

POLICY BRIEFS OF ECONOMIC RESEARCH

POLICY BRIEFS

VOLUME 3 - 2023



Department of Economics
Faculty of Social Sciences and Humanities
Rajarata University of Sri Lanka

Policy Briefs of Economic Research in Department of Economics

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Policy Briefs of Economic Research in the Department of Economics 2023

**Edited by
Dr. A.M.P. Adikari**



Department of Economics
Faculty of Social Sciences and Humanities
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Preface

In an ever-evolving global economy, the ability to analyze, understand, and influence economic policy is of paramount importance. This collection of policy briefs represents the culmination of rigorous academic training, critical thinking, and innovative research undertaken by the final year-students of the B.A (Hons) in Economics degree program at the Department of Economics in Rajarata University of Sri Lanka. The Department of Economics' publication of policy briefs on economic research serves two purposes. First, the research findings of final-year undergraduates' research work will be disseminated in a non-technical manner to decision-makers and the public. Second, the department intends to support younger undergraduate researchers in economics by providing a forum for them to distribute their research findings to a larger audience, particularly economic policymakers.

The third volume of policy briefs from the Department of Economics comprises twenty-six briefs covering diverse branches of economics. The policy briefs contained herein address a diverse array of economic issues. Each brief not only delves into the complexities of the topic but also offers pragmatic solutions aimed at fostering sustainable economic growth and enhancing societal welfare. This compilation is a testament to the hard work, dedication, and intellectual curiosity of our students. It also underscores the commitment of our faculty to fostering a robust educational environment that encourages independent thought and empirical analysis.

By engaging with real-world economic challenges, our students develop the skills necessary to become the policymakers and economic leaders of tomorrow. The insights provided by these briefs offer a fresh perspective on pressing economic issues and highlight the importance of informed policy-making in shaping a prosperous future.

May this collection inspire thoughtful discourse and contribute to the ongoing efforts to create a more equitable and resilient economic landscape.

Dr. A.M.P. Adikari
Editor

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Impact of Online Banking Service Quality on Customer Satisfaction: Moderating Effect of Gender.

Key Message(s)

- [1] This study focuses on the impact of online banking service quality on customer satisfaction.
- [2] The bank should focus on making online banking services user-friendly to boost transaction volume and enhance customer satisfaction.
- [3] It is crucial to regularly maintain the bank's website to minimize transaction times and improve reliability, thereby increasing customer confidence in online services.

**GUP Rathnayaka &
SKN Gamage**

Department of
Economics, Rajarata
University of Sri Lanka

Introduction

The fast spread of technology has made the internet the greatest channel for providing banking services and products to customers. Banks are now including the internet in their strategic plans. Competitive advantages are fast fading, particularly in traditional branch networks, and this will alter how banks operate, distribute, and compete. Today, both public and private sector banks are offering online banking services to customers to foster effective relationships. Online banking differs from traditional branch banking in several ways. One of the most notable differences is the integration into the bank's information processing system. Previously, customers had a relationship with a bank's front-desk employee, who had access to the bank's information system.

In online banking, customers have direct access to a bank's information system from home, work, school, or any other place where a network connection is available. Various alternative channels of e-banking, providing easy and anywhere banking, have been properly established in the globalized world. During the past decades, the online service industry has witnessed tremendous growth, much of it spurred by the internet revolution.

Materials and methods

Sri Lanka is divided into 9 provinces and 25 districts. We selected Ambalangoda city in the Galle District, Southern Province, for this study. Ambalangoda city covers an area of 46 km² and has an estimated population of 56,789. The sample size for the study is 100. Primary data was collected using a self-administered questionnaire designed with a 5-point Likert scale. The Partial Least Square (PLS) method and Smart PLS software version 4 were used for this study.

Results

The statistical analysis reveals a relationship between online banking service quality and customer satisfaction. Specifically, reliability (H1) shows a significant positive effect on customer satisfaction, indicating the importance of consistent service performance. Similarly, responsiveness (H2) demonstrates a positive significant relationship with customer satisfaction, highlighting the value of timely and efficient customer service. However, assurance (H3) exhibits a negative and insignificant relationship with customer satisfaction, suggesting that while perceived security and trustworthiness are important, they may not strongly influence overall satisfaction. Efficiency (H4) shows a positive but insignificant relationship with customer satisfaction, indicating that operational efficiency, while beneficial, may not be a primary driver of satisfaction. Gender (H5c, H5d, H5a, H5b) moderates these relationships differently. Gender moderates the relationship between assurance and customer satisfaction (H5c), suggesting varying perceptions among genders regarding security and trustworthiness. However, gender does not moderate the relationships between efficiency (H5d), reliability (H5a), and responsiveness (H5b) with customer satisfaction, indicating these aspects are perceived similarly across genders. These findings highlight the complex interplay between service quality dimensions, gender differences, and customer satisfaction in the context of online banking.

