluthgama, Bulathsinhala, Baduraliya
Kegalle	Kegalle, Mawanella, Uthuwankanda, Holigoda, Weralgala, Bulathroshupitiya, Warakapola
Rathnapura	Rathnapura town, Godakawela, Kolonna, Karuvik, Wewalwata, Emballipitiya, Lidawalawa, Ethiyagoda, Ayagama
Vavuniya	Vavuniya, Cheddikulam
Mullatiyu	Mullatiyu, Welioya

\*Some adjoining areas may also be affected



1990 Suwa Seriya further stated on twitter that they were facing increased demand, and severe constraints due to fuel shortages, as a result of which people using their service would experience delays:

**Notice to the Public**

We wish to bring to the notice of the public that 1990 Suwa Seriya Pre-hospital Ambulance Service is currently facing multiple challenges in fulfilling patient expectations. Our daily patient transfers have increased from 1000 to 1600. This increased demand has to be managed with the current fleet of ambulances, compounded by the diesel crisis. Due to the fuel shortage our staff have difficulty in reporting to their respective locations too. All these three issues may result in public experiencing delays in the Suwa Seriya ambulances reaching the patient within the promised time frame of 13-20 minutes. While our daily fire fighting happens on many fronts to provide an uninterrupted and efficient service to the public as we have been doing in the past, we find providing the same service standards an increasing challenge now. While burdening the public with one more problem is not our intention, we earnestly request you to bear with us on any delays or inconveniences caused which are beyond our control. To date, amidst all these challenges we are still committed to attend to every call we receive and strive to do our utmost to provide the best service to the public in these troubled times.

Chairman & Board of Directors



Media reports have also noted that several hospitals had started to cancel or postpone routine, non-emergency surgeries and procedures due to a lack of medicines, equipment and fuel, and because staff could often not come in because of difficulties around transport.<sup>91</sup> Amnesty International accessed letters written by doctors and administrators in two hospitals, where routine surgeries were being cancelled or delayed due to fuel shortages, and one where doctors were requesting access to fuel so they would not need to disrupt scheduled surgeries.<sup>92</sup>

While disaggregated data on the impact of these developments is not yet available, in conversations with Amnesty International, many people explained how these would impact different groups in different ways. For example, people living in poverty in urban centres may find it easier to physically access health services and food markets, but may have less access to land and space where they could grow their own food and lack well-formed community networks necessary to come up with collective coping mechanisms. People working in precarious jobs in rural areas may be physically further away from services than people in urban centres; however, access to land and stronger community networks means that many of them would have stronger coping mechanisms. Historically marginalized groups like the *Malaiyaha Tamil* community, people living in rural areas, and others working in Sri Lanka's estate / plantations are likely to be experiencing a particularly severe impact.

<sup>91</sup> See for example: Devjyot Ghoshal and Uditha Jayasinghe, "Drugs running out, surgeries cancelled as Sri Lanka's health system buckles", *Reuters*, 12 April 2022, <https://www.reuters.com/world/asia-pacific/drugs-running-out-surgeries-cancelled-sri-lankas-health-system-buckles-2022-04-12/>; N Perera, "Sri Lanka govt hospitals prioritising critical surgeries over routine procedures", *Economy Next*, 16 September 2022, <https://economynext.com/sri-lanka-govt-hospitals-prioritising-critical-surgeries-over-routine-procedures-99969/>; "Sri Lanka crisis forces 13-hour blackouts, hospitals stop surgery", *Al Jazeera*, 31 March 2022, <https://www.aljazeera.com/news/2022/3/31/sri-lanka-crisis-forces-13-hour-blackouts-hospitals-stop-surgery>

<sup>92</sup> Letters on file with Amnesty International.

UNFPA has already noted how the crisis is affecting women and girls in Sri Lanka in unique and compounded ways. In particular, they have noted the high risk of death for pregnant women and girls in active labour due to limited transport to health facilities; the unavailability of life-saving sexual and reproductive health services, such as clinical management of rape services; and additional barriers in accessing services targeting gender-based violence, such as case management, security and legal and justice services.<sup>93</sup>

Monitoring the impact of the crisis on different groups is crucial to ensuring appropriate and effective responses.

## 3.3 LONGER TERM IMPACTS

### 3.3.1 IMPACT ON HEALTH WORKERS

**“I find it depressing and sad. Usually, people who come to a government hospital cannot afford to pay for healthcare. They are suffering. We see their trials. We were not expecting this shortage. And that it would happen so fast”.**

Health worker in an interview with Amnesty International<sup>94</sup>

Lack of sufficient resources to address healthcare needs can take a serious toll on the mental health and overall well-being of health workers. They often see increased workloads and stress in the workplace, and more demands on their time due to the impact of the crisis in their personal lives. Health workers in Sri Lanka shared these feelings with Amnesty International as well. “Our work conditions are stressful, and our hours are longer”, one doctor told Amnesty International. “We are also worried that our colleagues, especially nurses, will leave”.<sup>95</sup> Another said, “in Sri Lanka, the health sector does put its patients first... But now even if we want to, we can’t. The scale of the problem is so large. It is so sad, and I feel betrayed”.<sup>96</sup> Similarly, a doctor told Amnesty International, “it has been quite stressful and challenging”.<sup>97</sup>

In such contexts, health workers often migrate to countries where livelihood opportunities and standard of living are more secure and stable. The government in Sri Lanka is already encouraging nurses to seek work abroad in an effort to reduce expenditure on salaries.<sup>98</sup> Health workers told Amnesty International that they were already seeing this happen in Sri Lanka: one said that three doctors had left her department since the crisis began;<sup>99</sup> another said that eight nurses had left her department in the last three months.<sup>100</sup> The migration of qualified health workers can have serious medium to long term consequences for the health system, which will struggle to replace the loss of expertise and knowledge. Already, one doctor explained that it was difficult to work with relatively inexperienced staff in the middle of the crisis, because others with more experience had left the country.<sup>101</sup>

<sup>93</sup> See, for example, UN News, “Sri Lanka’s economic crisis pushes health system to brink of collapse”, 17 August 2022, [news.un.org/en/story/2022/08/1124842](https://news.un.org/en/story/2022/08/1124842); UNFPA, *Upholding the Dignity and Building Resilience of Women and Girls: UNFPA’s Response to the Economic Crisis* (previously cited), p. 4.

<sup>94</sup> Interview by voice call with health worker, 15 June 2022.

<sup>95</sup> Interview by voice call with health worker, 16 June 2022.

<sup>96</sup> Interview by voice call with health worker, 20 June 2022.

<sup>97</sup> Interview by voice call with health worker, 27 June 2022.

<sup>98</sup> Economy Next, “Sri Lanka to send state workers for foreign jobs: Minister”, 7 June 2022, [economynext.com/sri-lanka-to-send-state-workers-for-foreign-jobs-minister-95262](https://economynext.com/sri-lanka-to-send-state-workers-for-foreign-jobs-minister-95262)

<sup>99</sup> Interview by voice call with health worker, 15 June 2022.

<sup>100</sup> Interview by voice call with health worker, 20 June 2022.

<sup>101</sup> Interview by voice call with health worker, 20 June 2022.

#### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Amnesty International



### 3.3.2 IMPACT ON LONG-TERM HEALTH, INCLUDING MENTAL HEALTH

Economic crises can have long term effects on people's health, including their mental health. Lower incomes and increased economic insecurity can impact people's access to the social determinants of health, including nutritious food and adequate housing. It can also hinder peoples' ability to take measures to promote their health, e.g. take adequate rest and prescribed medicines.<sup>102</sup> This is more concerning given that the crisis is already resulting in the prioritization of emergency and urgent care, over more routine healthcare, due to a lack of resources. As indicated above, routine surgeries were postponed in some hospitals. Similarly, one staff member in a humanitarian organization explained that government efforts to spread awareness about the Covid-19 vaccine, and increase vaccination rates, have been affected because there wasn't enough fuel to travel to hard-to-reach areas.<sup>103</sup>

Studies have linked economic crises to increases in mental health concerns as well, due to the stress and insecurity these crises generate.<sup>104</sup> There is no data available yet in Sri Lanka about the potential health impacts of the ongoing crisis. However, a recent needs assessment from Save the Children noted that over a quarter of surveyed households in Sri Lanka reported that "someone in their household was experiencing distress, with signs of reduced mental health and psycho-social well-being since the economic crisis",<sup>105</sup> and just under a third of parents and caregivers "reported observing changes in their children's behaviour during the economic crisis".<sup>106</sup>

## 3.4 THE RIGHT TO HEALTH

Sri Lanka has ratified a range of international and regional human rights treaties that require the right to health be respected, protected and fulfilled. These include the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the Optional Protocol to the ICESCR, which provides the right to lodge a complaint under the treaty;<sup>107</sup> the Convention on the Elimination of All Forms of Discrimination against Women;<sup>108</sup> the International Convention on the Elimination of All Forms of Racial Discrimination;<sup>109</sup> the Convention on the Rights of the Child;<sup>110</sup> and the Convention on the Rights of Persons with Disabilities.<sup>111</sup>

Realization of the right to health requires that healthcare facilities, goods and services are available in sufficient quantity; accessible to everyone without discrimination, which includes physical accessibility, affordability, and information accessibility; acceptable to all persons, that is, respectful of medical ethics and

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<sup>102</sup> See for example: G Quagliola et al, 'Austerity and health in Europe', *Health Policy* 113, 2013, p. 13-19; M Karanikolos et al, 'Financial crisis, austerity, and health in Europe', *The Lancet*, 2013, 381 (9874), p. 1323-31; L Maynou et al, 'Economic crisis and health inequalities: evidence from the European Union', *International Journal for Equity in Health*, 2016, Volume 15, p. 135; T Hone et al, "Effect of economic recession and impact of health and social protection expenditures on adult mortality: a longitudinal analysis of 5565 Brazilian municipalities", 7 (11), *Lancet Global Health*, E1575-E1583

<sup>103</sup> Interview by voice call with staff member from a humanitarian organization, 27 July 2022.

<sup>104</sup> Michael Marmot and others, "The role of social determinants in tackling health objectives in a context of economic crisis", 7 June 2013, *Public Health Reviews* 35, 9, <https://doi.org/10.1007/BF03391694>; M Economou et al, "Suicidal ideation and reported suicide attempts in Greece during the economic crisis" *World Psychiatry*, 12(1), 2013, <https://onlinelibrary.wiley.com/doi/full/10.1002/wps.20016>; M Madianos et al, "Suicide, unemployment and other socioeconomic factors: evidence from the economic crisis in Greece", *European Journal of Psychiatry*, 28 (1), 2014, [http://scielo.icsii.es/scielo.php?script=sci\\_arttext&pid=S0213-61632014000100004](http://scielo.icsii.es/scielo.php?script=sci_arttext&pid=S0213-61632014000100004); WHO, Impact of economic crises on mental health, 2011, [https://www.euro.who.int/\\_data/assets/pdf\\_file/0008/134999/e94837.pdf](https://www.euro.who.int/_data/assets/pdf_file/0008/134999/e94837.pdf); World Health Organization. Regional Office for Europe, European Observatory on Health Systems and Policies, Maresso, Anna, Mladovsky, Philipa, Thomson, Sarah. et al. (2015). Economic crisis, health systems and health in Europe: country experience. World Health Organization. Regional Office for Europe. <https://apps.who.int/iris/handle/10665/174010>

<sup>105</sup> Save the Children, *Sri Lanka Crisis: Rapid Needs Assessment* (previously cited), p. 20.

<sup>106</sup> Changes observed included more aggressive behaviour, changes in appetite, changes in emotional regulation, and sleeping changes. Save the Children, *Sri Lanka Crisis: Rapid Needs Assessment*" (previously cited), p. 29.

<sup>107</sup> International Covenant on Economic, Social and Cultural Rights (ICESCR), Article 12(1) states: "The States Parties to the present Covenant recognize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health".

<sup>108</sup> Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), Article 12(1): "States Parties shall take all appropriate measures to eliminate discrimination against women in the field of health care in order to ensure, on a basis of equality of men and women, access to health care services, including those related to family planning".

<sup>109</sup> International Convention on the Elimination of All Forms of Racial Discrimination (ICERD), Article 5(e) states: "In compliance with the fundamental obligations laid down in article 2 of this Convention, States Parties undertake to prohibit and to eliminate racial discrimination in all its forms and to guarantee the right of everyone, without distinction as to race, colour, or national or ethnic origin, to equality before the law, notably in the enjoyment of the following rights... Economic, social and cultural rights, in particular... The right to public health, medical care, social security and social services".

<sup>110</sup> Convention on the Rights of the Child (CRC), Article 24(1) states: "States Parties recognize the right of the child to the enjoyment of the highest attainable standard of health and to facilities for the treatment of illness and rehabilitation of health. States Parties shall strive to ensure that no child is deprived of his or her right of access to such health care services".

<sup>111</sup> Convention on the Rights of Persons with Disabilities (CRPD). Under Article 25, "States Parties recognize that persons with disabilities have the right to the enjoyment of the highest attainable standard of health without discrimination on the basis of disability. States Parties shall take all appropriate measures to ensure access for persons with disabilities to health services that are gender-sensitive, including health-related rehabilitation".

#### "WE ARE NEAR TOTAL BREAKDOWN"

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA'S ECONOMIC CRISIS

Amnesty International

culturally appropriate; and of good quality.<sup>112</sup> It also extends to the underlying determinants of health, which include food and nutrition, housing, safe water, adequate sanitation, safe and healthy working conditions, and a healthy environment, amongst others.<sup>113</sup> The “participation of the population in all health-related decision-making at the community, national and international levels” is a cross-cutting human rights principle, and key to ensuring that health services are accessible, acceptable and of adequate quality.<sup>114</sup>

As per the Committee on Economic, Social and Cultural Rights (CESCR)’s General Comment 14, “[d]epending on the availability of resources, States should facilitate access to essential health facilities, goods and services in other countries, wherever possible, and provide the necessary aid when required”.<sup>115</sup> “States parties which are members of international financial institutions, notably the International Monetary Fund, the World Bank, and regional development banks, should pay greater attention to the protection of the right to health in influencing the lending policies, credit agreements and international measures of these institutions”.<sup>116</sup>

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<sup>112</sup> UN Committee on Economic, Social and Cultural Rights (CESCR), General Comment 14: The Right to the Highest Attainable Standard of Health (Art. 12), 11 August 2000, UN Doc. E/C.12/2000/4, para. 12.

<sup>113</sup> CESCR, General Comment 14 (previously cited), para. 36.

<sup>114</sup> CESCR, General Comment 14 (previously cited), para. 11.

<sup>115</sup> CESCR, General Comment 14 (previously cited), para. 39.

<sup>116</sup> CESCR, General Comment 14 (previously cited), para. 39.

**“WE ARE NEAR TOTAL BREAKDOWN”**

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

# 4. THE RIGHT TO FOOD THREATENED



## SUNIL AND NIRMALA<sup>117</sup>

Sunil and Nirmala (names changed) live in Negombo with their two children, who are 8 and 15 years old. Sunil is a fisherman, and his family relies on what he earns from the sale of the fish he catches each day. “We need to find 80 litres of kerosene per day. Our job is fishing, we [usually] go on daily boat [trips], but now we go only once a week if we can find kerosene. In our village there are around 25 boats like ours. The kerosene we get is not enough even to find fuel”, Sunil told Amnesty International. “When we earned, we could manage our expenses. Now we are careful with our food. Some days we eat *Karawala* [dried fish] or soya meat [texturized soy protein]. When we had money Sunil bought everything we needed. Now we have explained to our children that we don’t have money. Our younger daughter had told her teacher at school that we don’t have money so we can’t buy things like we used to,” Nirmala said. “We used to cook extra food because generally we would have a visitor or two who drops in and joins us for lunch. But we can’t afford to do that anymore. Even today we are cooking *Karawala* [dried fish] we have cut it into smaller pieces so that it will last longer”, she added. Sunil and Nirmala explained how difficult it was for them to find the fuel they needed to sustain themselves. “We managed to find one gas cylinder by chance, someone told us they were distributing it, and Sunil managed to go quickly and get it. We are cooking on that now”, Nirmala said.

Even prior to the economic crisis, when the World Bank had classified Sri Lanka as an upper middle-income country in 2019, the country continued to face challenges around nutrition, especially among children and women, and ranked 66<sup>th</sup> on the Global Food Security Index.<sup>118</sup> These challenges were aggravated with the onset of the Covid-19 pandemic and the government’s measures to restrict mobility. According to the Central Bank of Sri Lanka, although lockdown measures did not directly curtail agricultural activity, restrictions on labour mobility resulted in labour shortages in crop production, food distribution and food storage.<sup>119</sup> Furthermore, as in the case of several other countries, disruptions to international food trade during the pandemic also impacted food availability thus driving up food prices. This, combined with the loss of incomes and livelihoods during the pandemic increased vulnerability to food insecurity, particularly of people living in poverty and those on irregular incomes and with limited reserves of savings.<sup>120</sup> This situation has been compounded by the current economic crisis.

<sup>117</sup> Interview in person with Sunil and Nirmala (names changed), 22 June 2022, Negombo.

