

SRI LANKA NOT SPARED BY GLOBAL ECONOMIC DOWNTURN

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Today in Sri Lanka, the rising Cost of Living has broken the spirit of the public. The inability to provide for one's family has left people helpless. This has become so severe that people simply do not know how to face the future. It has become so bad that the purchasing power of the individual is next to nothing. The salary comes into your bank account, and then in a couple of days, you have to rely on your savings or to borrow money to feed your family. This is the ground reality.

The Cost of Living goes up, but your salary does not increase. So many people move back and forth along the aisles in supermarkets deliberating on what to buy for the household and still save up on money. Not everybody earns a salary in Sri Lanka and their situation is even worse. But for how long is the million-dollar question? The rising Cost of Living affects everyone in the chain, buyers as well as sellers. They are all in the eye of the storm. We may not all be in the same boat, but we are all very much in the same storm. The *Daily News* spoke to a cross section of the public on how they are coping with the rising Cost of Living.

Dr. Sureshika Piyasena is the mother of a six-year old daughter, who points out that the prices of vegetables and rice have gone up so much that she wonders how people who earn a daily wage are feeding their children?

She adds: "I cut down on what I generally buy for myself and try to keep buying what I used to buy for my daughter. It doesn't help that she has sensory issues and is a very picky eater. I don't need fuel because I don't have a vehicle. I drop my daughter to school on my cycle and then cycle to work. I am determined to manage on the cycle. But I miss just taking a cab or three-wheeler on rainy days. I haven't seen my friends and relatives who live far away for months. My daughter doesn't get to see her cousins. I don't have power cuts because I am one of those privileged people who live in an apartment. The days I didn't have gas, I managed with the rice cooker and the oven. I just manage and live for the day and try to be grateful for what we have," she said.

Truly with the rise in Cost of Living, she is determined to be self-sufficient as much as she can, so she may help the country. "I always check if it has been made/grown in Sri Lanka before I buy it."

Shehan, pointed out that it is very easy to lay the blame on the Government but the Government did not do this on purpose.

"I think first we need to understand that leaders are human and leaders sometimes have very little control over the forces at work in a country. Having said that, I think we need to understand that the Cost of Living is going up around the world. This is not a situation only in Sri Lanka. This is a global crisis. Our neighbours India and Pakistan are also battling soaring inflation. I have been reading up on this subject and I have found that there are several reasons for the Cost of Living going up around the world. Some of them are the rising energy and petrol prices, good shortages and shipping costs. The Sri Lankan Government had to restrict the import of several essential food items because they needed to hang onto their vital dollar reserves. This move, combined with increasing fuel and freight costs, pushed the price of essentials such as milk powder and rice much higher. I honestly do think that our leaders are trying to do the best that they can do, just like the leaders in India and Pakistan."

PG as he is known amongst his friends, is married with two young children. He says that when his family buys groceries, they buy extra to help others in need as well.

"Every rupee we spend for ourselves on groceries we want to give to someone less fortunate," said PG.

"So, in the middle of last year, I felt God giving me the peace to 'explore' new job opportunities after 10 years of being in the same place. Finally, this year I got the job just before the price hikes and the devaluation of the rupee. God's been so good that if I was at my previous place, I would have suffered not being able to buy essential items. I may not even have been able to send my son to Montessori. But God knew the future and so last year itself, prepared me to move out and wanted to help us. So now with my new job we have all what we need and are able to help others too," explained PG.

Chamendra Wimalasena is an IT Profession-

al, a full stack developer, entrepreneur running an IT company which caters to Sri Lanka and the East Asian market. He points out that one significant increase he has seen is the cost of consumer goods, groceries, cooking material and transport. One cascade onto the other and he feels that the cost of maintaining a household has increased by at least three fold.

"Bread, vegetables, meats and fish have gone up. I have six cats. They are given a low cost fish which used to cost about Rs.190 a Kilogramme, but now it's about Rs. 700 a Kilogramme. Once again over three times the price. I usually get fish from the boats in Wattala, however now the fishermen make more profit selling their fuel quotas than from going out to sea," said Wimalasena

Wimalasena makes decent enough profits to maintain a healthy lifestyle for everyone at home. However, they cook more at home now, ordering dishes from restaurants has been drastically cut down. Some food items have gone off the table completely.