Conclusion and Policy recommendation

1. Using more IT-driven banking services leads to increased overall transactions, which is beneficial for commercial banks. Therefore, special attention should be given to the 40-60 age groups. Customer services should be user-friendly and easily understandable.
2. Occasionally, customers do not receive verification codes via phone, leading to dissatisfaction and avoidance of online transactions. Operators should promptly address any such issues within the banking system to maintain customer satisfaction.
3. Deploying adequate staff to regularly update and efficiently manage the bank's website is essential to enhance customer experience.
4. Delays in transaction notifications are common. Implementing an automatic notification process can significantly improve the speed and efficiency of internet transactions.
5. Mobile app updates are necessary but can be challenging for customers with limited internet data, sometimes requiring re-registration after updates, which wastes time. Implementing an automatic updating technique can alleviate these challenges and improve customer convenience.

Impact of Resettlement Programs on the Quality of Life: A Case Study of the Moragahakanda - kalu Ganga Development Project in Sri Lanka.

Key Message(s)

- [1] The study examines the impacts of resettlement programs on quality of life, recommending enhanced policies to diversify livelihood opportunities.
- [2] It calls for programs supporting self-employment, agricultural technology adoption, and equitable land allocation.
- [3] Increasing monthly incomes and improving satisfaction with water, cash, and land resources are emphasized to boost resilience and well-being.

**GGG Ranasinghe &
SKN Gamage**

Department of
Economics, Rajarata
University of Sri Lanka

Introduction

The resettlement activity can be recognized as the movement of people from one area to another, carried out by many countries for various reasons. These reasons can include increasing agricultural production, correcting spatial population imbalances, and improving service systems. The main aim of resettlement is to develop the current stage and improve living conditions and quality of life in various dimensions.

Development projects are implemented to enhance people's quality of life. Similarly, the Moragahakanda-Kalu Ganga irrigation development project was implemented to enrich people's quality of life. Under this irrigation project, a resettlement program was conducted to uphold the human rights of affected people. The main objective of the resettlement program is to enhance the quality of life of project-affected people. However, literature has revealed both positive and negative outcomes for affected people's lives, leading to potential issues. This research aims to address these issues and provide scientific recommendations regarding the Moragahakanda-Kalu Ganga development project.

Materials and methods

The sample consisted of 130 participants selected using a simple random sampling technique. Participants were drawn from the resettled area, including New Laggala Town and Guruwela village. Both primary and secondary data were utilized in the study. Primary data was collected via a questionnaire, while secondary data was sourced from publications such as Sri Lankan government reports, articles, and websites. Binary logistic regression analysis was conducted using SPSS version 21.0.

Results

This study investigated the quality of life and factors associated with the Moragahakanda-Kalu Ganga irrigation development project's impact on people in the

Matale District. The study utilized five dependent variables: income, livelihood sources, education, transportation, and housing quality. Among these, livelihood sources ($p=.002$) and monthly income ($p=.001$) showed significant positive correlations with the quality of life of project-affected individuals. Logistic regression results indicated that individuals with more livelihood sources had a lower likelihood of experiencing low quality of life.

The study identified several determinants that contribute to improved quality of life, including increased farming opportunities, secure land ownership, adequate cash compensations, expanded business opportunities, and diverse livelihood sources. Additionally, the study assessed project-affected individuals' satisfaction levels with water availability, cash compensations, and land ownership. Satisfaction rates were 88% for water availability, 68% for cash compensations, and 60% for land ownership.

Conclusion and Policy recommendation

The main objective of this study was to assess the impact of resettlement on the quality of life of individuals affected by the Moragahakanda-Kalu Ganga irrigation development project. The lives of project-affected individuals generally improved across various socioeconomic aspects. The researcher identified five key findings from the study. The research results demonstrated a significant relationship between monthly income ($p=.001$) and the quality of life of project-affected individuals, as well as between livelihood sources ($p=.002$) and their quality of life. The study also identified determinants that enhance quality of life, including satisfaction levels with water, land, and cash compensation.

