



The economic crisis and its effect on life style of the people: A study in colombo divisional secretariat division, Sri Lanka

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Abstract

The people of Sri Lanka are severely impacted by the country's economic crisis. The study was conducted to determine how people's way of life had changed in Colombo due the crisis. Primary data collected through a Google form-based survey and observation. As per the study 94.1 % of participants stated that the economic crisis has altered their way of life. Because of the economic crisis, 39.2 % of respondents have reduced their food purchases. Concerning gas supply, 78.4 % of respondents stated that the situation has caused them to change their cooking methods. People also reported changing their eating habits and consuming fewer veggies and meats. Furthermore, people are mentally dissatisfied with their existing status in terms of achieving their goals and dreams. This circumstance has an impact on the lives of the youth and the country's future. Similarly, there are some positive sides due to the economic crisis. People have involved in their own cultivation. This causes a natural rise in self-production. This stage would also boost domestic output, allowing the country to stand on its own. Increasing the number of local products and inventions benefits the country's prestige. This helped the nation's health, education, environment, economy, and people's livelihoods as well.

Keywords: Economic crisis, Fuel crisis, Agriculture crisis, Colombo DSD

Introduction

A sharp downturn in the nation's economic performance is evident in falling output and demand, rising unemployment, and corporate bankruptcies 1. As a result, the nation will inevitably experience significant levels of poverty. The economic crisis is a part of a general crisis that occurs in many countries worldwide. It affects production, trade, social, political, and cultural relations 2.

Several developed countries have experienced an economic crisis. In 2007 to 2008, the united states experienced an economic crisis it caused unemployment and it effect youngsters severely 3. This financial crisis impacted all the countries, including Europe countries. The worldwide economic crisis in 2009 dramatically altered the structure of modern civilization and undoubtedly impacted the entire world 4. Due to this crisis, Italy faces a reduction in gross domestic product, which impacts each individual in the country 5.

Sri Lanka is classified as a developing country. As per the income of the country in 2019, the World Bank downgraded Sri Lanka from upper-middle-income category to lower middle income 6.

The ongoing economic crisis of Sri Lanka started in 2019 and is recognized as the worst economic crisis faced by the country since 1948 7. It causes severe issues such as unprecedented inflation, near-depletion of foreign exchange reserves, shortages of medical supplies, increased prices of essential commodities, electricity and fuel shortages, and reduced educational qualification. The identified reason behind the economic crisis is listed as a fall in foreign remittances, tourism which is considered a primary income way, but it started to drop in 2019 due to the Easter bombing 2019, Covid 19 pandemic, tax cuts in 2019, increased external credit of the country that borrowed to construct unprofitable infrastructure within last decade and agriculture crisis 8.

The agriculture crisis arose due to the announcement of the country in 2021 as the country will allow only organic farming and ban inorganic fertilizers and agrochemicals-based fertilizers within a concise period 9.

Due to the economic crisis of Sri Lanka, the people in urban cities have faced severe issues. People start to stay on the line for fuel and face continuous power shortages, transportation issues, and the increased price of domestic products 10. Thus the study was used to analyze the lifestyle changes in the urban city due to economic crisis on Colombo Divisional Secretariat Division, Sri Lanka.

Materials and methods

The data is obtained from the primary data collection method for the study. The study was carried out from March to June 2022. A standard questionnaire was used to collect the data through a social survey. The questionnaire includes five sections: social and agraphic data, economic status, Details of consumption, Changes in consumer behavior, and Changes in utilization of products.

A random sampling method was used to collect the data, and an adequate sample size was decided by the following equation 11.

$$n = p (100 - p) \frac{z^2}{E^2} \quad (1)$$

Where,

n is the required sample size.

p is the percentage occurrence of a state or condition. The default value is 50.

E is the percentage of maximum error required or the Margin of error. The value is 5.

Z is the value corresponding to the level of confidence required. The value is 1.96.

As per the equation, the sample size of the study area is calculated as 422 ($p = 50$, $E = 5$, and $Z = 1.96$) 11. Four hundred and twenty-two questionnaires were shared physically and on social media with the public within Colombo Divisional Secretariat Division. The used social media platforms were WhatsApp and Messenger. The questionnaire was prepared in Google form in English to obtain the data via the internet. The obtained data were analyzed by Excel sheet for the result.

Results and Discussion

The social character of the respondents was considered age, sex, educational qualification, and the number of family members. Four hundred and twenty-two individuals responded to the questionnaire. Ninety-two questionnaires were responded to physically by a printed version. Balance 350 was responded to through Google form, shared via the internet. The result is summarized all together for the outcome.