"When my dad was around, he used to be a CKD, diabetic and heart patient. His treatment, medication and food cost us an exorbitant amount of money. I can only imagine what many people with these illnesses are going through to just live another day," he said.

Wimalasena has a message to give out to people. He says:

"There is an option to work together as a neighbourhood. If you live down a lane, check on your neighbours. Support each other during these tough times, because you don't know when it will be your turn to bite the dust. If you cook extra, don't leave it in the fridge and throw it away two days later. Pack it up, walk to the street and you'll find dozens of people with no food for the night. If each neighbourhood supports their own small community in the smallest possible way, we can make sure one person or one family doesn't end up being unable to feed their children."

Vijitha was of the opinion that the shortage of foreign exchange in Sri Lanka is to be blamed for the sky-high prices.

Shehan, pointed out that it is very easy to lay the blame on the Government but the Government did not do this on purpose. "I think first we need to understand that leaders are human and leaders sometimes have very little control over the forces at work in a country. Having said that, I think we need to understand that the Cost of Living is going up around the world. This is not a situation only in Sri Lanka. This is a global crisis. Our neighbours India and Pakistan are also battling soaring inflation.

"I think this is partly due to the impact of the COVID-19 pandemic in Sri Lanka. Because of the COVID-19 pandemic our tourism sector took a very bad hit. I think this was the same for certain other countries as well. This was not something our leaders anticipated or predicted. For that matter, no Government in the world really anticipated it. It was something very new for all of us. Also because of COVID-19 our foreign remittances were also badly affected. But keep in mind that when the COVID-19 pandemic was in its initial stages, our Government acted swiftly and as a result we were in a much better position compared to other countries who did not act swiftly."

Ranga Jayaratne is a lady with two young children. The *Daily News* asked her - when buying essential food products, which ones are most costly.

"It is mostly milk, eggs and food items that we purchase for the children. We continue to buy what we need since there is no other option and when possible we switch to alternatives. I am affected the most, when it comes to fuel and electricity. Power outages certainly disrupt my work and schedule. Not to mention the hours wasted sitting around till its back on. As for fuel, it's a basic need, and when you have young children you need to be prepared for emergencies etc." she said.

Erandhi is another lady who spoke to the *Daily News*. "The prices of all essential items have increased exponentially, be it milk powder, rice and even vegetables. However, we require all these essential items, leaving us with no option but to purchase them. Given the situation, we are coping alright and the situation is being handled with great patience on our part."

"We are hoping that normalcy will be restored soon. Our budget has had to be adjusted with a larger portion of our disposable income allocated for essential items, shrinking our savings and leisure budget," said Erandhi.

The fuel crisis has affected the cultivation and the transportation of goods from many areas of the island. This has caused prices of goods to skyrocket.

"The lack of fuel has affected us the most. Although power outages also cause certain disruptions, the inability to move around has caused the greatest issues. For transport, we do not use vehicles unless it's absolutely necessary and opt for public transport or bicycles. We have adjusted our lifestyles to fit in with the power outages so that activities that require electricity are completed before the scheduled power outage begins," she said.

Archt. Nirodha Gunadasa points out that we need to restrict our purchasing to the utmost essentials. He adds that it is necessary to concentrate on locally produced goods and be encouraged to buy them. It is necessary to prevent the shrinkage of our local market and make living even harder in the future.

"I am in the construction industry and I don't see any future for this industry at all. We have 10 to 15 people working with us and I need to safeguard the living of those families. The building materials have gone up in price in an unprecedented manner and even the supplies are very limited. In a situation where the construction industry has fallen down to 5% of its previous size, how can we do it? That is pretty much a challenge," said Archt. Gunadasa.

Charith explained that the Cost of Living is a structural problem of our economy. Unless you rectify this imbalance with a long term perspective, a real solution can never be found. He said:

"When production is low and the demand is high, naturally prices go up. Therefore, we need to produce more. We are a consumer nation. There is not enough emphasis on production. We depend too much on imports. We do not try to produce them locally. Sri Lanka is surrounded by a vast ocean. But the fisheries sector is not developed. We import canned fish and other countries are catching our fish and sending them back to us in the form of canned fish."