Based on these findings, the researcher recommends several measures: expanding employment opportunities and training programs for affected individuals, implementing phased cash compensation, enhancing awareness programs, supporting local businesses, promoting self-employment at resettlement sites, introducing new agricultural technologies, formulating policies for equitable agricultural land allocation, and expanding market opportunities.

**Impact of Social Capital on the Performance of
Small and Medium Scale Enterprises (SMEs) in Sri
Lanka.**

Key Message(s)

- [1] The study focuses on the impact of social capital on the performance of small and medium scale enterprises in Sri Lanka.
- [2] One of the key recommendations is to prioritize initiatives that strengthen internal networks.
- [3] Promoting internal networking, facilitating external partnerships, and incentivizing innovation are critical for SME success.

**EIP Silva & SKN
Gamage**

Department of
Economics, Rajarata
University of Sri Lanka

Introduction

The study examines the impact of social capital on SME performance in the Gampaha district of Sri Lanka. SMEs play a vital role in the country's economic development, contributing significantly to GDP and employment. Enhancing SME performance involves various strategies, where social capital—a concept representing mutual collaboration benefits among individuals and groups—has demonstrated a significant positive correlation with SME performance. Particularly during the COVID-19 pandemic, SMEs encountered challenges, highlighting the role of social capital in enabling strategic decision-making and business performance improvement. Understanding the influence of social capital on SMEs in Sri Lanka is crucial given the sector's economic importance and its dual local and international challenges.

Materials and methods

The study targeted entrepreneurial small and medium enterprises (SMEs) in the Gampaha district of Sri Lanka. The sample comprised 100 entrepreneurial SMEs. A non-probability sampling method, based on the researcher's judgment rather than random selection, was employed. The study adopted a positivist research approach and utilized a Five-point Likert Scale for data collection. Questionnaires were administered face-to-face and through self-administered methods to managers, CEOs, owners, executives, and employees of SMEs. Analysis was conducted using the partial least squares method of structural equation modeling (SEM).

Results

The study demonstrates that social capital significantly enhances SME performance, both financially and operationally. Internal social capital exerts a stronger influence on performance compared to external social

capital. Additionally, the study reveals a positive and significant correlation between innovation and SME performance.

Furthermore, innovation acts as a partial mediator in the relationship between social capital and performance, underscoring its role in driving business success. External social capital indirectly affects performance through its impact on fostering innovation. These findings are crucial for business owners and managers seeking to leverage social capital and innovation effectively in their business strategies, although careful implementation is necessary to avoid potential costs and inefficiencies.

Conclusion and Policy recommendation

The study's findings underscore the critical roles of social capital and innovation in SME success. By harnessing internal and external social capital, SMEs can enhance performance through enhanced knowledge sharing, information exchange, and trust among stakeholders. This supportive environment fosters innovation, enabling SMEs to navigate competitive pressures effectively. The study emphasizes the importance of nurturing positive relationships with various stakeholders, including family, colleagues, and business partners, as these relationships facilitate the flow of information and drive innovation.

In conclusion, this study offers valuable insights for SME managers in Sri Lanka, highlighting the pivotal role of social capital and innovation in driving business performance. Implementing the recommended policies can empower SMEs to innovate and enhance competitiveness in an evolving business landscape.

**Impact of Human Capital Development on the
Performance of Small and Medium Enterprises in
Sri Lanka.**

Key Message(s)

- [1] The study focuses on the impact of human capital development on the performance of small and medium enterprises in Sri Lanka.
- [2] It was evident from the study that experience, skills, and training could significantly and positively affect SME performance.
- [3] The study emphasizes the need to improve the quality of technical and formal education to positively impact SME performance.

**HM Rajapakssha &
SKN Gamage**

Department of
Economics, Rajarata
University of Sri Lanka

Introduction

This study focuses on the role of human capital in SME performance in the Anuradhapura district. It has six major objectives: first, to examine the impact of human capital development on SME performance; second, to identify the relationship between education and SME performance; third, to examine the relationship between work experience and SME performance; fourth, to assess the relationship between skills and SME performance; fifth, to explore the relationship between training and SME performance; and finally, to assess the mediating effect of self-efficacy on training and SME performance.

