

Concept note: Research by LIRNEasia on Social Safety Nets

Introduction

3 million individuals in Sri Lanka were living in poverty in 2019¹. However, Sri Lanka has seen record levels of inflation and income loss since. Thus, millions more have become newly poor, requiring assistance to support their livelihoods. Reforms concerning the broader social protection system are also necessary. These include improving targeting (reducing inclusion and exclusion errors), streamlining administrative procedures, making delivery more efficient, and improving the efficacy of programmes on poverty reduction. A policy window for reform has opened, and the appointment of the Welfare Benefits Board is a positive first step in the right direction. It is imperative that the multiple reforms proposed should be rooted in robust evidence. LIRNEasia intends to build on the [existing evidence base built by itself](#) and others, to fill key knowledge gaps which would aid policy reform. We expect for consolidated research findings to be released in March 2023.

Data and methodology

LIRNEasia is building this evidence base using 3 types of data:

1. Survey data: A 10,000 sample, face to face, household survey starting October 2022, allowing for national level estimates to be made within a 95% confidence interval with +/-1.4% margin of error. Its results will also be representative by Province, with margins of errors ranging from +/-3.7% to 4.8%, and by District, with margins of errors ranging from +/- 6.2% to 7.3%. Further disaggregation will also be made by urban, rural and estate sector, and socio-economic category, amongst others. Additionally, 2,500 households who are Lanka Electricity Company (LECO) customers will be surveyed to study the relationship between socioeconomic characteristics and electricity consumption patterns.
2. Transactional data: Pseudonymized historical electricity consumption data from LECO will be analyzed in conjunction with survey data.
3. Qualitative data: Focus group discussions and in-depth interviews with over 250 existing and potential beneficiaries will be conducted across 12 districts. 60 key informant interviews and 20 structured observations will also be conducted to understand administrative processes of obtaining benefits.

Key research questions

We hope to use this data to answer several important questions:

1. What proportion of households/individuals are receiving assistance via various social protection schemes? What are the demographic and socio-economic characteristics of those who are receiving these benefits? How many of those who are eligible are not receiving benefits? How long have they been in waiting lists?
2. How do we better identify the poor (particularly the new poor and food insecure²)? Which economic/social indicators³ are most strongly correlated with poverty and food insecurity? We pay particular attention to electricity consumption as a potential indicator of poverty and food insecurity.
3. What are the administrative processes associated with delivering benefits? What are the transactions costs (travel and waiting times) for beneficiaries associated with receiving benefits via existing delivery channels? How do we improve the delivery of benefits (particularly through digitally enabled channels)

For more information contact Senior Research Manager Gayani Hurulle at gayani@lirneasia.net

¹ Department of Census and Statistics (2022) Household Income and Expenditure Survey 2019.

² Food security is being measured by drawing on the World Food Programme's [Consolidated Approach to Reporting Indicators](#) (CARI) methodology

³ The efficacy of the 22 criteria in the [Extraordinary Gazette No. 2128/24](#) dated 20th June 2019 & indicators used in the (local) Multidimensional Poverty Index in identifying the poor is being studied.