<sup>118</sup> WFP Sri Lanka, “Country brief”, July 2019, docs.wfp.org/api/documents/WFP-0000108021/download/?\_ga=2.82208086.1304999275.1568279538-1055501472.1562658913

<sup>119</sup> Central Bank of Sri Lanka, *Annual Report 2020*, cbsl.gov.lk/en/publications/economic-and-financial-reports/annual-reports/annual-report-2020, box 1: Sri Lanka’s Food Security in the Context of the COVID-19 Pandemic.

<sup>120</sup> Central Bank of Sri Lanka, *Annual Report 2020*, box 1 (previously cited).

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

## 4.1 INFLATION AND AFFORDABILITY OF FOOD

As the crisis has progressed, food inflation in Sri Lanka has become alarmingly high, reaching 90.9% on a yearly basis.<sup>121</sup> For example, economic indicators published by the Central Bank of Sri Lanka for July 2022 show that over the past year the retail price of an egg had increased by 124.1%; the cost of dhal (lentil) had increased by 183.9%; and the cost of potatoes had increased by 125.3%.<sup>122</sup> Meanwhile, inflation was generally high as well. The general inflation rate was at 60.8% on a yearly basis in July 2022,<sup>123</sup> meaning that other non-food commodities, including fuel and cooking gas, have also simultaneously become more expensive.

**“I am also getting used to skipping one meal a day. If I don’t eat, my son also won’t eat. Some days I make some rice. We usually used to buy a packet of rice and curry for lunch, but now it is so expensive. Those [earlier] days a lunch packet was LKR 150 or 160 [USD 0.41 – 0.44], now it is LKR 350 [USD 0.96]”.**

Rana (name changed), man from a fishing community who is dependent on a daily income<sup>124</sup>

The steep increases in the price of food, combined with reductions in household income and loss of livelihood, mean that people are either unable to afford sufficient and nutritious food, or must spend a much larger proportion of their income on food-related expenses, often at the cost of other essential services like healthcare, housing and education. According to an assessment by Save the Children “[h]ouseholds reported spending an average of 71% of their average monthly income on food”.<sup>125</sup> A different assessment by CEPA, ACTED and World Vision found that many households were spending nearly 82% of their household income on food.<sup>126</sup> A recent WFP / FAO report found that the ratio of food expenditure to total household monthly spending was 62.7%; this was estimated 35.1% in 2019. It also found that “More than two in every five households (41.8 percent) reported using more than 75 percent of their total monthly expenses in food in June 2022”.<sup>127</sup>

However, not all areas within the country have been uniformly impacted. Access to food differs according to location and access to transport and markets. A staff member from a humanitarian organization working in Sri Lanka explained how in rural areas people were often unable to physically access markets to buy sufficient food due to a lack of fuel. In urban areas, food was a little more easily available, but it was often too expensive.<sup>128</sup> Part of the government’s response has been to encourage people to grow food in their homes.<sup>129</sup> Families living in rural or peri-urban areas have easier access to land, while people living in urban areas had resorted to using their gardens or backyards to try and grow food. This coping mechanism,

<sup>121</sup> FAO/WFP, Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka - September 2022, p. 17 (previously cited). According to the FAO, “Food security exists when all people, at all times, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life” as articulated at the 1996 World Food Summit. Food insecurity is when there is a sudden drop in the ability to produce or access enough food to maintain a good nutritional status. This is transitory food insecurity which can become chronic and lead to a condition where people are unable to meet their minimum food requirements over a sustained period of time. An Introduction to the Basic Concepts of Food Security, [fao.org/3/al936e/al936e00.pdf](http://fao.org/3/al936e/al936e00.pdf)

<sup>122</sup> Central Bank of Sri Lanka, Monthly Economic Indicators, July 2022, [cbsl.gov.lk/en/statistics/economic-indicators/monthly-indicators](http://cbsl.gov.lk/en/statistics/economic-indicators/monthly-indicators), p. 9.

<sup>123</sup> FAO/WFP, Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka - September 2022, p. 9 (previously cited).

<sup>124</sup> Interview in person with Rana (name changed), 22 June 2022, Negombo.

<sup>125</sup> Save the Children, *Sri Lanka Crisis: Rapid Needs Assessment* (previously cited), p. 12

<sup>126</sup> CEPA, ACTED, World Vision, Rapid Food Security Assessment, July 2022, p. 9.

<sup>127</sup> FAO/WFP, Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka - September 2022, p. 38 (previously cited).

<sup>128</sup> Interview by voice call with staff member from a humanitarian organization, 26 July 2022.

<sup>129</sup> “Sri Lanka wants people to grow food at home as shortage looms” *Arab News*, 1 June 2022, <https://www.arabnews.com/node/2096141/world>

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

however, was not available to the many people living in poverty in the urban areas, especially people living in tenement blocks.<sup>130</sup>

The same is true also for the *Malaiyaha Tamil* community, who often live in ‘line-rooms’ (linearly attached houses) and do not own, or are unable to access, land for personal cultivation. In the circumstances, it would not be possible for them to follow government advice to grow part of their own food. In interviews with Amnesty International many *Malaiyaha Tamil* men and women explained how this lack of land affected their access to food, and also deepened poverty because it took away a potential source of income. Priya (name changed), a 36-year-old *Malaiyaha Tamil* woman said, “Denial of land rights has caused greater degree of vulnerability during the current crisis”.<sup>131</sup> Access to land for cultivation was a key demand in these interviews.

**“They can’t even reach sufficient distance in the sea due to lack of fuel [to catch fish]. They buy fuel based on how many fish they sell. As they can’t find sufficient fuel, they get into debt to buy fuel and survive... They can’t survive”.**

Herman Kumara, an activist working with fishing communities<sup>132</sup>

The lack of sufficient fuel has severely impacted the fishing community in Sri Lanka. In an interview with Amnesty International, Herman Kumara, an activist working with fishing communities gave an example of this. He explained how they were unable to get sufficient fuel to run their boats. These communities were poor even prior to the crisis. “Even before the problems came to this stage, before the lack of fuel, people told us they eat only one meal a day... [now] there is a big gap between their income and cost of food”.<sup>133</sup>

Humanitarian workers and members of civil society organizations in Sri Lanka remain concerned that the growing food insecurity is likely to get much worse as the crisis deepens. According to the WFP and FAO, over 6.2 million people (28% of the population) are estimated to be moderately acute food insecure, 66,000 people are estimated to be severely acute food insecure,<sup>134</sup> and 8.7 million people (39.1% of the population) were not consuming an adequate diet.<sup>135</sup> They expressed concern that these figures would increase as the crisis continued.<sup>136</sup> An OCHA assessment in July 2022 found that “4.9 million people from low-income and food-insecure households required food assistance, including 238,000 pregnant and lactating women”.<sup>137</sup> This assessment also found that households’ diets were becoming less diversified and nutritious in the crisis. People were eating less preferred or less expensive foods and limiting portion sizes per meal, with 70% of households having reduced their food consumption to cope with the crisis.<sup>138</sup>

Similarly, UNICEF’s Household Impact Survey for March to April shows that 70% of surveyed households had reduced food consumption. More than half of these had had to cut back in sources of essential nutrients including fruit and vegetables, fish and meat, and eggs and dairy, largely due to the unaffordability of these items.<sup>139</sup> According to an assessment by Save The Children, “[a]round three-quarters of households (74%) had to adjust their food practices”, including by eating less expensive foods, borrowing food, limiting portion sizes, and reducing the number of meals eaten per day.<sup>140</sup> WFP has further noted that the “food security situation is worst among people living in the estate sector [tea plantation sector], where more than half of households are food insecure”, and that people living on tea estates were already turning to credit to

<sup>130</sup> Interview by voice call with staff member from a humanitarian organization, 27 July 2022.

<sup>131</sup> Interview in person with Priya (name changed), August 2022, [location withheld].

<sup>132</sup> Interview in person with Herman Kumara, 22 June 2022, Negombo

<sup>133</sup> Interview in person with Herman Kumara, 22 June 2022, Negombo.

<sup>134</sup> FAO/WFP, Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka - September 2022, p. 1 (previously cited)

<sup>135</sup> FAO/WFP, Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka - September 2022, p. 32 (previously cited)

<sup>136</sup> According to WFP, “These numbers could mount even further without urgent intervention”, WFP Sri Lanka, “Situation report”, 29 August 2022 (previously cited).

<sup>137</sup> OCHA ROAP, “Sri Lanka multi-dimensional crisis situation report 1 - As of 15 July 2022”, available at [reliefweb.int/report/sri-lanka/sri-lanka-multi-dimensional-crisis-situation-report-no-1-15-july-2022](https://reliefweb.int/report/sri-lanka/sri-lanka-multi-dimensional-crisis-situation-report-no-1-15-july-2022), p. 4.

<sup>138</sup> OCHA ROAP, “Sri Lanka multi-dimensional crisis situation report 1 - As of 15 July 2022” (previously cited), p. 2.

<sup>139</sup> UNICEF, *Household Impact Survey Round 6, 2022*, on file with Amnesty International.

<sup>140</sup> Save the Children, *Sri Lanka Crisis: Rapid Needs Assessment* (previously cited), p. 17

#### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

afford food and other necessities.<sup>141</sup> A report by the WFP and FAO found that by June 2022, “about 23% of the households were applying crisis or emergency strategies, including selling productive assets (e.g., farming equipment or vehicles), reducing essential healthcare expenses and withdrawing children from school” to cope with insufficient food access and availability.<sup>142</sup>



### THIRA

Thira (name changed) is a 50-year-old *Malaiyaha Tamil* woman who is currently working as a teacher. She has five children and is the sole breadwinner in her family. She earns LKR 70,000 [USD 194] a month. She explained how her family had been affected by inflation. Previously, she spent LKR 1,500 [USD 4.16] a week on vegetables for her family. Vegetables now cost her LKR 5,000 [USD 13.88]. She said the price of medicines for her husband had also risen almost 200%, and very often they were not available. “The salary I get was enough to feed the entire family... yet now I feel my income is not enough because what I earn is not enough to cater the family requirements”, she said. “If this continues, what worries me the most is [that] what I earn would not be enough to feed my family and educate my children”.<sup>143</sup>

Amnesty International heard several stories confirming this in interviews. Kashi, a 45-year-old trade union representative working with the *Malaiyaha Tamil* community working on plantation estates told Amnesty International that he is now unable to eat three meals a day, like he used to in the past. “We used to eat two vegetables in the past, now we can only afford one... There are days where we would only eat rice... We generally use a lot of kerosene oil [for cooking], wheat flour, rice, sugar, lentils, and so on. But their prices have gone to record level[s]. So we have reduced the buying quantity of these items. I feel very sorry for my children because they should eat well at this age, but we are unable to afford it”.<sup>144</sup> Similarly, Divya, a *Malaiyaha Tamil* woman said, “[b]efore [the crisis] I was able to cook three meals a day, but now I have reduced to two meals. This is not just because of the price hike of essential items. Even if we have money, there is no gas or food items to purchase”.<sup>145</sup>

## 4.2 DOMESTIC FOOD PRODUCTION AND FOOD SECURITY

One of the main contributors to the current food insecurity in Sri Lanka is the drop in domestic food production. While Sri Lanka is not heavily reliant on imports for rice, it is reliant on imports for several other staple food items including wheat and lentils.<sup>146</sup> Agricultural products, including tea, coconut, and rubber, are amongst Sri Lanka’s key exports and key to getting foreign exchange.<sup>147</sup> Agriculture in Sri Lanka follows two cultivation seasons conditioned by the monsoons. The Maha season extends from September to March and the Yala season from May to end August.<sup>148</sup> Up until May 2021, agriculture in Sri Lanka was heavily dependent on fertilizer subsidies provided by the government.<sup>149</sup>

In April 2021, the government banned the import of chemical fertilizers (effective from May 2021). While this was announced as part of Sri Lanka’s strategy to achieve 100% organic agriculture, according to the United States Department of Agriculture (USDA)’s Foreign Agricultural Service, this was also done in an attempt to

<sup>141</sup> WFP Sri Lanka, “Situation report”, 6 July 2022, available at [reliefweb.int/report/sri-lanka/wfp-sri-lanka-situation-report-6-july-2022](https://reliefweb.int/report/sri-lanka/wfp-sri-lanka-situation-report-6-july-2022).

<sup>142</sup> FAO/WFP, Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka - September 2022, p. 36 (previously cited).

<sup>143</sup> Interview in person with Thira (name changed), August 2022, [location withheld].

<sup>144</sup> Interview in person with Kashi (name changed), August 2022, [location withheld].

<sup>145</sup> Interview in person with Divya (name changed), August 2022, [location withheld].

<sup>146</sup> Ministry of Agriculture, Performance Report 2021, [agrimin.gov.lk/web/index.php/en/performance](https://agrimin.gov.lk/web/index.php/en/performance); International Trade Administration, Sri Lanka - Country Commercial Guide, [trade.gov/country-commercial-guides/sri-lanka-agricultural-sector](https://trade.gov/country-commercial-guides/sri-lanka-agricultural-sector) (accessed on 21 September 2022)

<sup>147</sup> New York Times, “Sri Lanka’s plunge into organic farming brings disaster”, 7 December 2021, [nytimes.com/2021/12/07/world/asia/sri-lanka-organic-farming-fertilizer.html](https://www.nytimes.com/2021/12/07/world/asia/sri-lanka-organic-farming-fertilizer.html)

<sup>148</sup> Department of Census and Statistics, [statistics.gov.lk/Agriculture/StaticInformation/rubpaddy](https://statistics.gov.lk/Agriculture/StaticInformation/rubpaddy) (accessed on 21 September 2022)

<sup>149</sup> For example, fertilizer subsidy provided for rice cultivation was approximately 86% and it ranged between 48% - 88% for other crops in 2019 and was increased in 2020. See, for example, Jeevika Weerahewa and others, “Reforming fertilizer import policies for sustainable intensification of agricultural systems in Sri Lanka: Is there a policy failure?”, 27 August 2021, Feed the Future Innovation Lab for Food Security Policy, Research, Capacity and Influence (PRCI), Policy Research Note 3, [canr.msu.edu/prci/publications/Policy-Research-Notes/PRCI\\_PRN\\_3.pdf](https://canr.msu.edu/prci/publications/Policy-Research-Notes/PRCI_PRN_3.pdf)

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

stem the outflow of foreign exchange.<sup>150</sup> The import ban required agriculture workers to use organic fertilizers on their crops, without time to change their other practices to ensure that yields remained the same. This move, combined with a failure to ensure adequate supplies of organic fertilizers hugely impacted crop production. A survey by Verité Research in 2021 found that over 90% of the farmers surveyed said they used chemical fertilizers before the ban, and almost all of them (85%) expected “huge reductions in their harvest (average expected reduction of 47%) if they were not able to use chemical fertilizers”.<sup>151</sup> The research also found that around two-thirds of surveyed farmers were supportive of organic farming, but said it would need more than one year to transition into it. For example, “only 20% of the farmers said they had adequate knowledge on suitable organic fertilizers and the proper application of it in their crops”.<sup>152</sup> Paddy farmers, as well as workers growing tea and rubber, were most reliant on chemical fertilizers.<sup>153</sup>

The ban on chemical fertilizers was lifted in November 2021.<sup>154</sup> However by this time, the Maha season had already been affected and fertilizers received through imports did not reach farmers in time. Reports indicate that this has resulted in lower-than-expected production of several agricultural items. For example, a report by the World Food Programme / Food and Agriculture Organization report has noted that “paddy production of the 2021/22 Maha crops is estimated at 1.88 million tonnes, almost 40% down year on year” and that “The 2022 aggregate production of paddy ... is estimated by the mission at 3 million tonnes ... The reduced production is mostly due to low levels of yields following reduced application rates of agrochemicals, including chemical fertilizers and pesticides, as a result of an import ban introduced between May and November 2021”.<sup>155</sup> While steps have now been taken to make chemical fertilizers available with the help of other countries like India,<sup>156</sup> the World Bank and the World Food Programme, the huge time and logistical implications for making this available to local farmers, additionally hampered by fuel shortages, has meant that sub optimal productivity levels are expected in the current Yala season (May to August) as well. According to the WFP and FAO, “The 2022 Yala paddy production was forecasted by the mission at 1.12 million tonnes, 46 percent below last year’s level and considerably below the average level”.<sup>157</sup>

OCHA has warned that “the unavailability or high prices of agricultural inputs as well as high fuel prices have demotivated farmers to cultivate lands. Only 24 per cent (128,652 out of 524,778) of the usual cultivation plots have been prepared for the 2022 Yala Season”.<sup>158</sup> The low agricultural production is not enough to cover domestic requirements, and “imported staples like wheat flour, canned fish, milk powder and lentils are either unavailable or exorbitantly priced”.<sup>159</sup>

In May 2022, then Prime Minister Ranil Wickremesinghe told the parliament that Sri Lanka would face an imminent food shortage.<sup>160</sup> In June 2022, the government asked government workers to take an extra day off per week to grow food in their backyards, given the upcoming food shortage.<sup>161</sup> At the end of May 2022, the Minister for Agriculture Mahinda Amaraweera in a press conference appealed to all farmers in the country to “... step into their fields in the next five to ten days and cultivate paddy”.<sup>162</sup> A staff member of a humanitarian organization working in Sri Lanka told Amnesty International that while the outlook for food availability in the next three- six months was worrying, the government said they had rice stocks in reserve without giving further information on quantities.<sup>163</sup> According to them, the lack of information and transparency on availability of staple food was one of the impediments to effective emergency response.

