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Hon. Ranil Wickremesinghe
Prime Minister,
No. 58, Sir Ernest De Silva Mawatha,
Colombo 07,
Sri Lanka.

16 June 2022

Honourable Prime Minister,

We are writing to you in the context of the serious economic crisis, that is having devastating consequences on people's lives and livelihoods in the country. Amnesty International is particularly concerned about the government's response to the crisis may result in a further erosion of economic and social rights.

We understand through media reports that the government is currently in conversations with a range of lenders regarding its debt obligations.¹ There are also reports and risks that the government may introduce austerity measures in upcoming months as a way out of the crisis,² and has already increased indirect taxes such as Value Added Taxes.³ Concerns have been raised that 'Samurdhi', Sri Lanka's social security scheme, has been ineffective at meeting the needs of people living in poverty due to poor targeting. Studies show that households that benefit from the subsidy programme also include families with high incomes.⁴ Furthermore, although the Samurdhi subsidy was increased in February 2022 by around 28%, the new amounts are not sufficient to ensure that all persons can access an adequate standard of living.⁵

We would like to use this opportunity to remind the government of its human rights obligations, especially around economic and social rights. Sri Lanka has ratified a number of treaties, including the International Covenant on Economic, Social and Cultural rights, under which the government must respect, protect and fulfil all persons' economic and social rights.⁶ These apply even during times of economic crisis.⁷ There is a strong presumption, under human rights law, against any deliberately retrogressive measures.⁸ Austerity

¹ The Guardian, *Sri Lanka defaults on debts for first time*, 19 May 2022, <https://www.theguardian.com/world/2022/may/19/sri-lanka-defaults-on-debts-for-first-time>

² Reuters, *Exclusive: Sri Lanka's Prime Minister says he will slash expenditure in new budget*, 25 May 2022, <https://www.reuters.com/world/asia-pacific/exclusive-sri-lankas-prime-minister-says-will-slash-expenditure-new-budget-2022-05-24/>

³ Newsfirst, *Sri Lanka increases VAT to 12% & Telecommunication Levy to 15%*, 31 May 2022, <https://www.newsfirst.lk/2022/05/31/sri-lanka-increases-vat-to-12-telecommunication-levy-to-15/>

⁴ Institute of Policy Studies, *Towards Zero Poverty: Why Effective Targeting of Samurdhi Transfers is Essential*, 03 March 2021, <https://www.ips.lk/talkingeconomics/2021/03/03/towards-zero-poverty-why-effective-targeting-of-samurdhi-transfers-is-essential/>

⁵ Central Bank of Sri Lanka, Annual Report 2021, https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/publications/annual_report/2021/en/7_Chapter_03.pdf

⁶ The International Covenant on Economic, Social and Cultural Rights can be accessed at: <https://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-rights>

⁷ Letter dated 16 May 2012 addressed by the Chairperson of the Committee on Economic, Social and Cultural Rights to States parties to the International Covenant on Economic, Social and Cultural Rights

⁸ Committee on Economic, Social and Cultural Rights (CESCR), General Comment No. 14: The Right to the Highest Attainable Standard of Health, E/C.12/2000/4, 11 August 2000

measures often involve reductions in public spending and structural changes in welfare systems to save costs. Previous research by Amnesty International in other countries has demonstrated how austerity measures have resulted in violations of people’s economic and social rights.⁹

In this context, we ask that the Sri Lankan government:

1. Ensure that discussions with lenders include the urgency to put in place adequate social security measures to protect people from the negative impacts of the economic crisis, including by reforming the existing 'Samurdhi' scheme to ensure that it reaches everyone who needs it, including groups living in poverty and marginalized groups; and adjusting allowances in line with current inflation and cost of living.
2. Conduct human rights impact assessments for the development and implementation of any austerity measures and / or fiscal consolidation programmes, in line with the guidelines published by the UN Independent Expert on Foreign Debt.¹⁰ This should include the rights of groups at risk of greater impact, and those have been marginalized or subject to discrimination, and ensure that people bearing a disproportionate impact of the austerity measures can access social security protections, to ensure an adequate standard of living.
3. Develop mechanisms by which people can effectively participate in and contribute to discussions about budgets and public expenditure, before decisions to reduce public expenditure on economic and social rights are made in times of economic crisis
4. Ensure that any austerity measures introduced are,
 - 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; ensuring 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;
 - h. Designed and adopted consistent with the requirements of transparency, and participation.
 - i. Subject to meaningful review and accountability procedures.
5. Explore alternative options for accessing the maximum available resources to fulfil human rights obligations, including for example, through effectively addressing tax evasion and tax fraud, and implementing progressive tax measures.

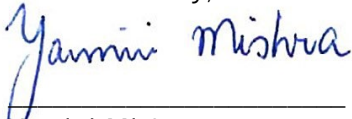
⁹ Amnesty International, *Spain: Wrong prescription: The impact of austerity measures on the right to health in Spain*, 24 April 2018, <https://www.amnesty.org/en/documents/eur41/8136/2018/en/>; Amnesty International, *Greece: Resuscitation required – The Greek health system after a decade of austerity*, 28 April 2020, <https://www.amnesty.org/en/documents/eur25/2176/2020/en/>

¹⁰ UN Human Rights Council, 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

6. Ensure that future discussions and decisions around Sri Lanka's debt are conducted in line with the principles of transparency and participation.
7. 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.
8. 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

If helpful, we would be happy to discuss these issues in more detail. If you would like to discuss further, please contact us at yamini.mishra@amnesty.org.

Thank you
Yours Sincerely,



Yamini Mishra
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Amnesty International