Materials and methods

This research examines how human capital influences the performance of SMEs in the Anuradhapura district. To develop human capital, the study adopts a threefold approach. First, it identifies appropriate dimensions and sub-dimensions of human capital from the literature, selecting 4 dimensions and 21 sub-dimensions. Education is prioritized as the most crucial dimension, followed by experience, skills, and training. Using structural equation modeling (SEM), the study tests the direct effects of education, experience, skills, and training on firm performance. It also analyzes the direct and indirect effects of training on SME performance through self-efficacy.

Results

Descriptive findings indicate that higher education is neither a prerequisite nor a common trait among owners or managers in the trade sector, and their educational backgrounds vary significantly, influencing SME performance. Path coefficient results show that education was negatively related to SMEs' financial performance and survivability. The second objective of this study aimed to assess how experience (including similar industry experience, work-related experience, and

and organizational tenure) affects SME performance. Descriptive findings suggest that experience has a limited impact on SME performance. Structural Equation Model analysis reveals a positive and significant relationship between experience and SME performance in the study area. Regarding skills, descriptive findings indicate they significantly impact SME performance. Path coefficient results confirm a positive and significant relationship between skills and SME performance, supported by total effects table results.

The fourth objective examined the impact of skills on SME performance. Descriptive findings and path coefficient results underscore the significant positive relationship between skills and SME performance. Similarly, training was found to be significantly related to SME performance according to descriptive findings and path coefficient results. Moreover, self-efficacy was found to significantly influence SME performance, indicating that combining training and self-efficacy can enhance firm performance. Overall, except for education and experience, skills and training were consistently associated with significantly positive SME performance levels.

Conclusion and Policy recommendation

This study focuses on the role of human capital in SME performance in the Anuradhapura district. It had six specific objectives. The study findings revealed that education had the potential to negatively impact SME performance. Therefore, SMEs should enhance their technical and formal education quality. It was evident from the study that experience, skills, and training could significantly and positively affect SME performance but were underutilized in the study area. Hence, SMEs should prioritize acquiring relevant work-related, communication, and problem-solving skills, along with on-the-job and technical training, particularly in rural areas over urban areas. Similar analyses should be conducted in the same regions, focusing on qualitative performance measures. Additionally, replicating this research in other parts of Sri Lanka would enable comparative assessments of outcomes.

**Factors Influencing Consumer Purchase Intentions
of Buying Private Cars during Economic Crisis
period: A case of Kalutara District, Sri Lanka.**

Key Message(s)

- [1] This study focuses on factors influencing consumer purchase intentions of buying private cars.
- [2] The income level, technical considerations, and price perceptions have a significantly positive association with purchasing intentions of private cars.
- [3] It is recommended to improve technology considerations and perceived quality, as well as to investigate the influence of selected variables on automobile sales.

**KDHY Gunawardana
& SKN Gamage**

Department of
Economics, Rajarata
University of Sri Lanka

Introduction

Automobile industry plays a vital role in World Economy. In Sri Lanka, it is mainly consists of motor vehicle retail and After Sale service sector. Presently, there is Strong demand for automotive vehicles several domestic and foreign manufacturers also plan to expand their business base in Sri Lanka. And also newly registered Motor vehicles percentage increasing day by day because of the positive attitudes of consumers who are willing to purchase new motor vehicles.

Also, according to the statistics, there is a downfall of vehicle sales in 2020 because of the covid -19 pandemic. In 2019, to 2020 period the total vehicle sales declined 13,081 to 9545 and it again declined 6,167 in 2020 with -35.39% growth rate. The aim of study is to investigate the impact of factors such as Technical Consideration, Social Image, Price Perception, Service Quality and Income on consumer car purchasing decisions in Sri Lanka affecting Consumer Purchasing Intention. And also, paper concludes with a few practical guidelines that business economists should use to prevent their companies from experiencing the recent losses.

Materials and Methods

This research hope to find answers to research questions using data from survey that directly elicits consumer decisions of Car purchasing using a sample of Group Consumers in Kalutara District, Western Province Sri Lanka. This study tries to identify the influence of perception in the consumers mind and how this information can be used successfully by marketers to gain entry into the minds of the consumers. the target participants are the consumers who already purchased car and consumers who willing to buy a new car in 14 divisional areas in Kalutara District. The study used the

the questionnaire-based survey and respondent's point of view evaluated on the five-point Likert scale method. The questionnaire designed using Google form and the geographical area was selected the fourteen divisional Secretariat Areas in Kalutara District Sri Lanka. The sample method used is clusters sampling technique. There are 124 respondents filled out the questionnaire and collected data analyzed using SPSS 21 software in Ordinary Least Square Method.