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<sup>150</sup> USDA, *Sri Lanka Restricts and Bans the Import of Fertilizers and Agrochemicals*, 28 May 2021, [apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Sri%20Lanka%20Restricts%20and%20Bans%20the%20Import%20of%20Fertilizers%20and%20Agrochemicals\\_New%20Delhi\\_Sri%20Lanka\\_05-14-2021\\_p.3](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Sri%20Lanka%20Restricts%20and%20Bans%20the%20Import%20of%20Fertilizers%20and%20Agrochemicals_New%20Delhi_Sri%20Lanka_05-14-2021_p.3).

<sup>151</sup> Verité Research, *Farmers’ Pulse – Independent Survey*, 2021, [veriteresearch.org/farmerspulse/](https://veriteresearch.org/farmerspulse/)

<sup>152</sup> Verité Research, *Farmers’ Pulse – Independent Survey* (previously cited).

<sup>153</sup> Verité Research, *Farmers’ Pulse – Independent Survey* (previously cited).

<sup>154</sup> Hindu, “Sri Lanka partially lifts ban on chemical fertilizers; allows private sector to import it”, 24 November 2021, [thehindu.com/news/international/sri-lanka-partially-lifts-ban-on-chemical-fertilizers-allows-private-sector-to-import-it/article37659886.ece](https://thehindu.com/news/international/sri-lanka-partially-lifts-ban-on-chemical-fertilizers-allows-private-sector-to-import-it/article37659886.ece)

<sup>155</sup> FAO/WFP, *Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka* - September 2022, p. 5 (previously cited).

<sup>156</sup> Outlook, “India supplies 44,000 metric tonnes of urea to Sri Lanka to avoid disruption in paddy cultivation”, 10 July 2022, [outlookindia.com/international/india-supplies-44000-metric-tonnes-of-urea-to-sri-lanka-to-avoid-disruption-in-paddy-cultivation-news-208172](https://outlookindia.com/international/india-supplies-44000-metric-tonnes-of-urea-to-sri-lanka-to-avoid-disruption-in-paddy-cultivation-news-208172)

<sup>157</sup> FAO/WFP, *Crop and Food Security Assessment Mission (CFSAM) to the Democratic Socialist Republic of Sri Lanka* - September 2022, p. 21 (previously cited).

<sup>158</sup> OCHA ROAP, “Sri Lanka multi-dimensional crisis situation report 1 - As of 15 July 2022” (previously cited).

<sup>159</sup> OCHA ROAP, “Sri Lanka multi-dimensional crisis situation report 1 - As of 15 July 2022” (previously cited).

<sup>160</sup> Daily Mirror, “Sri Lanka expected to go without food in the global food crisis: PM”, 22 May 2022, [dailymirror.lk/latest\\_news/Sri-Lanka-expected-to-go-without-food-in-the-global-food-crisis-PM/342-237349](https://dailymirror.lk/latest_news/Sri-Lanka-expected-to-go-without-food-in-the-global-food-crisis-PM/342-237349)

<sup>161</sup> Guardian, “Sri Lanka government workers get Fridays off to grow food ahead of shortages”, 15 June 2022, [theguardian.com/world/2022/jun/15/sri-lanka-government-workers-get-fridays-off-to-grow-food-as-shortages-loom](https://theguardian.com/world/2022/jun/15/sri-lanka-government-workers-get-fridays-off-to-grow-food-as-shortages-loom)

<sup>162</sup> Reuters, “Sri Lanka appeals for farmers to plant more rice as food shortage looms”, 31 May 2022, [reuters.com/markets/commodities/sri-lanka-appeals-farmers-plant-more-rice-food-shortage-looms-2022-05-31](https://reuters.com/markets/commodities/sri-lanka-appeals-farmers-plant-more-rice-food-shortage-looms-2022-05-31)

<sup>163</sup> Interview by voice call with staff member from a humanitarian organization, 27 July 2022.

## **“WE ARE NEAR TOTAL BREAKDOWN”**

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS



## 4.3 RISING CHILD MALNUTRITION



### SAVITA

Savita (name changed) is a 39-year-old *Malaiyaha Tamil* woman who works in a tea estate. She told Amnesty International: “My husband worked as a mason. Due to this economic crisis, he lost his job, so the main income of my family has been stopped. We are unable to buy essential food items. Last month we were without any meal for two days because we didn’t have anything to cook. So, I went to some houses to collect some food items for my children... Earlier we bought the essentials for a month, now we are buying the essentials per week little by little... my children cannot understand the problems what we are facing nowadays. When they feel hungry, they ask for meals, and sometimes they cry for meals”.<sup>164</sup>

Prior to the economic crisis, statistics on broader health outcomes in Sri Lanka were positive.<sup>165</sup> However, malnutrition was the outlier. Malnutrition in children under five was widespread: in 2019, the WHO said “[s]tunting, wasting and underweight are all at levels identified by the WHO as being public health problems” in Sri Lanka.<sup>166</sup> According to the most recent Demographic and Health Survey (DHS) 2016, more than 20% of children and nearly 15.7% babies born were underweight.<sup>167</sup> Determinants for children’s nutritional status include birth weight, maternal education and access to knowledge, and food insecurity and poverty.<sup>168</sup> The *Malaiyaha Tamil* community has the highest levels of malnutrition in the country.<sup>169</sup>

Several people Amnesty International spoke with raised concerns around child nutrition, especially given the long-term adverse impacts of high levels of child malnutrition.<sup>170</sup> In June 2022, doctors at the Lady Ridgeway Hospital for Children (LRH) said 20% of children admitted had malnutrition.<sup>171</sup>



In this picture taken on April 21, 2022, a mother with her child waits for medicines at the pharmacy in Lady Ridgeway Hospital for Children in Colombo.

© AFP via Getty Images

One part of the problem is that some of the key factors that contribute to greater levels of child malnutrition are becoming more common. People’s incomes are falling, livelihood options are shrinking, prices of food

<sup>164</sup> Interview in person with Savita (name changed), August 2022, [location withheld].

<sup>165</sup> Rajapaksa, Lalini, Silva, Padmal de, Abeykoon, Palitha, Somatunga, Lakshmi, Sathasivam, Sridharan. et al. (2021). Sri Lanka health system review. *Health Systems in Transition*, 10 (1), World Health Organization. Regional Office for South-East Asia.

<sup>166</sup> WHO, *Childhood Malnutrition in Sri Lanka: A Road Map for the Last Mile*, 2020, [apps.who.int/iris/bitstream/handle/10665/342173/9789290227847-eng.pdf?sequence=1&isAllowed=y](https://apps.who.int/iris/bitstream/handle/10665/342173/9789290227847-eng.pdf?sequence=1&isAllowed=y), p. 23.

<sup>167</sup> Priyanka Jayawardena, *A Proactive Path to Combat Malnutrition in Sri Lanka*, June 2020, Institute of Policy Studies of Sri Lanka, Health and Education Research Series 16, [ips.lk/wp-content/uploads/2020/07/A\\_Proactive\\_Path\\_to\\_Combat\\_Malnutrition\\_in\\_Sri-Lanka\\_E\\_Book.pdf](https://ips.lk/wp-content/uploads/2020/07/A_Proactive_Path_to_Combat_Malnutrition_in_Sri-Lanka_E_Book.pdf)

<sup>168</sup> WHO, *Childhood Malnutrition in Sri Lanka: A Road Map for the Last Mile* (previously cited), p. 129.

<sup>169</sup> Verité Research and Institute on Statelessness and Inclusion, *Hill Country Tamils of Sri Lanka: Towards Meaningful Citizenship* (previously cited), p. 27.

<sup>170</sup> Interviews in person and by voice call (conducted separately), June-August 2022.

<sup>171</sup> Adaderana, “LRH says 20% children admitted suffer from malnutrition”, 4 June 2022, [adaderana.lk/news/82871/lrh-says-20-children-admitted-suffer-from-malnutrition](https://adaderana.lk/news/82871/lrh-says-20-children-admitted-suffer-from-malnutrition)

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Amnesty International

are rising, and people are less likely to be able to afford adequate and nutritious food for their children, as well as for women during pregnancy and lactation. This was highlighted in some interviews with Amnesty International. For example, Aruni, who has three children said “some days we also don’t eat at all. We drink water or some tea on those days. That happens to our kids too sometimes, but if we get some food, even a measure of rice, we prepare that and give the children.”<sup>172</sup> An assessment by Save the Children confirmed this, finding that two in three households adjusted their children’s eating habits during the crisis: over half of all children (54%) had to eat less preferred food; over one third (35%) had to reduce their child’s quantity of food intake; and about one in ten children (12%) had reduced the frequency of their food intake.<sup>173</sup>

Furthermore, the crisis and its underlying factors have adversely impacted the government’s interventions to address child malnutrition. For example, the government has reduced distribution of *Thripasha*, a government-run food supplementation programme that produces and distributes a packaged food supplement for all pregnant and lactating (up to six months) mothers and undernourished children under five years of age. The food supplement is aimed to cover a significant proportion of the child’s nutritional requirements and also lower the cost burden by 57% on the household for providing children with a nutritious diet.<sup>174</sup> Over the past year, production of *Thripasha* has been severely impacted because the government has been unable to import adequate amounts of the ingredients including maize and soy, necessary to produce it.<sup>175</sup>

**“I did not receive *Thripasha* for my baby for six months. I contacted the MOH office many times, but they said that they had not received *Thripasha* yet.”**

Jyoti, a 35-year-old *Malaiyaha Tamil* woman working in a rubber estate<sup>176</sup>

The inability of the government to produce and distribute *Thripasha* emerged as a particular concern in interviews with Amnesty International by people in the *Malaiyaha Tamil* community. For example, like Jyoti (above), Trisha, a 27-year-old woman who is currently working as a teacher told Amnesty International about her concerns for her child’s nutrition during this time.<sup>177</sup> Trisha has a baby who is 18-month-old. Her husband lost his job during the crisis, and therefore her family comprising her husband, their child and her grandfather are all dependent on Trisha’s income. “I’m unable to provide nutritious food to my child. Earlier I fed cheese, yoghurt, and fish to my child, but I am unable to buy these things with the price like ... I find it difficult to buy a milk packet for my child”, she said. “Generally, the government provides *Thripasha* for a child until the age of five. Now my child is 18-month-old, but I didn’t receive *Thripasha* for the last six months. When I contacted the MOH [Ministry of Health] office they said that they hadn’t received *Thripasha* to distribute”.

<sup>172</sup> Interview in person with Aruni (name changed), 22 June 2022, Moratuwa.

<sup>173</sup> Save the Children, *Sri Lanka Crisis: Rapid Needs Assessment* (previously cited) p. 18.

<sup>174</sup> Nicolò Bird and others, *Public Expenditure Analysis for Social Protection in Sri Lanka*, January 2022, International Policy Centre for Inclusive Growth (IPCIG) and UNICEF, Research Report 74, [unicef.org/srilanka/topics/social-policy](https://www.unicef.org/srilanka/topics/social-policy), p. 20.

<sup>175</sup> According to WFP, the *Thripasha* programme “was paused in late 2021 due to budgetary constraints”. WFP, “Sri Lanka: Situation Report”, 29 July 2022, available at [reliefweb.int/report/sri-lanka/wfp-sri-lanka-situation-report-29-july-2022](https://reliefweb.int/report/sri-lanka/wfp-sri-lanka-situation-report-29-july-2022)

<sup>176</sup> Interview in person with Jyoti (name changed), August 2022, [location withheld].

<sup>177</sup> Interview in person with Trisha (name changed), August 2022, [location withheld].

#### **“WE ARE NEAR TOTAL BREAKDOWN”**

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS



A closed classroom is seen at a government school in Colombo on June 20, 2022, after Sri Lanka closed schools and halted all non-essential government services during a two-week shutdown to conserve fast-depleting fuel reserves as the International Monetary Fund opened talks with Colombo on a possible bailout.  
© AFP via Getty Images

The economic crisis has also impacted school meal programmes. Around one million (one in four) children in Sri Lanka enrolled in the free school meal programme were able to access a meal at school, which serve as a crucial source of food and nutrition. The government had closed a large number of schools in Sri Lanka for nearly 18 months as part of measures to contain the spread of Covid-19. In January 2022, as part of its response to the economic crisis, the government made huge cuts to the school meal programme reducing its budget by two thirds – funding for the programme was reduced from USD 18.5 million to USD 6.1 million.<sup>178</sup> A recent assessment by Save the Children noted that funding for the school meal programme had reduced with the economic crisis, and this “will impact over one million children and is expected to severely impact the nutritional status of children especially the vulnerable households in the country”.<sup>179</sup> The disruptions to the school meal programme came up as an area of concern with people that Amnesty International interviewed. Staff members of non-governmental organizations told Amnesty International that the financing for the school meal programme was no longer sufficient to buy adequate food per child.<sup>180</sup> Furthermore, the crisis has also led to disruptions in school attendance. Because of a lack of fuel, some schools have been shut for days and children may have also found it difficult to regularly attend school.<sup>181</sup> In addition to impacting their access to education, this also impacts children’s ability to access a meal at school.

## 4.4 THE RIGHT TO FOOD

The right to food is part of the right to an adequate standard of living as articulated in Article 25 of the Universal Declaration on Human Rights. This right is enshrined in Article 11 of the International Covenant on Economic, Social and Cultural Rights. General Comment 12 of the Committee on Economic, Social and Cultural Rights states “[t]he right to adequate food is realized when every man, woman and child, alone or in community with others, has physical and economic access at all times to adequate food or means for its procurement”.<sup>182</sup> It is also included in several international human rights treaties including the Convention of the Rights of Child,<sup>183</sup> Convention on the Elimination of all forms of Discrimination Against Women,<sup>184</sup> and the Convention on the Rights of Persons with Disabilities.<sup>185</sup>

The right to food includes obligations on states to take proactive steps and put in place measures to “strengthen people’s access to and utilization of resources and means to ensure their livelihood, including food security. Finally, whenever an individual or group is unable, for reasons beyond their control, to enjoy the right to adequate food by the means at their disposal, states have the obligation to fulfil (provide) that right directly”.<sup>186</sup> States have a core obligation to alleviate hunger including during disasters and other crisis.

<sup>178</sup> Save The Children, “School meals off the menu for children in Sri Lanka as economic crisis bites, 4 May 2022, [savethechildren.net/news/school-meals-menu-children-sri-lanka-economic-crisis-bites](https://savethechildren.net/news/school-meals-menu-children-sri-lanka-economic-crisis-bites)

<sup>179</sup> Save the Children, *Sri Lanka Crisis: Rapid Needs Assessment* (previously cited), p. 4.

<sup>180</sup> Interviews in person with staff members of civil society groups (conduct separately), June-August 2022.

<sup>181</sup> Save the Children, “Closing Sri Lanka schools for two weeks amid fuel crisis will leave children hungry”, 28 June 2022, [savethechildren.net/news/closing-sri-lanka-schools-2-weeks-amid-fuel-crisis-will-leave-children-hungry](https://savethechildren.net/news/closing-sri-lanka-schools-2-weeks-amid-fuel-crisis-will-leave-children-hungry)

<sup>182</sup> CESCR, General Comment 12: The Right to Adequate Food, 12 May 1999, UN Doc. E/C.12/1999/5, para. 6.

<sup>183</sup> Convention of the Rights of Child, Articles 24(2) and 27(3).

<sup>184</sup> Convention on the Elimination of all forms of Discrimination Against Women, Articles 12 and 14.

<sup>185</sup> Convention on the Rights of Persons with Disabilities, Articles 25 and 28.

<sup>186</sup> CESCR, General Comment 12 (previously cited), para. 15.

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Amnesty International

State obligations under the right to food also include duties to collectively and separately address issues of food scarcity. International cooperation and assistance are key to protecting the right to food especially in the context of crisis. The Committee therefore calls on states to respect and protect the right to food in other countries and, to facilitate access to food and to provide the necessary aid when required.

CESCR's General Comment 12 further highlights "[t]he international financial institutions, notably the International Monetary Fund (IMF) and the World Bank, should pay greater attention to the protection of the right to food in their lending policies and credit agreements and in international measures to deal with the debt crisis. Particular measures should be put in place in any structural adjustment programmes to ensure that the right to food for all is protected."<sup>187</sup>

In context of the economic crisis in Sri Lanka and its potentially lasting impact on the availability and accessibility of food and nutrition, it is of utmost importance that donor States in line with the human rights obligations articulated by CESCR, ensure that their obligation to uphold the right to adequate food is addressed in all bilateral and multilateral aid agreements.

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<sup>187</sup> CESCR, General Comment 12 (previously cited), para. 41.