The *Daily News* spoke to a woman who is separated from her husband. She has one child but she does not get any support from her husband. She lives in a rented apartment. She works as a house



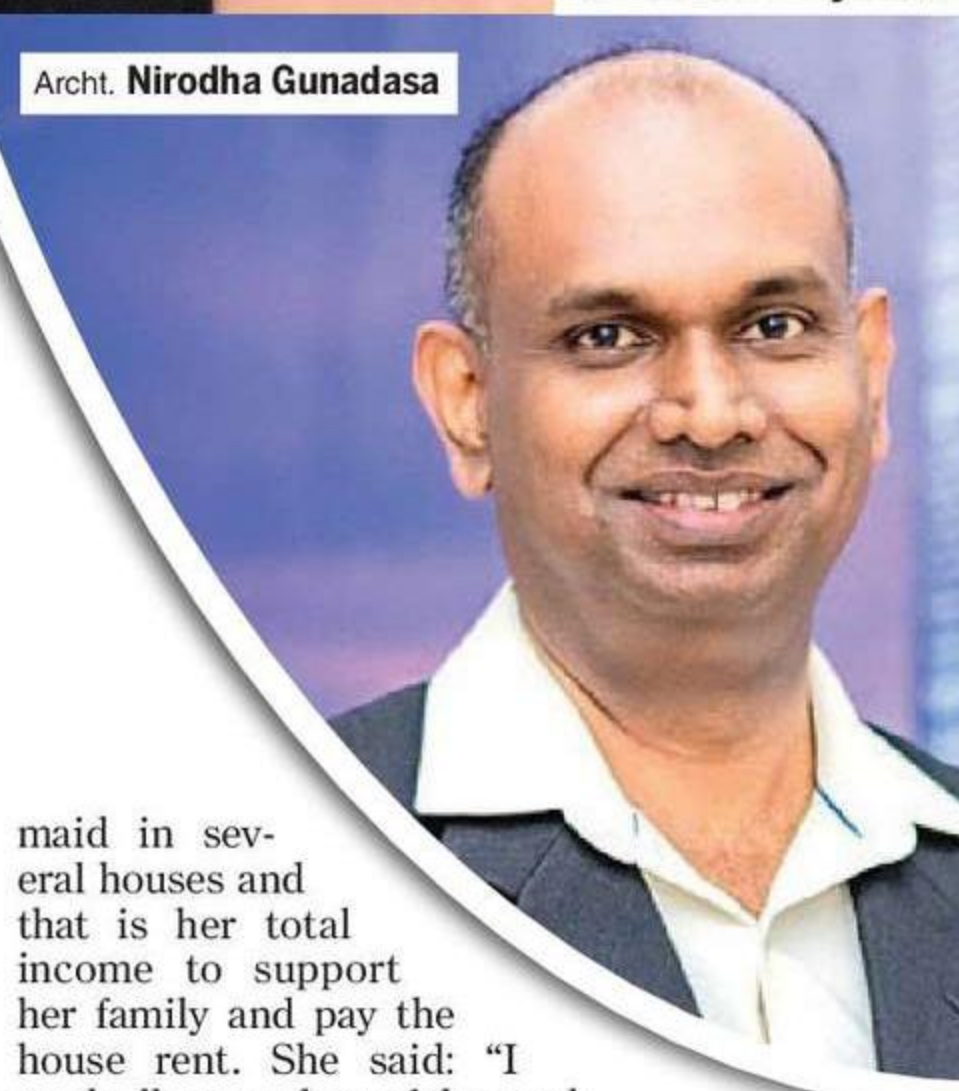
Ranga Jayaratne



Chamendra Wimalasena



Dr. Sureshika Piyasena



Archt. Nirodha Gunadasa

maid in several houses and that is her total income to support her family and pay the house rent. She said: "I work all seven days of the week - morning as well as afternoon, going from one house to another. I get around Rs. 200 an hour. With this money, I have to feed my family, pay house rent and pay for my child's school van. Recently, everything has gone up in price. I have to pay Rs. 15,000 as house rent. The Gas price is around Rs. 5,000. What is left for food is very little. My child needs a phone for on-line learning conducted by her school, but I don't have money to buy her a phone. So she uses my phone, and as a result I have no phone when I go out. No matter how hard I work, I find it difficult to cope with the rising Cost of Living."



Prices of essentials like vegetables have increased due to inflation.