Table 1: Social characteristics of participants

| General characteristic of the sample | Frequency (422) | Percentage (%) |
|--------------------------------------|-----------------|----------------|
| Age | 16 to 15 | 49 |
| | 26 to 35 | 284 |
| | 36 to 45 | 57 |
| | Above 45th | 32 |
| Sex | Male | 168 |
| | Female | 254 |
| Educational Qualification | Secondary | 112 |
| | Graduates | 170 |
| | Postgraduate | 140 |
| Number of Family Members | 1-3 | 149 |
| | 1-5 | 209 |
| | 1-8 | 59 |
| | >8 | 05 |
| Type of Residence | Own | 266 |
| | Rental | 49 |
| | Flats | 65 |
| | Other | 42 |

Table 1 displays the general characteristics of the survey respondents. According to the data, 67.2 % of respondents were aged between twenty-six and thirty-five. There were 60.18 % women. Graduates made up 40.28 % of the respondents, while postgraduates made up 33.17 %. 49.52 % of participants had one to five family members. The respondents' residential type was recorded as 63.03 % living in their own house, 11.61 % in rental homes, 15.40 % in flats, and 9.95 % living in other homes such as native residence and boarding and leased houses. Furthermore, it was noted that of the respondents, 21.32 % had monthly income between Rs.10,000 and Rs. 50,000; and 29.62 % had income between

Rs. 50,000 and Rs. 100,000 Families earning between Rs. 100,000 and Rs. 250,000 per month made up 37.62 %, while families earning over Rs.250,000 per month made up 11.61 %. It demonstrates that the majority of respondents have high monthly income averages. This family could maintain a high level of life in an urban region before the economic downturn. According to the research, 94.1 % of the participants agreed that the economic crisis had changed their lifestyles. Right now, 88 % of respondents concur that they have begun to reduce the cost of their purchases, and only 12 % disagree. The types of things respondents avoid buying due to the economic crisis are depicted in Figure 1.

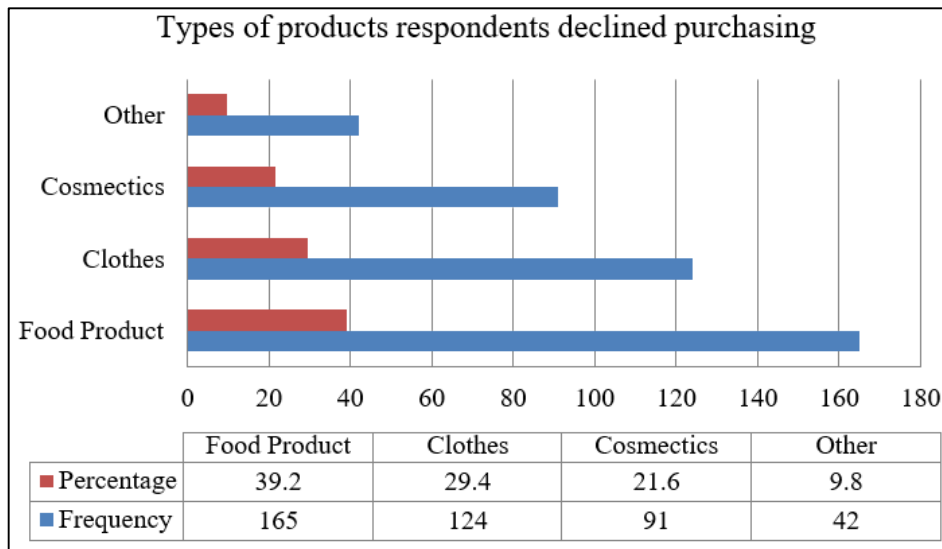


Fig 1: Types of products respondents declined to purchase

According to the graph, 39.2 % of people have decreased food purchases. Every person worked as hard as they could to keep their dietary habits satisfied, but the economic crisis made those people less fortunate. Further, People lowered their clothing purchases by 29.4 %. Cosmetics purchases fell by 21.6 %, and other purchases including those of alcohol and nicotine products, down by 9.8 %. The procurement of petroleum from foreign nations has decreased due to the

economic crisis. It reduces availability and raises the price of gas cylinders. As a result, most people lose the opportunity to use a gas stove for cooking purposes. Concerning this issue, 78.4 % of the individuals admitted that they had modified their cooker due to the economic crisis, while 21.6 % stated they had not. Figure 2 depicts the modifications made by research participants at the end of 2021 and after 2021.