# 5. SOCIAL PROTECTION: GAPS AND OPPORTUNITIES

**“In my life ... I have never experienced this kind of a crisis.”**

Kumar (name changed), who leads a civil society organization working with the *Malaiyaha Tamil* community<sup>188</sup>

**“We are near total breakdown”.**

Kashi (name changed), 45-year-old trade union representative working with the *Malaiyaha Tamil* community<sup>189</sup>

An adequate and robust social protection system is essential for enabling individuals and communities to withstand both regular life cycle risks like loss of income due to sickness or old age, but also to face shocks such as the ongoing economic crisis in Sri Lanka. In the context of sky-rocketing inflation and severe shortages in food, medical goods and equipment, and fuel among other commodities, access to adequate levels of social protection is key to protecting the human rights and in particular economic, social and cultural rights of people living in Sri Lanka. In times of crisis, concrete social protection measures that are compliant with the right to social security can be crucial to ensuring that all persons, particularly those who are marginalized and at risk of poverty, are able to access an adequate standard of living.

There are several government-run schemes and programmes in Sri Lanka that provide different types of social protection.<sup>190</sup> These programmes are managed by different governmental agencies: according to UNICEF, for example, “there were approximately 38 social protection programmes implemented by 12 ministries as of September 2018” in Sri Lanka.<sup>191</sup> The largest of these, in terms of coverage, is the *Samurdhi* programme. The *Samurdhi* programme, Sri Lanka’s flagship social assistance programme, is focused on people on low incomes. It provides people with a range of benefits, including cash transfers, insurance and loans.<sup>192</sup> Other social protection programmes include payments to families with lower incomes who care for persons with disabilities, payments to older persons, pensions, scholarships, payments to people with some

<sup>188</sup> Interview in person with Kumar (name changed), August 2022, Badulla.

<sup>189</sup> Interview in person with Kashi (name changed), August 2022, Hatton.

<sup>190</sup> In this report, social protection including social assistance programmes (which are non-contributory) and social insurance programmes (which are semi-contributory) – Nicolò Bird and others, *Public Expenditure Analysis for Social Protection in Sri Lanka* (previously cited).

<sup>191</sup> UNICEF, *Budget Brief: Social Assistance Sector - Sri Lanka 2021*, [unicef.org/srilanka/reports/budget-brief-social-assistance-sector](https://www.unicef.org/srilanka/reports/budget-brief-social-assistance-sector), p. 7.

<sup>192</sup> Nicolò Bird and others, *Public Expenditure Analysis for Social Protection in Sri Lanka* (previously cited), p. 19.

## **“WE ARE NEAR TOTAL BREAKDOWN”**

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Amnesty International

chronic health conditions, meals in schools for children, and the *Thripasha* programme, which provides nutritional support including for pregnant and lactating women.<sup>193</sup>

## 5.1 LIMITATIONS OF EXISTING PROGRAMMES



People wait in a queue in the kerosene oil station ongoing fuel economic crisis in Colombo, Sri Lanka March 24, 2022.  
© Akila Jayawardana/NurPhoto/Getty

There are, however, key, long-standing limitations to Sri Lanka's existing social assistance programmes, described below. Addressing these is particularly critical in the context of the economic crisis, which will have long-term impacts on people's livelihoods and ability to access essential goods and services. It is likely that the numbers of people in Sri Lanka who will slip into poverty, and who should be supported by social assistance programmes, will increase further as the crisis progresses.

*First*, there is concern about the amount of government funding allocated for social assistance programmes.<sup>194</sup> While it has grown in nominal terms from 2015 to 2020, expenditure on social assistance has declined in real terms (corrected for inflation),<sup>195</sup> and the number of beneficiaries covered by social assistance programmes have increased.<sup>196</sup> Furthermore, expenditure on social insurance programmes<sup>197</sup> (for example (e.g. contributory pension schemes, soldiers' disability and death compensation) has increased significantly, while this is not the case for social assistance programmes.<sup>198</sup> Government spending on social insurance makes up approximately 1.97% of GDP, while social assistance programmes make up 0.63% of GDP.<sup>199</sup>

*Second*, the levels of benefits distributed under social assistance programmes, especially the *Samurdhi* programme, have been criticized as insufficient. While the amount allocated for each beneficiary has increased in nominal terms over the past years, including during the pandemic and the current crisis, a recent World Bank report found that, *Samurdhi* "benefit amounts are still largely inadequate and are not indexed to inflation, which means that they continue to erode as prices in the economy rise".<sup>200</sup> This report also found benefit levels in other social assistance programmes inadequate.<sup>201</sup> This flaw becomes particularly damaging during the economic crisis, when inflation levels are high. A report by the Colombo

<sup>193</sup> UNICEF, *Budget Brief: Social Assistance Sector* (previously cited), p. 5. According to the World Bank's analysis, while additional social protection measures were introduced during the pandemic, their efficacy was limited because of weaknesses in the systems. Yeon Soo Kim and others, *Sri Lanka Poverty Assessment: Accelerating Economic Transformation - Synthesis Report* (previously cited), p. 45.

<sup>194</sup> Social Assistance usually includes a scheme that provides benefits to particular groups of the population, especially households living in poverty. Most social assistance schemes are means-tested.

<sup>195</sup> Real spending on *Samurdhi* specifically has declined from LKR 37.2 billion in 2015 to LKR 34.5 billion in 2019. UNICEF, *Budget Brief: Social Protection Sector, Sri Lanka 2021*, p. 10.

<sup>196</sup> UNICEF, *Budget Brief: Social Assistance Sector* (previously cited), p. 19.

<sup>197</sup> Social insurance is often a contributory social protection scheme that guarantees protection through an insurance mechanism.

<sup>198</sup> An analysis by the International Policy Centre for Inclusive Growth (IPC) and UNICEF observed how "expenditure as a share of GDP for *Samurdhi* remained relatively consistent" over this period (approximately .35% of GDP), while expenditure on public pensions increased significantly (from 1.28% to 1.72% of GDP). Nicolò Bird and others, *Public Expenditure Analysis for Social Protection in Sri Lanka* (previously cited), p. 24

<sup>199</sup> Nicolò Bird and others, *Public Expenditure Analysis for Social Protection in Sri Lanka* (previously cited), p. 9.

<sup>200</sup> World Bank, *Sri Lanka Poverty Update: Background report to Sri Lanka Poverty Assessment, 2021*, <https://documents1.worldbank.org/curated/en/703091634229318506/pdf/Sri-Lanka-Poverty-Update-Background-Report-to-Sri-Lanka-Poverty-Assessment.pdf>, p 44

<sup>201</sup> World Bank, *Sri Lanka Poverty Update: Background report to Sri Lanka Poverty Assessment, 2021* (previously cited), p 46

### "WE ARE NEAR TOTAL BREAKDOWN"

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA'S ECONOMIC CRISIS

Amnesty International

Urban Lab on families living in poverty in urban centres during the crisis said, “our research shows even those with a monthly income of LKR 50,000 [USD 139] are struggling to make ends meet”.<sup>202</sup>

*Third*, social assistance programmes, in particular the *Samurdhi* programme, have been criticized for poor targeting. In other words, people who should be covered by the programme do not receive any benefits, while others who are not technically eligible, do. Several reports, including by the World Bank,<sup>203</sup> UNICEF,<sup>204</sup> Sri Lanka’s Central Bank,<sup>205</sup> and Sri Lanka’s Auditor General,<sup>206</sup> have all noted that a large proportion of people who should have been covered by the *Samurdhi* programme were left out because of, both, the criteria for inclusion and administrative inadequacies with registering eligible people. The World Bank estimated that based on 2016 data, “[u]nder-coverage, defined as the percentage of the poor not receiving a transfer, was 44%”. This figure may be higher today given the impacts of the current economic crisis and the Covid-19 pandemic on people’s lives and livelihoods. The *Samurdhi* programme has also been criticized for being politicized. There have been allegations that people received benefits under the programme because of their personal and political connections and not based on whether they met objective criteria.<sup>207</sup> It was a concern that was also raised in several of the interviews with individuals and representatives of civil society organizations. It is also worth noting that concerns around poor targeting have been raised for almost a decade now and continue to persist despite an expansion of the *Samurdhi* programme in 2015 and other measures taken by the government.<sup>208</sup>

This is further linked to the fact that some communities are very poorly served by governmental social support programmes. In the context of the *Malaiyaha Tamil* community, for example, the Special Rapporteur on contemporary forms of slavery, including its causes and consequences stated that “although local governments implement social care and development projects, in practice these often do not benefit the plantation community”.<sup>209</sup> Similarly, the World Bank has noted that “[d]espite high poverty rates, only 8% of estate sector residents were covered by *Samurdhi*”.<sup>210</sup> This was a common theme in Amnesty International’s interviews with members of the *Malaiyaha Tamil* community. Most had not been able to access any social support (only four people said some member of their family received benefits through *Samurdhi*). They believed their lack of access was linked to discrimination against their community, and the politicization of social assistance schemes. As Kashi, a 45-year old trade union representative working with the *Malaiyaha Tamil* community working on plantation estates said, “in general, plantation people do not get social security benefits ... access to welfare benefits is a huge challenge in the plantation sector and various dynamics influence [their access] such as language, ethnicity, bribery, political patronage”.<sup>211</sup> Similarly, Dhama, a 60-year old trade union activist who has been working with the *Malaiyaha Tamil* community working on plantation estates for several years said, “although they [*Malaiyaha Tamils*] are citizens of this country, public officials tend to treat them as second-class citizens”.<sup>212</sup>

*Fourth*, there are also concerns about the overall bureaucratic structure of social assistance programmes in Sri Lanka. A recent report by the International Policy Centre for Inclusive Growth (IPC) and UNICEF observed that “high administrative costs (20% of expenditure) limit the efficiency of the programme, considering that administrative costs of more efficient cash transfer programmes in developing countries equal around 5 per

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<sup>202</sup> Colombo Urban Lab, “From bad to worse - understanding and supporting urban poor families in Colombo in crisis”, 19 May 2022, Centre for a Smart Future, [csf-asia.org/2022/05/19/understanding-and-supporting-urban-poor-families-in-colombo-in-crisis/](https://csf-asia.org/2022/05/19/understanding-and-supporting-urban-poor-families-in-colombo-in-crisis/). Sri Lanka’s average monthly household income was estimated at LKR 76,414 (USD 212) prior to the country’s recession and incomes deteriorated in the two years of the pandemic in 2020 and 2021, according to Department of Census and Statistics (DCS) data. Daily Mirror, “SL’s average household income makes shocking revelation about poverty level”, 13 June 2022, [dailymirror.lk/top\\_story/SLs-average-household-income-makes-shocking-revelation-about-poverty-level/155-238959](https://www.dailymirror.lk/top_story/SLs-average-household-income-makes-shocking-revelation-about-poverty-level/155-238959)

<sup>203</sup> World Bank, *Sri Lanka Poverty Assessment: Accelerating Economic Transformation*, 2021, [openknowledge.worldbank.org/handle/10986/36455](https://openknowledge.worldbank.org/handle/10986/36455), p. 29

<sup>204</sup> UNICEF, *Budget Brief: Social Assistance Sector* (previously cited), p. 7.

<sup>205</sup> The 2021 Central Bank of Sri Lanka’s Annual Report acknowledged that assistance programmes like *Samurdhi* “have been less effective in poverty alleviation due to poor targeting. Revisiting the list of social assistance recipients to identify the truly vulnerable, implementation of economic empowerment programmes for the poor” was crucial. Central Bank of Sri Lanka, *Annual report 2021*, [cbsl.gov.lk/en/publications/economic-and-financial-reports/annual-reports/annual-report-2021](https://cbsl.gov.lk/en/publications/economic-and-financial-reports/annual-reports/annual-report-2021), Volume 1, pp. 127-128.

<sup>206</sup> In 2017, the Sri Lanka’s Auditor General’s department concluded that “criteria which cannot be evaluated and deviating from fairness had been used as well for withdrawal from *Samurdhi* beneficiary status (taking liquor and gambling)” and made recommendations for how beneficiaries should be chosen. Auditor General, *Contribution of the Samurdhi Subsidy Programme for the Empowerment of Samurdhi Beneficiaries, Special Report*, [auditorgeneral.gov.lk/web/images/special\\_report/Samurdhi/SamurdhiSubsidyProgrammeE.pdf](https://auditorgeneral.gov.lk/web/images/special_report/Samurdhi/SamurdhiSubsidyProgrammeE.pdf)

<sup>207</sup> See, for example, Centre for Poverty Analysis (CEPA), *The role of social protection in state legitimacy in the former conflict areas of Sri Lanka*, 1 July 2015, [securelivelihoods.org/publication/the-role-of-social-protection-in-state-legitimacy-in-the-former-conflict-areas-of-sri-lanka-2/](https://securelivelihoods.org/publication/the-role-of-social-protection-in-state-legitimacy-in-the-former-conflict-areas-of-sri-lanka-2/); World Bank, *Poverty and Social Impact Analysis for Sri Lanka: A Case Study*, June 2005, [documents1.worldbank.org/curated/en/431101468103452480/pdf/696410ESW0P0820yOnote0Welfare0final.pdf](https://documents1.worldbank.org/curated/en/431101468103452480/pdf/696410ESW0P0820yOnote0Welfare0final.pdf)

<sup>208</sup> World Bank, *Sri Lanka Poverty Update: Background report to Sri Lanka Poverty Assessment*, 2021 (previously cited), p 43

<sup>209</sup> UN Special Rapporteur on contemporary forms of slavery, *Visit to Sri Lanka* (previously cited), para. 57.

<sup>210</sup> Yeon Soo Kim and others, *Sri Lanka Poverty Assessment: Accelerating Economic Transformation - Synthesis Report* (previously cited), p. 45.

<sup>211</sup> Interview in person with Kashi (name changed), August 2022, [location withheld].

<sup>212</sup> Interview in person with Dhama (name changed), August 2022, [location withheld].

## “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Amnesty International

cent or less of total costs”. A key recommendation made by IPC and UNICEF in this report was around the need for independent and periodical assessments of the programme, and more transparency around how it functioned.<sup>213</sup> A linked concern raised by civil society organizations is that different social assistance programmes are not implemented in a coordinated manner. A UNICEF briefing on this issue noted that “[l]imited coordination between government agencies and the various social protection programmes results in increased costs and overlap of beneficiaries”,<sup>214</sup> with some households receiving benefits from several programmes while others, who should be eligible for social assistance, are not enrolled in any programmes. This lack of coordination makes it hard to plan and to assess impact.

At a time when a robust social protection system is critical in helping people across Sri Lanka cope with the unfolding economic crisis, the weaknesses in Sri Lanka’s existing social assistance programmes can provide useful lessons for how social protection measures should be restructured, to ensure they can effectively address and prevent poverty and help people cope with the impacts of crisis on their lives and livelihoods. The World Bank has been working with the Government of Sri Lanka on a social protection strategy, which should address some of these concerns.<sup>215</sup> Amnesty International requested a draft of this strategy from the government but did not receive a response at the time of publishing this report. It would be crucial for any reform of the social protection system in Sri Lanka to be carried out in line with international human rights standards, principles of transparency, and with the meaningful participation of people who will be affected by it, such as those it is intended to support.

Amnesty International asked the Ministry of Women, Child Affairs and Social Empowerment about what measures were being taken to expand social security protections in Sri Lanka during the crisis. The Ministry explained that with respect to the *Samurdhi* program: (i) the amount of cash transferred under the *Samurdhi* program was increased; (ii) people receiving *Samurdhi* benefits were also given additional top-ups between May and July 2022 under an emergency cash transfer scheme; (iii) people on the waiting list for *Samurdhi* benefits were given LKR 5000 (USD 13.75) a month between May and July 2022.<sup>216</sup> Cash transfers to other groups categorized as ‘vulnerable’, such as older persons and persons with disabilities, were similarly increased. The Ministry also said that they were conducting a survey to “identify the most vulnerable low-income families eligible for any subsidy programme, for the purpose of avoiding the inclusion and exclusion errors in the cash transfer programmes”.<sup>217</sup> It is positive that the government has recognised the need for this expansion; however, it is also crucial that benefit amounts are revised to ensure an adequate standard of living.

There is cause for concern that in the current economic and fiscal climate in Sri Lanka, bilateral and multilateral donors may advocate for increased targeting.<sup>218</sup> However, as highlighted by Isabel Ortiz, (then) director of the Social Protection Department at the International Labour Organization, “[r]eforms driven by a fiscal objective tend to cut social subsidies and expenditures that benefit the majority of the population, replacing them with a safety net for the poorest, thus punishing the middle classes – sometimes dubbed “the missing middle” – in terms of development results. In developing economies, the middle classes have very low incomes and must be supported by development policies, including by adequate social protection”.<sup>219</sup> Moreover, as already described, current targeting is not well-implemented, and many people who should qualify are not receiving benefits.