Results

The hypotheses developed in conceptual framework were tested using regression Analysis at 95% confidence level. The relationship between Technical Consideration towards the consumer purchasing Intention which has shown in H1 hypothesis found to be significant. (P value = 0.000) and H1 hypothesis accepted. The relationship between Service Quality towards the consumer purchasing Intention which has shown in H2 hypothesis found to be insignificant. (P value = 0.951) and H2 hypothesis Rejected. The relationship between Price perception towards the consumer purchasing Intention which has shown in H3 hypothesis found to be significant. (P value = 0.017) and H3 hypothesis accepted the relationship between Social Image towards the consumer purchasing Intention which has shown in H4 hypothesis found to be insignificant. (P value = 0.885) and H1 hypothesis Rejected. The relationship between Income towards the consumer purchasing Intention which has shown in H5 hypothesis found to be significant. (P value = 0.000) and H5 hypothesis accepted.

Conclusion and Policy recommendation

This research has identified the factors that influence the consumer purchase intentions in Purchasing Gasoline power private cars in Kalutara District, Sri Lanka. The factors used in this study were constrict to as Technical Considerations, Social Image, Service Quality, Perception and Income. And research identified technical consideration, Price Perception and Consumer Income is significant factors to Consumer Purchase Intention. Furthermore, the future research in the automobile consumer purchase intentions can also be conducted on including variables like product quality, brand image, Aesthetics, Perceived value etc. In addition to that, the impact of cultural background can also be assessed by the scholar in their framework to further analyze the study using demographic variables such as Age level, Gender and Educational level. Future research should focus on a similar study of consumer buying behavior, technology considerations, perceived quality and price perception with purchase to automobiles as well to investigate the influence of selected variables on automobile sales.

**Effect of Price Increase in Essential Food
Commodities on Consumer Purchase Intention: A
Case Study in Kuliyaipitiya, Sri Lanka.**

Key Message(s)

[1] This study recognized that negative moderate significant relationship existed between price increase and purchase intention.

[2] The most influential pricing factor on consumer purchase intention is perception of expensiveness.

**BRN Dhananjani & SWGK
Bulankulama**

Department of
Economics, Rajarata
University of Sri Lanka

Introduction

Essential food items including rice, flour, sugar, lentils, onions, chickpeas, sprats, and canned fish are not selling to consumers at a fixed price, in order to facilitate the consumers to purchase essential food items at affordable prices. Price can be defined as decided quantity requisite as payment for something presented for sale. Pricing is the procedure of formative and apply price to commodities and services. It's one of the 4 Ps of marketing (product, place, price and promotion) and it is maybe the most significant one due to that it is the only determinant that engenders income to the business organization (Riggs, 2008). The economic crisis impact on consumption levels of consumer. Prior researchers concluded that a lot of consumers consider that in a few months when prices might be higher, they would have to spend more on essential requirements and therefore would have lesser resources at their disposal for the purchase of popular but nonessential goods and services. Due to that reason, price increase leads to the deferral of optional expenditures (Katona, 1974). The most important factors which model the consumer's behaviour in such a situation are risk attitude and risk perception (Amalia & Ionut, 2009).

Materials and Methods

Therefore, this research follows deductive approach as a research approach. This study was designed according to quantitative method. The super market customers (those who purchase items at super markets in Kuliyaipitiya West divisional secretariat) can be considered as population of the study. Convenience sampling method used as sampling technique. The sample of 384 super market customers was chosen based on convenience sampling basis (Customers selected Based on the ease of access of the customers).

Negative emotion, price sensitivity and perception of expensiveness were taken as independent variables and purchase intention was taken as dependent variable. The correlation analysis was used to describe the nature of relationship among selected independent variables and purchase intention. Regression analysis is a statistical tool for investigate and measure the quantitative relationship among the variables of impact of negative emotion; price sensitivity and perception of expensiveness were on purchase intention. The selected individuals were evaluated by using different questions about negative emotion; price sensitivity, perception of expensiveness and purchase intention (5-point Likert scale).