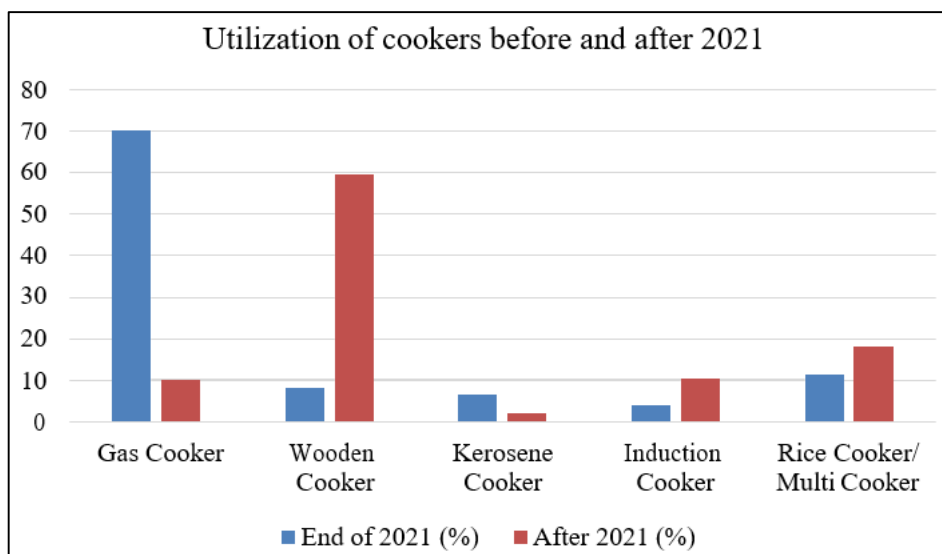


Fig 2: Comparison of the utilization of cookers before and after 2021

According to the graph, usage of gas cookers has significantly reduced from 70.37 % to 10.18 %, while usage of wooden cookers has significantly increased from 8.05 % to 59.71 %. Kerosene users decreased by 6.39 % to 1.89 %, while those who use induction cookers rose from 3.79 % to

10.18 %. The proportion of people who use rice cookers or multi-cookers increased from 11.37 % to 18.00 %. However, people are still waiting in line to get a gas cylinder. The table below shows how much time people spend waiting in long queues.

Table 2: Time spent in the queue to obtain gas

| Time | Frequency | Percentage |
|------------------------|-----------|------------|
| Less than one hour | 15.63 | 66 |
| 1-5 hours | 15.63 | 66 |
| 1-10 hours | 19.43 | 82 |
| More than 10 hours | 16.11 | 68 |
| Did not obtain the Gas | 33.17 | 140 |

According to the table, 15.63 % of respondents said they stood for less than an hour to buy gas, 15.63 % stated they stood for one to five hours, and 19.43 % claimed they stood for one to ten hours, and 16.11 % mentioned they stood for more than ten hours. Regrettably, 33.17 % of those who stood for longer than ten hours did not receive gas.

The research also takes into account the petroleum issue. Among the respondents, 80.80 % have a personal vehicle, and 19.19 % do not own a vehicle. 80.80 % of the persons in this circumstance waited in line for fuel. The frequency is displayed below with time.

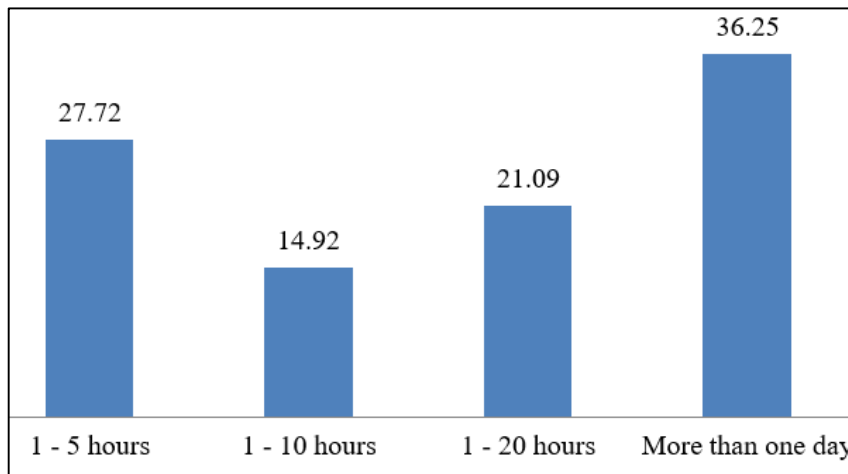


Fig 3: Time spent in the queue for Petroleum

According to the graph, 27.72 % of people took one to five hours to get their petroleum, 14.92 % spent one to ten hours, 21.09 % waited for one to twenty hours, and 36.25 % lasted more than a day. However, due to the fuel crisis, 73.31 % of respondents who own a vehicle have switched to public transportation, while 26.68 % use their vehicles.