## 5.2 THE CASE FOR A UNIVERSAL APPROACH TO SOCIAL PROTECTION IN SRI LANKA

According to the ILO, “universal social protection refers to the integrated set of policies designed to ensure income security and support to all people across the life cycle – paying particular attention to the poor and the vulnerable”.<sup>220</sup> However, this does not mean that everybody receives the same benefit at every point in

<sup>213</sup> Nicolò Bird and others, *Public Expenditure Analysis for Social Protection in Sri Lanka* (previously cited), p. 10.

<sup>214</sup> UNICEF, *Budget Brief: Social Assistance Sector* (previously cited), p. 7.

<sup>215</sup> World Bank, “Sri Lanka can benefit from the pandemic experience to craft a comprehensive social protection strategy”, 18 July 2021, [worldbank.org/en/news/feature/2021/07/16/sri-lanka-can-craft-a-comprehensive-social-protection-strategy](https://www.worldbank.org/en/news/feature/2021/07/16/sri-lanka-can-craft-a-comprehensive-social-protection-strategy)

<sup>216</sup> Response on file with Amnesty International.

<sup>217</sup> Response on file with Amnesty International.

<sup>218</sup> There is already some discussion on targeting mechanisms. See for example: “Electricity consumption as an eligibility criterion for welfare benefits”, *The Sunday Morning*, 2 August 2022, <https://www.themorning.lk/electricity-consumption-as-an-eligibility-criterion-for-welfare-benefits/>

<sup>219</sup> Isabel Ortiz, “The Case for Universal Social Protection”, December 2018, IMF, Finance & Development, [imf.org/en/Publications/fandd/issues/2018/12/case-for-universal-social-protection-ortiz](https://www.imf.org/en/Publications/fandd/issues/2018/12/case-for-universal-social-protection-ortiz), p. 2.

<sup>220</sup> World Bank Group and International Labour Organization, “A shared mission for universal social protection: Concept note”, [ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/genericdocument/wcms\\_378996.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/genericdocument/wcms_378996.pdf), p. 1.



time. Universal social protection allows for inclusion of eligibility criteria based on age, disability or unemployment. Several arguments have been made for why schemes offering universal benefits are a desirable way to guarantee the right to social security, in general. The targeting of benefits based on levels of poverty has been criticized for arbitrariness, excluding people who should be covered, stigmatizing effects, and higher administrative costs.<sup>221</sup> Several of these general critiques also apply in the case of Sri Lanka.<sup>222</sup>

This argument is also being strongly articulated by civil society groups in the context of Sri Lanka's economic crisis. The Feminist Collective for Economic Justice have advocated for universal social security because "[a]ny attempt at targeting households during this deep crisis is counterproductive, ill-advised and will lead to social unrest",<sup>223</sup> noting the challenges associated with defining poverty and identifying 'vulnerable' groups in times of economic crisis. A recent report by the Colombo Urban Lab on urban poor families during the crisis recommended that interventions and relief measures during the crisis should be "universal to every household below a particular income or need threshold and not targeted, as that would only exacerbate existing divisions in communities and favour some over others based on political affiliations, ethnicity and so on."<sup>224</sup> The report also notes that previously targeted measures may be far from sufficient or relevant in the context of the crisis and that there is a need for a realistic understanding of current support needs built through a process of genuine consultation with all those affected.<sup>225</sup> In interviews for this report, activists, representatives from civil society groups and international organizations all agreed that moving towards universal social protection would best address the growing needs and vulnerabilities in Sri Lanka today. Meetings with activists and members of international agencies made increasingly clear that with time, the impact of the economic crisis was spreading to hitherto less affected groups and also deepening for those living in poverty.<sup>226</sup>

## 5.3 THE RIGHT TO SOCIAL SECURITY

The right to social security is enshrined in a number of international human rights instruments.<sup>227</sup> It includes the right to access and maintain benefits to secure protection from a range of adverse circumstances, including a lack of work-related income, unaffordable access to healthcare, and insufficient family support.<sup>228</sup> General Comment 19, from the Committee on Economic, Social and Cultural Rights, has further clarified that benefits must be adequate in amount and duration so everyone can realize their rights to family protection and assistance, an adequate standard of living and adequate access to healthcare.<sup>229</sup> Furthermore, social security systems should cover all workers, including part-time workers, casual workers, seasonal workers, the self-employed, and those working in atypical forms of work.<sup>230</sup>

As highlighted by CESCR, "[t]he right to social security requires, for its implementation, that a system, whether composed of a single scheme or variety of schemes, is available and in place to ensure that benefits are provided for the relevant social risks and contingencies".<sup>231</sup> General Comment 19 also mentions non-contributory, universal schemes (defined as schemes which provide the relevant benefit in principle to everyone who experiences a particular risk or contingency) as one way by which the right to social security can be guaranteed by states.<sup>232</sup>

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<sup>221</sup> See, for example, Shahra Razavi, "The case for universal social protection is more self-evident than ever", Development Pathways, 2 June 2020, [developmentpathways.co.uk/blog/the-case-for-universal-social-protection-is-more-self-evident-than-ever/](https://developmentpathways.co.uk/blog/the-case-for-universal-social-protection-is-more-self-evident-than-ever/); Isabel Ortiz, "The Case for Universal Social Protection", December 2018, IMF, Finance & Development, [imf.org/en/Publications/fandd/issues/2018/12/case-for-universal-social-protection-ortiz](https://www.imf.org/en/Publications/fandd/issues/2018/12/case-for-universal-social-protection-ortiz); S Kidd and D Athias, Hit and Miss: An assessment of targeting effectiveness in social protection with additional analysis, Working Paper June 2020, <https://www.developmentpathways.co.uk/wp-content/uploads/2019/03/Hit-and-miss-long-report-.pdf>; Report of the Special Rapporteur on extreme poverty and human rights, A/HRC/38/33, 8 May 2018, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G18/127/23/PDF/G1812723.pdf?OpenElement>

<sup>222</sup> See previous analysis on exclusion errors in Sri Lanka's social protection systems.

<sup>223</sup> Feminist Collective for Economic Justice, "Universal social security: If not now, when?", 28 June 2022, [FT Lanka](https://ft.lk/opinion/Universal-social-security-if-not-now-when/14-736777), ft.lk/opinion/Universal-social-security-if-not-now-when/14-736777

<sup>224</sup> Colombo Urban Lab, "From bad to worse - understanding and supporting urban poor families in Colombo in crisis" (previously cited)

<sup>225</sup> Colombo Urban Lab, "From bad to worse - understanding and supporting urban poor families in Colombo in crisis" (previously cited)

<sup>226</sup> Interviews in person with various activists and members of international agencies (conducted separately), June-August 2022.

<sup>227</sup> International Covenant on Economic, Social and Cultural Rights, Article 9. The right to social security is also enshrined in Article 5 (e)(iv), Convention on the Elimination of All Forms of Racial Discrimination; Article 26, Convention on the Rights of the Child; Article 28, Convention on the Rights of Persons with Disabilities; and in several Conventions of the International Labour Organization (ILO), in particular Convention 102 on Minimum Standards of Social Security.

<sup>228</sup> CESCR, General Comment 19: The right to social security (Art. 9), 4 February 2008, UN Doc. E/C.12/GC/19, para. 2.

<sup>229</sup> CESCR, General Comment 19 (previously cited), para. 22.

<sup>230</sup> CESCR, General Comment 19 (previously cited), para. 16.

<sup>231</sup> CESCR, General Comment 19 (previously cited), para. 11.

<sup>232</sup> CESCR, General Comment 19 (previously cited), para. 4.

### "WE ARE NEAR TOTAL BREAKDOWN"

#### PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA'S ECONOMIC CRISIS

ILO's General Recommendation 202 (2012) provides a framework for achieving universal social protection progressively through the adoption of social protection floors.<sup>233</sup> It notes that national social protection floors should comprise at least the following social security guarantees: access to essential healthcare, including maternity care; basic income security for children, providing access to nutrition, education, care and any other necessary goods and services; basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and basic income security for older persons.

In their 2020 report on poverty eradication, the Special Rapporteur on extreme poverty and human rights noted that implementing universal social protection is key to eliminating poverty.<sup>234</sup> In a 2022 report, the same mandate said that “moving from strictly targeted, means-tested benefits towards universal benefits reduces the shame involved in having to prove that one is sufficiently poor. Universal benefits also tend to build trust and are considered more legitimate than selective, needs-based schemes, because they are built on simpler and more clear-cut rules”.<sup>235</sup>

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<sup>233</sup> ILO, Social Protection Floors Recommendation, 2012 (No. 202), [ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_INSTRUMENT\\_ID:3065524](https://ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:3065524)

<sup>234</sup> UN Special Rapporteur on Extreme Poverty and Human Rights, Report: *The parlous state of poverty eradication*, 19 November 2020, UN Doc. A/HRC/44/40, para. 18.

<sup>235</sup> UN Special Rapporteur on Extreme Poverty and Human Rights, Report: *Non-take-up of rights in the context of social protection*, 19 April 2022, UN Doc. A/HRC/50/38, para. 57.

# 6. DEBT RESTRUCTURING AND ECONOMIC REFORM

**“Time and again, we have seen the grave systemic repercussions a debt crisis has had on countries, exposing deep structural gaps of the global financial system, and affecting the implementation of human rights”.**

Attiya Waris, UN independent expert on foreign debt and human rights, on the 2022 Sri Lankan crisis<sup>236</sup>

## 6.1 BACKGROUND TO SRI LANKA’S DEBT

Sri Lanka’s public debt has increased substantially over the past decade. In 2012, central government debt was 68.7% of GDP;<sup>237</sup> this reached 108.6% by 2022.<sup>238</sup> The public debt to GDP ratio increased from 93.6% at the end of 2019 to 114% at the end of 2021.<sup>239</sup> As of end 2021, total outstanding external debt of the Government was USD 32.2 billion.<sup>240</sup> At 30.1% of GDP, Sri Lanka had “one of the highest levels of gross financing needs [that is the amount it needed to borrow and the debt that matured each year], among emerging market economies” according to the IMF.<sup>241</sup> Its debt service payments were also very high. The government spent 6.2% of its GDP on interest payments in 2021.<sup>242</sup> In 2021, total foreign debt service

<sup>236</sup> OHCHR, “Sri Lanka: UN experts sound alarm on economic crisis”, 20 July 2022, [ohchr.org/en/press-releases/2022/07/sri-lanka-un-experts-sound-alarm-economic-crisis](https://www.ohchr.org/en/press-releases/2022/07/sri-lanka-un-experts-sound-alarm-economic-crisis)

<sup>237</sup> World Bank, Central government debt, total (% of GDP) - Sri Lanka, [data.worldbank.org/indicator/GC.DOD.TOTL.GD.ZS?locations=LK](https://data.worldbank.org/indicator/GC.DOD.TOTL.GD.ZS?locations=LK) (accessed on 21 September 2022).

<sup>238</sup> IMF, *Sri Lanka: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Sri Lanka* (previously cited), p. 4.

<sup>239</sup> Central Bank of Sri Lanka, *Annual report 2021* (previously cited), Volume 1, p. 196; IMF, *Sri Lanka: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Sri Lanka* (previously cited), p. 51; Ministry of Finance, Economic Stabilization & National Policies, Update to Creditors, August 2022, <https://www.treasury.gov.lk/api/file/7d5398e3-d25f-4b97-8b32-0639d83f2e57>, p. 4.

<sup>240</sup> Central Bank of Sri Lanka, *Statistical Appendix 2021*, [https://www.cbsl.gov.lk/sites/default/files/cbslweb\\_documents/publications/annual\\_report/2021/en/15\\_Appendix.pdf](https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/publications/annual_report/2021/en/15_Appendix.pdf). This figure is a combination of the General Government and Central Bank debt.

<sup>241</sup> IMF, *Sri Lanka: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Sri Lanka* (previously cited), pp. 9 and 17.

<sup>242</sup> Central Bank of Sri Lanka, *Annual report 2021*, (previously cited), Volume 1, table 113.

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Amnesty International

payments amounted to USD 3,862.5 million.<sup>243</sup> Simultaneously, Sri Lanka's gross international reserves reduced from USD 7.6 billion at the end of 2019 to USD 3.1 billion at the end of 2021, putting them at "critically low levels", and seriously impacting the ability of the government to meet its debt obligations and import essential items.<sup>244</sup>

In March 2022, the IMF said that Sri Lanka's public debt was unsustainable. As per their projections, if left unaddressed, Sri Lanka's public debt would keep increasing and payments would remain "above 70 percent of tax revenues". They recommended developing a "comprehensive strategy to restore debt sustainability".<sup>245</sup> In April 2022, Sri Lanka announced that it would suspend its debt repayments,<sup>246</sup> and in May 2022, Sri Lanka defaulted on its debt payments for the first time. Nandalal Weerasinghe, the Central Bank governor, said "[o]ur position is very clear: until there is a debt restructure [a process through which the terms of the debt are renegotiated with a view to facilitating repayment], we cannot repay."<sup>247</sup> Some civil society groups in Sri Lanka have already called for all 'illegitimate' public debt to be cancelled.<sup>248</sup>

## 6.2 WHY SRI LANKA'S DEBT IS A HUMAN RIGHTS ISSUE

The government of Sri Lanka is currently in discussions with a range of creditors and lenders, including the IMF, on restructuring Sri Lanka's debt, possible debt relief, and accompanying economic reform. This process and the outcomes of these discussions have significant human rights impacts, as explained below, and the human rights responsibilities of all parties involved must be central to any restructuring proposals throughout.

### 6.2.1 THE BURDEN OF DEBT SERVICING

**“Debt repayment is the country’s largest expenditure; a significant amount of borrowing is in fact currently allocated for this purpose ... the more onerous composition of the debt should be carefully considered, given that servicing a debt also involves paying interest. Since 2010, the amount of interest paid has steadily increased”.**

UN independent expert on foreign debt and human rights<sup>249</sup>

Debt servicing is understood as the payments made to satisfy a debt obligation, including principal, interest, and any late payment fees.<sup>250</sup> Sri Lanka is a serious global outlier in terms of how much it spends on debt servicing: in 2020, Sri Lanka's interest payments alone were 71.4% of government revenue (the global average is 6% and the average in South Asia is 21.1%), and 32.9% of government expense (the global average is 5.4% and the average in South Asia is 22.6%).<sup>251</sup> Central government external debt service

<sup>243</sup> Ministry of Finance, Economic Stabilization and National Policies, *Annual Report 2021*, <https://www.treasury.gov.lk/web/annual-reports/section/2021>, p 124

<sup>244</sup> IMF, *Sri Lanka: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Sri Lanka* (previously cited), p. 13.

<sup>245</sup> IMF, *Sri Lanka: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Sri Lanka* (previously cited), p 20.

<sup>246</sup> Ministry of Finance, "Interim policy regarding the servicing of Sri Lanka's external public debt", 12 April 2022, <https://www.treasury.gov.lk/api/file/54a19fda-b219-4dd4-91a7-b3e74b9cd683>

<sup>247</sup> Guardian, "Sri Lanka defaults on debts for first time", 19 May 2022, [theguardian.com/world/2022/may/19/sri-lanka-defaults-on-debts-for-first-time](https://www.theguardian.com/world/2022/may/19/sri-lanka-defaults-on-debts-for-first-time)

<sup>248</sup> Daily Mirror Online, "Civil society organisations urge govt. to cancel all illegitimate debt", 8 September 2022, [dailymirror.lk/business-news/Civil-society-organisations-urge-govt-to-cancel-all-illegitimate-debt/273-244507](https://www.dailymirror.lk/business-news/Civil-society-organisations-urge-govt-to-cancel-all-illegitimate-debt/273-244507)

<sup>249</sup> UN Independent Expert on foreign debt, *Visit to Sri Lanka* (previously cited), para.32

<sup>250</sup> OECD, "Glossary of statistical terms: Debt servicing", [stats.oecd.org/glossary/detail.asp?ID=5938](https://stats.oecd.org/glossary/detail.asp?ID=5938)

<sup>251</sup> World Bank, Interest payments (% of revenue) - Sri Lanka, [data.worldbank.org/indicator/GC.XPN.INTP.RV.ZS?locations=LK](https://data.worldbank.org/indicator/GC.XPN.INTP.RV.ZS?locations=LK) (accessed on 21 September 2022)

#### **"WE ARE NEAR TOTAL BREAKDOWN"**

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA'S ECONOMIC CRISIS

Amnesty International

obligations have increased from USD 1.3 billion in 2009 to USD 4.1 billion in 2020;<sup>252</sup> and as things stand now, debt servicing obligations are likely to remain high in upcoming years.<sup>253</sup> Interest payments are the single largest category of government expenditure,<sup>254</sup> and a lot of government borrowing was used simply to pay off the interest on Sri Lanka's loans.<sup>255</sup>

This has serious implications for Sri Lanka's economy, but also for its ability to invest in measures that would guarantee access to essential services thus impacting human rights. Most crucially, the fact that the government needs to spend this amount annually to service its debt impacts the fiscal space available for the government to spend on sectors like health, education and social protection, which directly impacts economic and social rights. Similarly, when limited foreign exchange needs to be used to make payment on debt, it means that there is often lesser available to spend on imports that are crucial to people's enjoyment of their economic and social rights, such as essential food items, fuel, and medicine. As Sri Lanka's debt is being restructured, the impact of debt servicing obligations on the government's ability to devote fiscal space to fulfil its human rights obligations must be a key consideration.