Results

According to the correlation analysis, the correlation value between negative emotion and purchase intention was (-0.563**) and that was showed evidence of moderate negative relationship between those two variables. The relationship was statistically significant (Significance value < 0.05).

$$\text{Purchase Intention} = (5.027) + (-0.259) NE + (-0.145) PS + (-0.316) PE + \mathcal{E}$$

NE= Negative Emotion, PS= Price Sensitivity, PE= Perception of Expensiveness

All selected independent variables showed negative impact on purchase intention. Significance values for negative emotion, price sensitivity, and perception of expensiveness were 0.000, 0.080 and 0.000 respectively. So, on this base, the hypothesis H2a and H2c is accepted and H2b rejected. The entire tolerance values are greater than 0.20. Due to that reason, all variables on the study are acted separately. All the VIF values were lesser than 10. Therefore, there is no Multicollinearity problem in study's model.

Conclusion and Policy recommendation

This research concluded that negative moderate significant relationship existed between price increase and purchase intention. The way consumer's process information and their familiarity with supermarket prices have an impact on their purchase intention. Consumers' price level perception and emotions toward supermarkets will affect consumers' purchase intention weakly or strongly depending on their perception toward price increase. Understanding how price level perception changes over time helps retail managers better understand changes in consumers' behavior. Determining the impact of consumers' price sensitivity, price level perception and emotions toward supermarkets can lead supermarket managers to understand the behavioral changes and consumers' perceptions and to offer affordable products that can affect consumers' purchasing behavior by developing pricing strategies. Hence, super market operating authorities might discuss these price levels of essential food items with manufactures and suppliers and set appropriate margin might enhance the customers purchase intention toward essential food items.

**The factors affecting on the customer usage of
internet banking system in Kandy Sri Lanka.**

Key Message(s)

[1] This study recognized that moderate positive significant relationship between Usage of Internet Banking (dependent variable) and Relative Advantage, Perceived Ease of Use and Security & Privacy (independent variables).

[2] The study suggested the following recommendation to improve the customer usage of internet banking: Provide information & instructions in English, Tamil & Sinhala languages, provide user-friendly & efficient banking websites, Provide security & privacy of the customer's banking transactions.

**EMAGSSK Edirisighe
& SWGKBulankulama**

Department of
Economics, Rajarata
University of Sri Lanka

Introduction

Internet banking has identified as one of the most significant e-commerce applications over the last few decades. Internet banking, also known as online banking, web banking or home banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution website.

Internet banking facility was introduced by the United States in the early 1980. From its inception, the world quickly embraced this facility because of the benefits it provided to the banking industry. However, Sri Lankan context, internet banking usage and its adoption are at a very low level than offline banking usage. To ignore this situation, the bank must identify the factors influencing customer usage of internet banking and directly address those factors. Therefore, this study investigated the factors affecting the customer usage of internet banking in Sri Lanka, specifically by considering the Relative advantage, Perceived ease of use and Security & privacy.

Materials and methods

The population of the study includes customers using internet banking in the Kandy district. A sample of 60 customers has been used for the study. The sample required for this study was selected by a convenience sampling method to select a sample according to the need of the study. This study consists mainly of primary data. The researcher was taken primary data through field visits. Therefore, the researcher created a 5-point Likert scale questionnaire to collect data. SPSS statistical package was utilized for data analysis. Correlation analysis was used to measure the relationship between dependent variable and independent variables. The simple linear regression analysis identified the effect of independent variable and dependent variable.

Results

According to the results of Pearson correlation analysis, correlation coefficient value of relative advantage is (0.447**), and significant value ($p < 0.01$).

Table 1: Summary of Regression Analysis

Independent variables	Constant value	Unstandardized coefficient	Significant value	R square
Relative advantage	2.146	.391	.000	.228
Perceived ease of use	1.940	.442	.000	.292
Security and privacy	2.362	.324	.000	.202
Dependent variable: Usage of internet banking				

According to regression results, each one unit increase in relative advantage increase customers usage of internet banking by (.391) times unit and Relative advantage positively impact customer usage of internet banking. 22% of variants in the Relative advantage were predicted from the level of customers' usage of internet banking. Each one unit increase in perceived ease of use increase customers usage of internet banking by (.442) times unit and perceived ease of use positively impacts customers usage of internet banking. 29% of variants in the perceived ease of use were predicted from the level of customers' usage of internet banking. As well as each unit of security and privacy increase customer usage of internet banking by (.324) time unit and security and privacy positively impact of customers usage of internet banking. 20% of variants in the security and privacy were predicted from the level of customers' usage of internet banking.