In response to the economic crisis, 52.85 % of respondents said they were considering migrating from Sri Lanka, while 47.15 % said they had no intentions of leaving.

The financial crisis has had a significant influence on Sri Lankans. People have altered their lifestyles in a variety of ways. The following table displays people's adjustments in response to the national crisis.

Table 3: Lifestyle changes due to the economic crisis

| No | Life Style Change | Frequency | Percentage |
|----|-----------------------------------|-----------|------------|
| 1 | Started to walk | 19 | 4.50 |
| 2 | Riding Bicycle | 12 | 2.84 |
| 3 | Started to use public transport | 26 | 6.16 |
| 4 | Training for mental stability | 20 | 4.73 |
| 5 | Loss of Leisure time | 40 | 9.74 |
| 6 | Limited trips | 26 | 6.16 |
| 7 | Food pattern and transport | 40 | 9.47 |
| 8 | Food Pattern | 53 | 12.55 |
| 9 | Cutting off on luxury expenses | 55 | 13.03 |
| 10 | Start to cultivate own vegetables | 106 | 25.11 |
| 11 | Nothing Mentioned | 25 | 5.92 |

Data collected revealed that people have altered their way of life in response to the country's economic problems. Based on this, 4.5 % of people began to walk for a short distance. In addition, 2.84 % of people started riding bicycles, and 6.16 % began using public transportation, including buses and trains. 4.73 % of the respondents stated they were mentally preparing for the situation. Further, 9.74 % of respondents stated that they had lost leisure time due to waiting in lines to buy gasoline and gas. They continued by saying they didn't have enough time to unwind at home. In response to the gasoline problem, 6.16 % of the respondents said they had cut

back on vacations and travel. 9.47 % of respondents said their eating habits and modes of transportation had changed. 12.55 % changed their eating habits by consuming fewer meals, making one or two curries with rice, and avoiding fruits, particularly grapes and apples, and meat products such as chicken, fish, and eggs.

Additionally, 25.11 % of respondents said they started home vegetable gardening. Chile, tomato, eggplant, bitter gourd, and pumpkin were all vegetables. And 25.11 % stopped using their premium production. 5.92 % of respondents did not respond at all.

Finally, suggestions for resolving the country's economic crisis were requested from the responders. Among the 422 respondents, 76 did not respond to the question, while the remaining 346 people shared their ideas. The summary of the suggestions are; to privatize all sectors of Sri Lanka's economy, except for those related to education and health care, establish political stability, promote tourism, change the ruler, plan management of the financial sector, political transition, increase domestic production, enlarge the export market, improve local innovators opportunities, build a reliable state while obtaining an IMF loan, increasing products in our country, increase in agricultural productivity, expanding employment opportunities in non-agricultural industries, better implementation of reforms to spur safer, more productive labor and improved access across the country to public services and education, cutting wasteful spending, and enacting strict laws.

Conclusion

According to the findings, 94.1 % of those surveyed agreed that the economic downturn had altered their way of life. As of now, 88 % of respondents agree that they have begun to reduce the cost of their purchases. As a result of the fuel crisis, the usage of gas cookers has decreased significantly from 70.37 % to 10.18 %, while the use of wooden cookers has increased significantly from 8.05 % to 59.71 %. People struggle to obtain fuel for their vehicles, making it difficult to carry out their jobs and daily necessities. People also stated

that they had changed their eating habits and began to consume fewer vegetables and meats.

In summary, the worsening economic situation has affected families' eating habits, as they consume less of certain foods, particularly meat, fish, and some fruits and vegetables. The country has restrictions on imported fruits, and the prices are high. Furthermore, due to fuel shortages, vegetables cannot be delivered to all parts of the island on time and are reasonably priced. These decisions may have a negative impact on the health of family members, particularly children, who require a well-balanced diet.

Further, people are mentally disappointed with the current situation to achieve their aim and dreams. This situation impacts the youngsters' life and the future of the country. Because today's healthy and educated generation is tomorrow's wealth of the nation, the future generation should be strong physically and mentally.

Similarly, the situation has some positive aspects. 25.11 % of respondents were involved in their cultivation. This results in a natural increase in own production. If people began to meet their own needs, they would no longer need to rely on others. This stage would also improve local production, allowing the country to stand independently. Increasing local products and inventions boost the country's reputation. This paved the way for the nation's health, education, environment, economy, and people's livelihood.

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