## 6.2.2 LINKS TO ECONOMIC REFORM

The nature and profile of Sri Lanka's debt reflects economic policy choices by the government, which contributed to the current economic crisis. Development partners and international financial institutions may be reluctant to offer Sri Lanka new financing until these have been satisfactorily resolved. For example, the World Bank has already stated that "[u]ntil an adequate macroeconomic policy framework is in place, the World Bank does not plan to offer new financing to Sri Lanka. This requires deep structural reforms that focus on economic stabilization, and also on addressing the root structural causes that created this crisis".<sup>256</sup> Similarly, in September 2022, when IMF Staff reached a Staff-Level Agreement with Sri Lanka, it stated that "[d]ebt relief from Sri Lanka's creditors and additional financing from multilateral partners will be required to help ensure debt sustainability and close financing gaps. Financing assurances to restore debt sustainability from Sri Lanka's official creditors and making a good faith effort to reach a collaborative agreement with private creditors are crucial before the IMF can provide financial support to Sri Lanka".<sup>257</sup>

This has two human rights implications. First, restructuring Sri Lanka's debt is crucial to be able to access the financial resources necessary to pull Sri Lanka out of this crisis and address the ongoing lack of access to adequate food, healthcare and social security measures. Until this happens, many donors appear to be repurposing existing pre-crisis loans/grants, which are likely to be insufficient to respond to this situation. And second, that the nature of economic reform instituted in this context may involve fiscal consolidation, such as measures to reduce government expenditure, and other measures that have adverse impacts on human rights (this is discussed in more detail below).

## 6.2.3 PROCEDURE AROUND DEBT RESTRUCTURING

The way debt is assessed and restructured also has human rights implications. The IMF, for example, conducts Debt Sustainability Assessments (DSAs) to assess whether a country's debt is sustainable and what needs to be done to strengthen its economic position. These DSAs do not explain if and how a government's need for spending to deliver on their human rights obligations was considered while determining the sustainability of debt. The DSA framework considers the amount of debt and the terms of repayment and whether these are 'economically' sound. Thus, a DSA does not factor in whether the conditions under which debts are seen as sustainable effectively restricts the fiscal space available to the government to spend on sectors necessary to ensure the realization of human rights.

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<sup>252</sup> IMF, *Sri Lanka: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Sri Lanka* (previously cited), p. 51.

<sup>253</sup> Public Finance.lk, "The government has to repay yearly an average of USD 4.4 BN foreign debt from 2021 onward", [publicfinance.lk/en/topics/the-government-has-to-repay-yearly-an-average-of-usd-4-4-bn-foreign-debt-from-2021-onwards-1636379533](https://publicfinance.lk/en/topics/the-government-has-to-repay-yearly-an-average-of-usd-4-4-bn-foreign-debt-from-2021-onwards-1636379533)

<sup>254</sup> Public Finance.lk, "How did the government finance its expenditures in 2021?", [publicfinance.lk/en/topics/how-did-the-government-finance-its-expenditures-in-2021-1657101453](https://publicfinance.lk/en/topics/how-did-the-government-finance-its-expenditures-in-2021-1657101453)

<sup>255</sup> Public Finance.lk, "De-mystifying the increase in Sri Lanka's debt", <https://publicfinance.lk/en/topics/de-mystifying-the-increase-in-sri-lanka-s-debt-1640696520>. As per this piece, during 2015-2019 Sri Lanka's debt stock rose by 42.8%, out of which 89.8% was to pay back interest on the accumulated outstanding loans as of the end of 2014.

<sup>256</sup> World Bank, "World bank statement on Sri Lanka", 28 July 2022, [worldbank.org/en/news/statement/2022/07/28/world-bank-statement-on-sri-lanka](https://www.worldbank.org/en/news/statement/2022/07/28/world-bank-statement-on-sri-lanka)

<sup>257</sup> IMF, "IMF Staff reaches staff-level agreement on an extended fund facility arrangement with Sri Lanka" (Press Release 22/295), 1 September 2022, [imf.org/en/News/Articles/2022/09/01/pr22295-imf-reaches-staff-level-agreement-on-an-extended-fund-facility-arrangement-with-sri-lanka](https://www.imf.org/en/News/Articles/2022/09/01/pr22295-imf-reaches-staff-level-agreement-on-an-extended-fund-facility-arrangement-with-sri-lanka)

### "WE ARE NEAR TOTAL BREAKDOWN"

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA'S ECONOMIC CRISIS

Amnesty International

Similarly, transparency, participation and accountability are key human rights principles, and should be reflected in debt restructuring processes. Transparency requires the full disclosure of all relevant information regarding loan agreements, debt repayments, debt management, outcomes of public debt audits and other related matters.<sup>258</sup> Participation requires effective and meaningful input from all stakeholders.<sup>259</sup> Accountability requires remedial measures that ensure decision-makers are answerable, if warranted, for their actions regarding external debt agreements or arrangement, as well as for external debt policies and strategies.<sup>260</sup>



Consumers in long lines to buy cooking gas use their empty cylinders to block a main intersectional road in Colombo on May 8, 2022, after a local store ran out of supplies.  
© AFP via Getty Images

## 6.3 DEBT RESTRUCTURE, RELIEF AND ECONOMIC REFORM

As per the latest data available, 45.4% of Sri Lanka's debt is in market borrowings; 9.9% by the International Development Association (member of the World Bank Group); and 16.2% by the Asian Development Bank.<sup>261</sup> Almost one half of Sri Lanka's total external debt is therefore in market borrowings, and potentially held by private lenders. As of April 2021, around 39% of this debt matures in five to 10 years, and 40% of this debt matures after ten years.<sup>262</sup> Furthermore, Sri Lanka's key bilateral creditors include: China (44% of bilateral debt); Japan (32% of bilateral debt); India (10% of bilateral debt); Korea (3% of bilateral debt); Germany and France (2% of bilateral debt each); and USA, Kuwait, Spain, Iran and Saudi Arabia (1% of bilateral debt each).<sup>263</sup>

On 1 September 2022, IMF staff and the Sri Lankan authorities reached a staff-level agreement on a 48-month arrangement under the Extended Fund Facility (EFF) for about USD 2.9 billion. As part of this, the IMF also stated that "Debt relief from Sri Lanka's creditors and additional financing from multilateral partners will be required to help ensure debt sustainability and close financing gaps", as negotiations with the government continue. Therefore, the Government of Sri Lanka is likely to begin negotiations with its other creditors – private, multilateral and bilateral – to address the sustainability of its outstanding debt obligations. This section outlines the human rights responsibilities of all parties involved in these discussions over the next few months.

<sup>258</sup> UN Independent Expert on the effects of foreign debt, Report: *Guiding Principles on Foreign Debt and Human Rights*, 11 April 2011, UN Doc. A/HRC/20/23, para. 29.

<sup>259</sup> UN Independent Expert on the effects of foreign debt, *Guiding principles on foreign debt and human rights* (previously cited), para. 30.

<sup>260</sup> UN Independent Expert on the effects of foreign debt, *Guiding principles on foreign debt and human rights* (previously cited), para. 31.

<sup>261</sup> Central Bank of Sri Lanka, *Annual report 2021* (previously cited), Volume 1, table 109. If Foreign Currency Term Loan facilities are added, this would be higher.

<sup>262</sup> Department of External Resources, Foreign Debt Summary, [erd.gov.lk/index.php?option=com\\_content&view=article&id=102&Itemid=308&lang=en](http://erd.gov.lk/index.php?option=com_content&view=article&id=102&Itemid=308&lang=en) (accessed on 21 September 2022)

<sup>263</sup> Ministry of Finance, Economic Stabilization & National Policies, Update to Creditors, August 2022, <https://www.treasury.gov.lk/api/file/7d5398e3-d25f-4b97-8b32-0639d83f2e57>, p 5.

### "WE ARE NEAR TOTAL BREAKDOWN"

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA'S ECONOMIC CRISIS

Amnesty International

## 6.3.1 DEBT RESTRUCTURE AND RELIEF

The government has hired legal and financial firms to advise on restructuring its outstanding debt.<sup>264</sup> According to the Chinese Foreign Ministry Spokesperson, “Chinese financial institutions reached out to the Sri Lankan side and expressed their readiness to find a proper way to handle the matured debts related to China and help Sri Lanka to overcome the current difficulties. China is ready to work with relevant countries and international financial institutions to continue to play a positive role in supporting Sri Lanka’s response to current difficulties and efforts to ease debt burden and realize sustainable development”.<sup>265</sup> Following the IMF Staff Level Agreement, Paris Club members announced that they were “ready to start the debt treatment process and reiterates its willingness to coordinate with non-Paris Club official bilateral creditors to provide the necessary financing assurances in a timely manner and ensure fair burden sharing, as already proposed to the largest other official bilateral creditors”.<sup>266</sup> Media reports state that major holders of Sri Lanka’s sovereign bonds have organized a ‘group’ to negotiate with the government,<sup>267</sup> and have stated that they are “prepared to engage constructively and collaboratively with the Sri Lankan authorities and other important domestic and international stakeholders as part of a comprehensive debt restructuring process aimed at securing an outcome that is both equitable to creditors and responsive to the economic and social challenges facing Sri Lanka”.<sup>268</sup> However, one bond holder – Hamilton Reserve Bank Limited – has filed a suit against Sri Lanka in US courts, seeking full payment and interest.<sup>269</sup> These negotiations will no doubt continue over the next months. However, not much is publicly available about their status and what is being discussed.

The UNCTAD Principles on Promoting Responsible Sovereign Lending and Borrowing offer some guidance on how crisis around sovereign debt can be approached. Principle 7 states that “in circumstances where a sovereign is manifestly unable to service its debts, all lenders have a duty to behave in good faith and with cooperative spirit to reach a consensual rearrangement of those obligations. Creditors should seek a speedy and orderly resolution to the problem”.<sup>270</sup> It is crucial that all parties to these negotiations act in accordance with their human rights obligations. According to the Basic Principles on Sovereign Debt Restructuring Processes, adopted by the General Assembly in 2015, sustainability must be a guiding principle. This implies that “sovereign debt restructuring workouts... lead to a stable debt situation in the debtor state, preserving at the outset creditors’ rights... and respecting human rights”.<sup>271</sup> Transparency, “should be promoted in order to enhance the accountability of the actors concerned” and is another key principle.<sup>272</sup>

The UN guiding principles on foreign debt and human rights provide specific guidance on the human rights obligations of all debtors, and state and non-state lenders, including multilateral developmental banks.<sup>273</sup> All states have an obligation to respect, protect and fulfil the full range of human rights. International financial organizations, multilateral developmental banks, and private corporations have an obligation to respect international human rights. As per these principles, Sri Lanka should ensure that rights and obligations arising from future external debt agreements or arrangements do not hinder the progressive realization of economic, social and cultural rights.<sup>274</sup> Non-state lenders, including private bond holders, have an obligation to ensure that debt contracts to which they are party, or any policies related thereto fully respect human

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<sup>264</sup> Reuters, “Sri Lanka picks Lazard, Clifford Chance as advisers for landmark debt restructuring”, 23 May 2022, [reuters.com/world/asia-pacific/exclusive-sri-lanka-picks-lazard-clifford-chance-advisers-overseas-debt-2022-05-23/](https://reuters.com/world/asia-pacific/exclusive-sri-lanka-picks-lazard-clifford-chance-advisers-overseas-debt-2022-05-23/)

<sup>265</sup> Ministry of Foreign Affairs of the People’s Republic of China, “Foreign Ministry Spokesperson Wang Wenbin’s Regular Press Conference on July 15, 2022”, [fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/202207/t20220715\\_10722211.html](http://fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/202207/t20220715_10722211.html)

<sup>266</sup> Newswire, Paris Club Statement on Sri Lanka, 3 September 2022, [newswire.lk/2022/09/03/paris-club-statement-on-sri-lanka](http://newswire.lk/2022/09/03/paris-club-statement-on-sri-lanka) The Paris Club includes some of Sri Lanka’s key bilateral lenders, including Japan and India.

<sup>267</sup> PRS News Wire, “Sri Lanka bondholders announce formation of group”, 21 June 2022, [prnewswire.com/news-releases/sri-lanka-bondholders-announce-formation-of-group-301571937.html](http://prnewswire.com/news-releases/sri-lanka-bondholders-announce-formation-of-group-301571937.html)

<sup>268</sup> PRS News Wire, “Sri Lanka bondholders announce formation of group”, 21 June 2022, [prnewswire.com/news-releases/sri-lanka-bondholders-announce-formation-of-group-301571937.html](http://prnewswire.com/news-releases/sri-lanka-bondholders-announce-formation-of-group-301571937.html)

<sup>269</sup> Al Jazeera, “Bondholder sues Sri Lanka in US court”, 21 June 2022, [aljazeera.com/economy/2022/6/22/bondholder-sues-sri-lanka-in-us-court](http://aljazeera.com/economy/2022/6/22/bondholder-sues-sri-lanka-in-us-court)

<sup>270</sup> United Nations Conference on Trade and Development (UNCTAD), *Principles on Promoting Responsible Sovereign Lending and Borrowing*, 10 Jan 2015, UN Doc. UNCTAD/GDS/DDF/2012/Misc.1.

<sup>271</sup> UN General Assembly (UNGA), *Basic Principles on Sovereign Debt Restructuring Processes*, 29 September 2015, UN Doc. A/RES/69/319, Principle 8.

<sup>272</sup> UNGA, *Basic Principles on Sovereign Debt Restructuring Processes* (previously cited), Principle 3.

<sup>273</sup> UN Independent Expert on the effects of foreign debt, *Guiding Principles on Foreign Debt and Human Rights* (previously cited).

<sup>274</sup> UN Independent Expert on the effects of foreign debt, *Guiding Principles on Foreign Debt and Human Rights* (previously cited), Principle 16.

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

rights.<sup>275</sup> Transparency, participation and accountability are core values that should be observed in the lending and borrowing decisions by states, international financial institutions and other actors.<sup>276</sup>

Debt restructuring and relief should enable Sri Lanka to service its external debts without compromising its capacity to fulfil its international human rights obligations, and all options for debt relief should be on the table, including debt cancellation if necessary. According to the Independent Expert on the effects of foreign debt, “For countries in huge debt distress and economic contraction, it would be impossible to pull out of the debt trap through organic GDP growth, in particular when no one knows when the world economy can be restored to its pre-COVID form. Therefore, debt cancellation is needed for such countries ... cancellation should cover all creditors, including private and multilateral, and not be conditional on lengthy retrogressive economic reform programmes”.<sup>277</sup>

## 6.3.2 FEARS AROUND AUSTERITY MEASURES

In times of economic crisis, states often put in place measures to reduce deficits by increasing government revenues and reducing expenditure. In terms of reducing expenditure, human rights monitoring bodies have noted, both, the human rights risks associated with austerity programmes and that states continue to have human rights obligations even during economic crisis when “some adjustments in the implementation of some of these Covenant rights are at times inevitable”.<sup>278</sup> On this basis, they have developed criteria for how austerity measures should be developed and implemented, where they are considered necessary.<sup>279</sup> Austerity measures should be (a) Temporary and only cover the period of the economic crisis; (b) Legitimate, with the ultimate aim of protecting the totality of human rights; (c) Necessary, in that they must be justifiable after the most careful consideration of all other less restrictive alternatives; (d) Reasonable, in that the means chosen are the most suitable and capable of achieving the legitimate aim; (e) Proportionate, in the sense that, the adoption of any other policy or failure to act would be more detrimental to the enjoyment of economic, social and cultural rights; (f) Not discriminatory and can mitigate the inequalities that can emerge in times of crisis; and they ensure that the rights of disadvantaged and marginalized individuals and groups are not disproportionately affected; (g) Protective of the minimum core content of economic, social and cultural rights; based on transparency and genuine participation of affected groups in examining the proposed measures and alternatives; and (h) Subject to meaningful review and accountability procedures.

Countries facing economic crisis may also seek to privatize some services. According to the UN Special Rapporteur on extreme poverty and human rights, the widespread privatization of public goods in many societies has systematically eliminated human rights protections and further marginalized those living in poverty.<sup>280</sup> As per human rights norms, while designing any collaboration with the private sector, states should put in place a regulatory framework that guarantees people’s human rights, keeping in mind the needs of marginalized groups; establishing standards for public and private actors involved with privatization to ensure that data on human rights impacts are collected and published;<sup>281</sup> and develop effective monitoring and accountability mechanisms.<sup>282</sup>

### HUMAN RIGHTS IMPACT ASSESSMENTS

It is clear how some forms of fiscal consolidation – such as cuts in social spending - can impact people who are living in poverty and those who are otherwise marginalized. They also impact women particularly and disproportionately.<sup>283</sup> Other economic reform measures may also have similar, grave human rights impacts.

<sup>275</sup> UN Independent Expert on the effects of foreign debt, *Guiding Principles on Foreign Debt and Human Rights* (previously cited), Principle 16.

<sup>276</sup> UN Independent Expert on the effects of foreign debt, *Guiding Principles on Foreign Debt and Human Rights* (previously cited), Principle 28.

<sup>277</sup> UN Independent Expert on the effects of foreign debt, Report: *International Debt Architecture Reform and Human Rights*, August 2021, UN Doc. A/76/167, para. 49(e).

<sup>278</sup> CESCR Letter, 16 May 2012, Ref: CESCR/48<sup>th</sup>/SP/MAB/SW, [ohchr.org/english/bodies/cescr/docs/Lettercescrtosp16.05.12.pdf](http://ohchr.org/english/bodies/cescr/docs/Lettercescrtosp16.05.12.pdf), p. 2.

<sup>279</sup> The following experts have all developed and endorsed these criteria: UN Independent Expert on the question of human rights and extreme poverty; Independent Expert on the effects of foreign debt; CESCR; and OHCHR. See, for example, UN Independent Expert on the question of human rights and extreme poverty, Report, 17 March 2011, UN Doc. A/HRC/17/34; CESCR Letter (previously cited); CESCR, Statement: “Public debt, austerity measures and the International Covenant on Economic, Social and Cultural rights”, 22 July 2016, UN Doc. E/C.12/2016/1, which developed these standards further. OHCHR, Report on Austerity Measures and Economic and Social Rights, 2013. These criteria have also been referred to with approval by a Council of Europe study on this issue, *The Impact of the Economic Crisis and Austerity Measures on Human Rights in Europe: Feasibility Study*, adopted by the Steering Committee for Human Rights (CDDH) on 11 December 2015, [rm.coe.int/the-impact-of-the-economic-crisis-and-austerity-measures-on-human-right/16806f2030](http://rm.coe.int/the-impact-of-the-economic-crisis-and-austerity-measures-on-human-right/16806f2030)

<sup>280</sup> UN Special Rapporteur on Extreme Poverty and Human Rights (UN Special Rapporteur on poverty), Report: *Privatization and Human Rights*, 26 September 2018, UN Doc. A/73/396, p. 1.

<sup>281</sup> UN Special Rapporteur on poverty, *Privatization and Human Rights* (previously cited), p. 25.

<sup>282</sup> UN Special Rapporteur on poverty, *Privatization and Human Rights* (previously cited), p. 23.

<sup>283</sup> See for example, Women’s Budget Group, *The impact of austerity on women*, 3 December 2018, <https://wbg.org.uk/resources/the-impact-of-austerity-on-women/>

### “WE ARE NEAR TOTAL BREAKDOWN”

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS



For example, if “far reaching tax reforms” involve increases in value-added tax on essential items, which spreads the tax burden widely regardless of income or access to wealth, then people with lower incomes can end up spending a higher proportion of their income on VAT than those with higher incomes. This could make certain goods more expensive and disproportionately impact people living in poverty.

Ahilan Kadirgamar, a political economist at the University of Jaffna, has also noted how other recently implemented economic reform measures may impact people’s ability to access their economic and social rights. “The floating of the rupee has meant that imports are more expensive, and the cost of imports is passed on to people”, he told Amnesty International.<sup>284</sup> In an article, he also explained how raising interest rates will make credit less available for farmers and others who may need to access it.<sup>285</sup> For these reasons, international human rights standards place obligations on governments and international financial institutions to conduct human rights impact assessments before economic reform programmes are implemented. Human rights impact assessments are necessary to understand what the possible impact of a particular policy might be, especially when these may not be obvious, and to put in place measures to mitigate this impact.

Amnesty International asked the Sri Lankan government whether any assessments had been conducted of economic reform policy measures already implemented, and in the process of being implemented. At the time of publication of this report the government had not responded, and there was no evidence publicly available of such an assessment.

## THE ROLE OF TAXATION AND ALTERNATIVES TO AUSTERITY

One route to address fiscal deficits is through taxation. The Sri Lankan government had introduced tax cuts in 2019,<sup>286</sup> which led to tax revenue declining in Sri Lanka, both, in real terms and as a proportion of GDP. Tax revenues that were rising steadily until 2019, fell by 29% in 2020.<sup>287</sup> Tax revenue as a percentage of GDP has been on a downward trend – more recently, it was falling since 2017 and was at 8.01% in 2021 (the world average is 13.6%).<sup>288</sup> Since then, the government has proposed increasing taxes again to address its growing deficit, including increasing VAT, corporate income tax, and instituting a social security contribution levy (at the time of writing, not all the proposed reforms had been implemented).<sup>289</sup> Given additional pressures, it is likely that more such measures will be introduced in coming months.

A significant aspect in determining whether an austerity measure is consistent with states’ human rights obligations is linked to whether less restrictive alternatives to reduce the deficit have been carefully considered. Therefore, before the government of Sri Lanka introduces potentially regressive policies, it must explore other, less rights limiting, options and address taxation in a manner that equitably increases revenue without disproportionately burdening people on lower incomes. Analysts and civil society groups have proposed options to this effect in Sri Lanka:

- i. *Improving tax collection methods:* According to an analysis by Verité Research, just changing the manner in which tax is currently collected in Sri Lanka could increase tax revenue by up to 0.7% of GDP.<sup>290</sup> Prior to 2020, Sri Lanka had a Pay-As-You-Earn and Withholding Tax (WHT) collection method. The former required most employers to deduct employees’ tax due and remit that tax directly to the government. The latter requires banks and financial institutions paying interest on deposits to deduct a percentage of the payment and remit directly to the government. These systems were changed in 2020, as a part of the government’s taxation reforms, in favour of systems that effectively put more responsibility on individuals to declare and pay their taxes. Verité Research’s analysis indicates that just re-instating these systems, without increasing taxation rates, could improve tax revenues.

<sup>284</sup> Phone Interview with Ahilan Kadirgamar, 28 June 2022.

<sup>285</sup> Interview: rising up in Sri Lanka Ahilan Kadirgamar, *International Socialism*, 15 June 2022, <http://isj.org.uk/rising-up-sri-lanka/>

<sup>286</sup> These included the following: On Personal Income Tax, raising the tax-free allowance, and reducing the top marginal tax rate from 24% to 18%; On Corporate income tax: reducing the standard rate and introducing new exemptions; On VAT, reducing the standard rate and raising the registration threshold. See, for example, IMF, *Sri Lanka: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Sri Lanka* (previously cited), p. 10; Daily FT, “The 2019 tax cuts: Causes and consequences”, 3 June 2022, [ft.lk/opinion/The-2019-tax-cuts-Causes-and-consequences/14-735669](https://www.ft.lk/opinion/The-2019-tax-cuts-Causes-and-consequences/14-735669)

<sup>287</sup> World Bank, Tax revenue (current LCU) - Sri Lanka, [data.worldbank.org/indicator/GC.TAX.TOTL.CN?locations=LK](https://data.worldbank.org/indicator/GC.TAX.TOTL.CN?locations=LK) (accessed on 21 September 2022)

<sup>288</sup> World Bank, Tax revenue (% of GDP) - Sri Lanka, [data.worldbank.org/indicator/GC.TAX.TOTL.GD.ZS?locations=LK](https://data.worldbank.org/indicator/GC.TAX.TOTL.GD.ZS?locations=LK) (accessed on 21 September 2022). For the 2021 Sri Lanka figure, see Central Bank of Sri Lanka, *Annual report 2021* (previously cited), Volume 1, Table 115.

<sup>289</sup> Reuters, “Crisis-hit Sri Lanka hikes tax rates to maximise govt revenues”, 31 May 2022, [reuters.com/markets/rates-bonds/crisis-hit-sri-lanka-hikes-tax-rates-maximise-govt-revenues-2022-05-31/](https://www.reuters.com/markets/rates-bonds/crisis-hit-sri-lanka-hikes-tax-rates-maximise-govt-revenues-2022-05-31/); Colombo Page, “Sri Lanka Prime Minister proposes tax reforms to revive economy”, 31 May 2022, [colombopage.com/archive\\_22A/May31\\_1654005908CH.php](https://www.colombopage.com/archive_22A/May31_1654005908CH.php); Colombo Page, “Social security contribution levy bill passed in parliament with a majority”, 8 September 2022, [colombopage.com/archive\\_22B/Sep08\\_1662648900CH.php](https://www.colombopage.com/archive_22B/Sep08_1662648900CH.php)

<sup>290</sup> Verité Research, “Background note: Restoring efficient tax collection methods: Withholding tax and pay-as-you-earn”, 2022, [veriteresearch.org/publication/restoring-efficient-tax-collection-methods-withholding-tax-and-pay-as-you-earn](https://www.veriteresearch.org/publication/restoring-efficient-tax-collection-methods-withholding-tax-and-pay-as-you-earn), p. 8.

## “WE ARE NEAR TOTAL BREAKDOWN”

### PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA’S ECONOMIC CRISIS

Reports indicate that the government has planned to reinstate the WHT method, but this had not been done at the time of publication of this report.<sup>291</sup>

- ii. *Illicit financial flows*: Another possibility could be addressing illicit financial flows,<sup>292</sup> which was one of the issues the UN Independent Expert on Debt focussed on, in their visit to Sri Lanka in 2019. As the Independent Expert noted, illicit financial practices have an impact on human rights given that they draw a sizable part of the state budget away from its social function. They also found that Sri Lanka's legal and policy infrastructure was not well equipped to address this. The Independent Expert made several recommendations to this end, including asking the government to conduct estimation studies in order to further curb illicit financial flows, in accordance with the Sustainable Development Goals; make tax evasion and providing assistance for tax evasion a criminal offence under the Penal (Criminal) Code; and add tax fraud to the list of suspicious transactions that financial and non-financial entities and professionals must report to the competent authorities.<sup>293</sup> Addressing illicit financial flows would increase the revenue available to the government without compromising rights protections.
- iii. *Introducing more progressive taxes*: A third possibility could be to restructure Sri Lanka's taxation system and make it more redistributive and progressive. This can be done by introducing more progressive direct taxes, which will have minimal impact on people living in poverty, and simultaneously reducing rates of taxes like VAT, which tend to disproportionately impact people on lower incomes. In the context of Sri Lanka, some civil society groups have been advocating for a wealth tax, for example. A wealth tax is a tax on the total value of property or assets owned by an individual or entity. This is not a very common type of tax: as of 2018, for example, only 3 countries in the OECD area had it in place (Norway, Spain and Switzerland), though the OECD has said that "[m]ore recently, concerns about the highly unequal distribution of wealth, combined with the need for greater tax revenues in many countries, have led to a renewed interest in wealth taxes".<sup>294</sup> Non-OECD countries that have had a wealth tax at some point in time include Colombia, Argentina, India and Pakistan. Sri Lanka also had a wealth tax in place, which was removed in the 1990s.<sup>295</sup> Wealth taxes have sometimes been criticised for having high administrative costs and risking high rates of tax avoidance.<sup>296</sup> In the past, countries have also introduced wealth taxes as a temporary measure in times of economic crisis (for example in Iceland; this was also considered by the wealth tax commission in the UK).<sup>297</sup> A similar demand is also being made in the context of Sri Lanka today. The Feminist Collective for Economic Justice, for example, urged the government to "implement progressive taxation to meet the country's public revenue needs, including introducing appropriate wealth taxes".<sup>298</sup>

### 6.3.3 NEW LOANS FROM THE IMF

**“Any response towards mitigating the economic crisis should have human rights at its core, including in the context of negotiation with the IMF”.**

<sup>291</sup> Reuters, "Crisis-hit Sri Lanka hikes tax rates to maximise govt revenues", 31 May 2022, [reuters.com/markets/rates-bonds/crisis-hit-sri-lanka-hikes-tax-rates-maximise-govt-revenues-2022-05-31/](https://reuters.com/markets/rates-bonds/crisis-hit-sri-lanka-hikes-tax-rates-maximise-govt-revenues-2022-05-31/)

<sup>292</sup> See, for example, Public Finance.lk, "How much do casinos owe the Inland Revenue Department?", [publicfinance.lk/en/topics/how-much-do-casinos-owe-the-inland-revenue-department-1633590657](https://publicfinance.lk/en/topics/how-much-do-casinos-owe-the-inland-revenue-department-1633590657)

<sup>293</sup> UN Independent Expert on foreign debt, *Visit to Sri Lanka* (previously cited), para. 97.

<sup>294</sup> OECD, *The Role and Design of Net Wealth Taxes in the OECD*, 12 April 2018, OECD Tax Policy Studies 26, OECD Publishing, Paris, <https://doi.org/10.1787/9789264290303-en>

<sup>295</sup> Sathya Karunaratne, "Is wealth tax the solution to Sri Lanka's low tax revenue collection", 9 November 2021, [Advocata, advocata.org/commentary-archives/2021/10/09/is-wealth-tax-the-solution-to-sri-lankas-low-tax-revenue-collection](https://advocata.org/commentary-archives/2021/10/09/is-wealth-tax-the-solution-to-sri-lankas-low-tax-revenue-collection)

<sup>296</sup> See, for example, Sathya Karunaratne, "Is wealth tax the solution to Sri Lanka's low tax revenue collection" (previously cited); Thread, "Should we implement a wealth tax?", 11 February 2020, [thethreadweekly.com/news/wealth-tax](https://thethreadweekly.com/news/wealth-tax)

<sup>297</sup> Wealth Tax Commission, *A Wealth Tax for the UK*, 9 December 2022, [wealthandpolicy.com/wp/WealthTaxFinalReport.pdf](https://wealthandpolicy.com/wp/WealthTaxFinalReport.pdf)

<sup>298</sup> Committee for the Abolition of Illegitimate Debt (CADTM), "Urgent plea by Sri Lankan feminists to address the unfolding humanitarian crisis caused by the economic collapse in Sri Lanka", 6 April 2022, [cadtm.org/Urgent-plea-by-Sri-Lankan-feminists-to-address-the-unfolding-humanitarian-crisis](https://cadtm.org/Urgent-plea-by-Sri-Lankan-feminists-to-address-the-unfolding-humanitarian-crisis); Daily FT, "Get the super-rich to payback: Impose a windfall gain tax and a wealth tax", 6 June 2022, [ft.lk/columns/Get-the-super-rich-to-payback-Impose-a-windfall-gain-tax-and-a-wealth-tax/4-735773](https://ft.lk/columns/Get-the-super-rich-to-payback-Impose-a-windfall-gain-tax-and-a-wealth-tax/4-735773)

In June 2022, following a visit to Sri Lanka, the IMF highlighted the need to ensure “adequate protection for the poor and vulnerable”, and said that “far-reaching tax reforms are urgently needed”, as are measures to “reduce the elevated fiscal deficit” and address rising inflation, amongst other things.<sup>300</sup> On 1 September 2022, IMF staff and the Sri Lankan authorities reached a staff-level agreement on a 48-month arrangement under the Extended Fund Facility (EFF) for about USD 2.9 billion.<sup>301</sup> This needs to be approved by IMF management and its Board. While the full details of the agreement are not yet public, key elements of the proposed programme include major tax reforms such as making personal income tax more progressive and broadening the tax base for corporate income tax and VAT; “raising social spending and improving the coverage and targeting of social safety net programmes”; and addressing corruption-related vulnerabilities.<sup>302</sup>

On several occasions this year, the IMF has noted “the impact of the ongoing crisis on the people, particularly the poor and vulnerable groups”, and the need to “restor[e] fiscal sustainability while protecting the vulnerable and poor”.<sup>303</sup> The IMF also highlighted “the importance of stronger social safety nets to mitigate the adverse impact of the current economic crisis on the poor and vulnerable” in Sri Lanka.<sup>304</sup> As negotiations around the agreement between Sri Lanka and the IMF continue, the importance of human rights and social spending should remain central. Furthermore, ensuring transparency in this process is crucial as well.

Amnesty International has raised concerns regarding human rights protections in countries that have received assistance from the IMF in times of economic crisis in the past.<sup>305</sup> The IMF also has human rights obligations. As a specialized agency of the United Nations, the IMF is bound by the general aims and principles of the United Nations Charter, including respecting human rights.<sup>306</sup> Furthermore, the IMF is bound by obligations incumbent upon it under general rules of international law, which includes human rights as listed in the Universal Declaration of Human Rights, that are part of customary international law, or of the general principles of law.<sup>307</sup>

The Guiding Principles on foreign debt and human rights note that international financial organizations have an obligation to respect international human rights, which implies a duty to refrain from formulating, adopting, funding and implementing policies and programmes which directly or indirectly contravene the enjoyment of human rights; that lenders should not finance activities or projects that violate, or would foreseeably violate, human rights in the borrower states; and lenders should satisfy themselves that borrowing states are still capable of servicing their external debt without compromising their ability to perform their international human rights obligations.<sup>308</sup> A 2019 report of the Independent Expert on the effects of foreign debt noted that international financial institutions may be held responsible for complicity in the imposition of economic reforms that violate human rights, and that knowledge of the wrongful nature of the act could be presumed if, when advancing the implementation of economic reforms that normally lead to human rights violations, no prior impact assessment was undertaken.<sup>309</sup>

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<sup>299</sup> OHCHR, “Sri Lanka: UN experts sound alarm on economic crisis”, 20 July 2022, [ohchr.org/en/press-releases/2022/07/sri-lanka-un-experts-sound-alarm-economic-crisis](https://ohchr.org/en/press-releases/2022/07/sri-lanka-un-experts-sound-alarm-economic-crisis)

<sup>300</sup> IMF, “IMF staff concludes visit to Sri Lanka” (Press Release 22/242), 30 June 2022, [imf.org/en/News/Articles/2022/06/30/pr22242-imf-staff-concludes-visit-to-sri-lanka](https://imf.org/en/News/Articles/2022/06/30/pr22242-imf-staff-concludes-visit-to-sri-lanka)

<sup>301</sup> IMF, “IMF staff reaches staff-level agreement on an extended fund facility arrangement with Sri Lanka”, 1 September 2022, Press Release 22/295, [imf.org/en/News/Articles/2022/09/01/pr22295-imf-reaches-staff-level-agreement-on-an-extended-fund-facility-arrangement-with-sri-lanka](https://imf.org/en/News/Articles/2022/09/01/pr22295-imf-reaches-staff-level-agreement-on-an-extended-fund-facility-arrangement-with-sri-lanka)

<sup>302</sup> IMF, “IMF staff reaches staff-level agreement on an extended fund facility arrangement with Sri Lanka” (previously cited).

<sup>303</sup> International Monetary Fund, “IMF staff concludes virtual mission to Sri Lanka” (Press Release 22/1710), 26 May 2022, [imf.org/en/News/Articles/2022/05/26/pr22171-imf-staff-concludes-virtual-mission-to-sri-lanka](https://imf.org/en/News/Articles/2022/05/26/pr22171-imf-staff-concludes-virtual-mission-to-sri-lanka)

<sup>304</sup> IMF, “IMF team statement on Sri Lanka” (Press Release 22/129), 23 April 2022, [imf.org/en/News/Articles/2022/04/23/pr22129-IMF-Team-Statement-on-Sri-Lanka](https://imf.org/en/News/Articles/2022/04/23/pr22129-IMF-Team-Statement-on-Sri-Lanka)

<sup>305</sup> See, for example, Amnesty International, *Resuscitation Required: The Greek Health System After a Decade of Austerity* (Index: EUR 25/2176/2020), 28 April 2020, [amnesty.org/en/documents/eur25/2176/2020/en](https://www.amnesty.org/en/documents/eur25/2176/2020/en); Amnesty International, *Strangled Budgets, Silenced Dissent: The Human Cost of Austerity Measures in Chad* (Index: AFR 20/8203/2018), 16 July 2018, [amnesty.org/en/documents/afr20/8203/2018/en](https://www.amnesty.org/en/documents/afr20/8203/2018/en)

<sup>306</sup> CESCR, “Public debt, austerity measures and the International Covenant on Economic, Social and Cultural Rights”, 22 July 2016, UN Doc. E/C.12/2016/1, paras. 7-8.

<sup>307</sup> CESCR, “Public debt, austerity measures and the International Covenant on Economic, Social and Cultural Rights”, 22 July 2016, UN Doc. E/C.12/2016/1, paras. 7-8.

<sup>308</sup> UN Independent Expert on the effects of foreign debt, Report: *Guiding Principles on Foreign Debt and Human Rights* (previously cited), Section III.

<sup>309</sup> UN Independent Expert on the effects of foreign debt, Report: *Responsibility for Complicity of International Financial Institutions in Human Rights Violations in the Context of Retrogressive Economic Reforms*, 16 July 2019, UN Doc. A/74/178, p 2

#### **“WE ARE NEAR TOTAL BREAKDOWN”**

PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA'S ECONOMIC CRISIS

# 7. CONCLUSIONS AND RECOMMENDATIONS

**“My wife and I are working as labourers, and we are running our life on a daily wage, which is extremely difficult. One should experience [this] to understand our sorrow and agony. The situation is very difficult for people like us... All the prices are increasing including rice, dal [lentils], sugar and other essentials... Tell us, with a LKR 1,000 wage [USD 2.78] what can we buy. It is very difficult [for] us”.**

Vijay (name changed), a 46-year-old Malaiyaha Tamil man who works on an estate<sup>310</sup>

The ongoing economic crisis has had a devastating impact on people in Sri Lanka. This report has explained the challenges people face in accessing their rights to health and food, and some of the limitations of existing social security programmes in the country. It has focused, in particular, on the experiences of people who have precarious jobs and rely on daily wages as their only source of income, and on people from the *Malaiyaha Tamil* community, both of whom are likely to be particularly impacted. As the crisis progresses, there is serious concern that things will become worse. The government must prioritize human rights and ensure that these are central in its response. This is particularly crucial as the government begins to enter negotiations to restructure its outstanding debt obligations; this report has explained how the outcome of these negotiations can have grave human rights consequences. Simultaneously, the international community – including other states and international financial institutions - must act in accordance with human rights, in particular, the obligation to provide international cooperation and assistance and support the realization of human rights in Sri Lanka in this difficult time.

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<sup>310</sup> Interview in person with Vijay (name changed), August 2022, Kandy.

# 7.1 RECOMMENDATIONS

## 7.1.1 THE GOVERNMENT OF SRI LANKA SHOULD:

- Urgently assess the impacts of the economic crisis on the ability of people in Sri Lanka to access adequate food, nutrition and healthcare among other essential services.
  - The assessment should include groups at risk of adverse impact such as people living in poverty including in urban areas, people working in the informal sector, people on daily wage incomes, people from the *Malaiyaha Tamil* community and others with low or precarious incomes, and those who have lost their income due to recent unemployment.
  - Particular care should be taken to assess and address the particular impact of the economic crisis on people who may experience adverse impact through multiple and intersecting identities.

### *On health care*

- Continue to collect and coordinate information about what drugs and medical equipment are in short supply and where, and work with partners to ensure that shortages and gaps are appropriately met. To this end,
  - where necessary, continue to request international finance and other assistance to address shortages;
  - ensure that health workers and other stakeholders have access to information about the government's short, medium and long-term plans to address the shortages in drugs and medical equipment.
- Work with partners to regularly monitor and collect data on people's evolving health status and access to health services, including both mental and physical health. Where possible, these data should be disaggregated by gender, age, race, disability status, socio-economic status, caste, health status, and location.

### *On access to food*

- Develop a rapid and realistic assessment of the cash and other support people need to access adequate and nutritious food in this economic crisis.
  - This understanding should reflect the costs of a nutritionally adequate and diverse diet.<sup>311</sup>
  - It should be developed in consultation with appropriate experts and people most affected by the crisis, including women, older people, people with disabilities, children and people with multiple and intersecting identities, including people from the *Malaiyaha Tamil* community, so that it best reflects their challenges and needs.
  - Consider ways by which support can be distributed in cash and also in the form of direct provision of food, given the rising inflation.
- Programmes to address people's growing needs around food security and nutrition should be based on existing social security infrastructure in Sri Lanka (such as existing distribution networks). Responding to the breadth of the impact of the crisis on, efforts should avoid narrow means-tested targeting but instead it should provide the widest coverage possible and should be strengthened and expanded accordingly.
- Adequately fund and implement programmes that directly or indirectly address malnutrition amongst children, including the *Thripasha* programme and the school meals programme, free from discrimination.
- Ensure that children do not miss out on a nutritious diet through school meal programs as a result of school closures.

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<sup>311</sup> Colombo Urban Lab, "From bad to worse - understanding and supporting urban poor families in Colombo in crisis" (previously cited).

- Support agricultural workers to access the goods and services they need for the next harvest, and ensure they also have access to social security protections to guarantee their right to an adequate standard of living.
- Consult agricultural workers on any future decision to move towards sustainable and organic farming. Any shift should factor in the time, information and resources necessary for agricultural workers to become proficient in using new goods and technologies, to maintain crop yields and agricultural production.

#### *On social protection*

- Ensure that the right to an adequate standard of living of people impacted by the crisis is protected, including through bolstering social protection systems.
- Increase expenditure on social assistance programmes to respond to the growing need for support and ensure that everyone who needs it, has access to social assistance. Where the government is unable to meet the funding requirements, it should request specific international assistance to this end as a priority.
- Revise and increase the amount disbursed as social assistance through existing programmes, to ensure that people who receive them can access an adequate standard of living, especially during the economic crisis.
  - This revision should be done in consultation with affected groups, reflecting a gender analysis, and keeping in mind their daily needs and rapidly rising cost of living.
  - Periodically review and revise accordingly the benefit amounts and people covered by social assistance programmes, so that the impacts of the rapidly changing economic and social situation in the country can be addressed.
- Reform existing social assistance programmes in Sri Lanka in a manner that moves away from narrower targeting and offers comprehensive social protection coverage.
  - This should be done in a transparent manner, and should ensure the meaningful participation of people affected by it, including individuals and civil society groups working with affected communities.
  - This process should ensure that communities that have been historically poorly served by Sri Lanka's social protection systems, such as the *Malaiyaha Tamil* community, have timely access to these systems, and enjoy their benefits, free from discrimination.
  - Any social protection programme should be designed in a manner consistent with human rights law and standards, and
    - builds on Sri Lanka's existing networks around social assistance;
    - provide adequate benefits, to allow people to access an adequate standard of living;
    - work with lenders/donors to build a clear understanding of the costs involved in providing universal social protection, and a plan to cover these costs in a sustainable manner through all options available to the government;
    - have built-in independent mechanisms to periodically evaluate the functioning of the programme to ensure accountability and adequacy.

#### *On Debt and Economic Reform*

- Conduct human rights impact assessments for the development and implementation of any austerity measures, in line with the guidelines published by the UN Independent Expert on Foreign Debt.<sup>312</sup>

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<sup>312</sup> Report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of human rights, particularly economic, social and cultural rights, Guiding principles on human rights impact assessments of economic reforms, A/HRC/40/57, 19 December 2018, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G18/443/52/PDF/G1844352.pdf?OpenElement>

- Develop mechanisms and processes by which people can effectively participate in and contribute to discussions about budgets and public expenditure, including before decisions to reduce public expenditure on economic and social rights are made in times of economic crisis.
- Avoid harmful austerity measures. Where these are implemented, ensure that they are:
  - temporary and only cover the period of the economic crisis;
  - legitimate, with the ultimate aim of protecting the totality of human rights;
  - necessary, in that they must be justifiable after the most careful consideration of all other less restrictive alternatives;
  - reasonable, in that the means chosen are the most suitable and capable of achieving the legitimate aim;
  - proportionate, in the sense that, the adoption of any other policy or failure to act would be more detrimental to the enjoyment of economic, social and cultural rights;
  - not discriminatory and can mitigate the inequalities that can emerge in times of crisis; ensuring that the rights of disadvantaged and marginalized individuals and groups are not disproportionately affected;
  - protective of the minimum core content of economic, social and cultural rights; based on transparency and genuine participation of affected groups in examining the proposed measures and alternatives;
  - designed and adopted consistent with the requirements of transparency, and participation;
  - subject to meaningful review and accountability procedures.
- Explore alternative options for accessing the maximum available resources to fulfil human rights obligations, including through
  - effectively addressing tax evasion and tax fraud (in line with the recommendations of the UN Independent Expert on foreign debt and human rights),
  - reforming tax collection methods (such as reinstating PAYE), and
  - implementing progressive, redistributive tax measures.
- Ensure that Sri Lanka’s human rights obligations, and the fiscal space necessary for human rights-related spending, is a key factor in future negotiations on Sri Lanka’s debt, including while evaluating possible debt relief and changes to the terms of repayment.
- Ensure that that any future commitments around Sri Lanka’s debt, including around future debt servicing obligations, do not undermine the government’s ability to fulfil its human rights obligations.
- Ensure that future loan agreements, in particular those involving conditions linked to economic, social and fiscal policy reforms are transparent and available for public scrutiny (for example, they could be debated in Parliament).
- Conduct an independent inquiry into allegations of corruption and put in place effective mechanisms to ensure that there is no mismanagement of resources.

## **7.1.2 SRI LANKA’S MULTILATERAL, BILATERAL, AND PRIVATE CREDITORS SHOULD:**

- Act in accordance with their human rights responsibilities while negotiating Sri Lanka’s debt restructure, ensure debt relief, and consider all options for debt relief including debt cancellation.
- Ensure that key aspects of all agreements related to Sri Lanka’s debt restructure are transparent and available for public scrutiny.

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- Ensure that their human rights responsibilities and Sri Lanka's human rights obligations are central to any future commitments around Sri Lanka's debt, including restructuring and changes to the terms of repayment, and in particular, ensure that
  - these future commitments do not undermine the government's ability to fulfil its human rights obligations;
  - they enable, not hinder, the Sri Lankan government to put in place timely and meaningful measures to ensure that marginalized groups and people vulnerable to disproportionate harm due to the economic crisis have access to sufficient social security and support, so they can access an adequate standard of living.

### **7.1.3 THE IMF SHOULD:**

- Ensure that all agreements and terms and conditions linked to economic, social and fiscal policy reforms are transparent and available for public scrutiny.
- Ensure that human rights impact assessments of financial assistance programmes are prepared before, during and after their implementation in line with the guidance issued by the Independent Expert on the effects of foreign debt,<sup>313</sup> and that financial assistance programmes are regularly reviewed and evaluated, not only in relation to their economic and fiscal targets, but also against states' human rights obligations. Make the results of this assessment public.
- Ensure that any economic, social and fiscal policy reforms and targets linked to loans programs are realistic, sustainable, and can be implemented by the government without impacting human rights fulfilment.
- Refrain from stipulations in economic reform programmes, loan contracts, debt repayments, and other aspects of fiscal policy programming that may undermine the government's ability to guarantee economic, social and cultural rights; and ensure that the government has the fiscal space necessary to this end. More specifically, the IMF should ensure that stipulations enable, not hinder, the Sri Lankan government to
  - Put in place timely and meaningful measures to ensure that marginalized groups and people vulnerable to disproportionate harm due to the economic crisis have access to sufficient social security and support, so they can access an adequate standard of living.
  - Protect funding and investment in sectors that are necessary to protect economic and social rights, including health, food, social security, education and housing.
- Incorporate human rights obligations into debt sustainability analysis and ensure that debt servicing obligations do not undermine the fiscal space available to the Sri Lankan government to ensure adequate social spending for the fulfilment of a state's economic, social and cultural rights obligations.
- Ensure that measures to guarantee genuine and effective participation of all persons potentially affected by reform measures are built into programme design, implementation and monitoring.
- Build in measures to guarantee accountability and public scrutiny in all economic policy reform programmes with a view to avoiding corruption.

### **7.1.4 MULTILATERAL DONORS AND LENDERS SHOULD:**

- Support Sri Lanka with all the financial and technical assistance possible, in a manner that allows the government to strengthen human rights protections for people in the country.
- Refrain from stipulations in economic reform programmes, loan contracts, debt repayments, and other aspects of fiscal policy programming that may undermine the government's ability to guarantee economic, social and cultural rights; and ensure that the government has the fiscal space necessary to this end.
- Enable the government to put in place timely and meaningful measures to ensure that

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<sup>313</sup> Guiding principles on human rights impact assessments of economic reforms, A/HRC/40/57, 19 December 2018 (previously cited)



- marginalized groups and people vulnerable to disproportionate harm due to the economic crisis have access to sufficient social security and support, so they can access an adequate standard of living, and
  - support the government to develop programmes that move away from targeting and towards offering universal social protection.
- Enable the government to protect funding and investment in sectors that are necessary to protect economic and social rights, including health, education and housing.

### **7.1.5 OTHER COUNTRIES SHOULD:**

- In line with their obligation to provide international cooperation and assistance, support Sri Lanka with all the financial and technical assistance possible, including regarding tax assessment and collection, and support for relief programmes. This should be done in a manner that allows the government to strengthen human rights protections for people in the country and address any current and future protection gaps,
- Ensure that the terms of their support do not undermine the government's ability to guarantee economic, social and cultural rights; protect fiscal space necessary to fulfil these rights; and that agreements and terms and conditions linked to all forms of technical and financial assistance are transparent and available for public scrutiny.



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# “WE ARE NEAR TOTAL BREAKDOWN”

## PROTECTING THE RIGHTS TO HEALTH, FOOD AND SOCIAL SECURITY IN SRI LANKA'S ECONOMIC CRISIS

The ongoing economic crisis has had a devastating impact on people in Sri Lanka.

This report highlights the challenges people in Sri Lanka are facing in accessing their rights to health and food, and some of the limitations of existing social security programmes in the country. It focusses on the experiences of people who have precarious jobs and rely on daily wages as their only source of income, and on people from the *Malaiyaha Tamil* community, both of whom are likely to be particularly impacted. As the crisis progresses, there is serious concern that its impacts will both deepen and spread wider.

The government must prioritize human rights and ensure that these are central in its response and recovery measures. This report outlines some key steps that the Sri Lankan government and the international community (including donor states and Sri Lanka's governmental and private creditors) must put in place to protect human rights. These include moving towards universal approaches to social protection; increasing the amount of international assistance available; and considering all options for debt relief, in line with human rights obligations, including in negotiations around debt restructure and relief in Sri Lanka.