Conclusion and Policy recommendation

According to the correlation analysis, there is a moderately positive relationship between relative advantage and usage of internet banking, a strongly positive relationship between perceived ease of use and usage of internet banking, and a moderately positive relationship between security & privacy and usage of internet banking. The findings of this study have practical implication and recommendations for banks. In this study, three factors influencing consumers' use of internet banking. The customers use internet for the need to do their banking easily and effectively. It can be concluded that they are mainly looking for convenience and benefits. Therefore, internet banking facilities should be further improved. 1) Provide information & instructions in English, Tamil & Sinhala languages. 2) Provide user-friendly & efficient banking websites. 3) Provide security & privacy of the customer's banking transactions.

Impact of sole usage of organic fertilizer and chemical fertilizer on rice farmers' quality of life: with special reference to Rambukkana Divisional Secretariat in Kegalle District.

Key Message(s)

[1] The analysis revealed that sole usage of fertilizers doesn't increase rice farmers' health status and income level together. Then, it doesn't improve farmers' quality of life.

[2] This study recommended that reduce dependency on the sole usage of fertilizers, creates innovative fertilizers to minimize farmers' problems and creates new fertilizer policies to improve farmers' quality of life.

**APS Karunathilaka &
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Introduction

Paddy is the main crop cultivation in Sri Lanka. Sri Lankan farmers use both organic and chemical fertilizers for paddy cultivation in both the Yala and Maha seasons. Considering the farmers' quality of life, health, and income are the most important factors. Sole usage of fertilizers creates positive and negative effects of these two factors. Thus, this study aimed to identify the impact of the sole usage of organic fertilizer and chemical fertilizer on rice farmers' quality of life.

Materials and methods

This study selected 50 respondents out of 3846 paddy farming families in Rambukkana divisional secretariat through a random sampling procedure. Primary data were collected using a 5-point Likert scale questionnaire, and secondary data were based on official publications of relevant institutions. Collected data was analyzed using a simple linear regression model and correlation analysis with SPSS data analysis software.

Results

This study used correlation analysis to represent the relationship between dependent and independent variables. It proves that sole usage of organic fertilizer has a positive relationship with rice farmers' health and a negative relationship with income level. On the other hand, the sole usage of chemical fertilizer has a positive relationship with rice farmers' income level and a negative relationship with health under the 0.05 significant level. The result of the simple linear regression models proves that the sole usage of organic fertilizer causes to improve rice farmers' health and reduces income level. In the opposite case, the sole usage of chemical fertilizer increases rice farmers' income level and leads to maximize health hazards.

Table 1: Summary of Pearson correlation Analysis

Variables	Correlation value	Significant value
Usage of organic fertilizer and income	-.306*	.031
Usage of organic fertilizer and health	.308*	.030
Usage of chemical fertilizer and income	.330*	.019
Usage of chemical fertilizer and health	-.295*	.037

Note: Standard error represents the value of * $p < 0.05$

Table 2: Summary of Regression Analysis

Independent variables	Constant value	Unstandardized coefficient	Significant value	R square
Sole usage of organic fertilizer (considering farmers' income)	2.447	-.204	.031	.093
Sole usage of organic fertilizer (considering farmers' health)	1.556	.311	.030	.095
Sole usage of chemical fertilizer (considering farmers' income)	3.334	.262	.019	.109
Sole usage of chemical fertilizer (considering farmers' health)	3.115	-.370	.037	.087

Dependent variables: Farmers' income, Farmers' health

Note: Standard error represents the value of $p < 0.05$

Conclusion and Policy recommendation

This study concluded that sole usage of organic fertilizer increases farmers' health and reduces income, and sole usage of chemical fertilizer increases farmers' income and decreases health status. But both income, and health don't improve together, then it cannot encourage or discourage farmers' quality of life totally. Thus, the study recommends minimizing dependency on the sole usage of fertilizer, to improve fertilizer usage-based knowledge and technology, to create innovative fertilizer usage methods to reduce rice farmers' health hazards and increase income levels. The government pays attention to create better fertilizer policies and encourages to produce of suitable fertilizers to improve farmers' quality of life.

The effect of microfinance on the business performance of women entrepreneurs in Galgamuwa, Sri Lanka.

Key Message(s)

[1] The analysis revealed that the micro credit facility, micro saving facility and micro training facility positively impact the business performance of women entrepreneurs in the area.

[2] Thus, the study recommends Micro Finance Institutions should provide credit when they need it to avoid disappointment and avoid turning to other sources of credit that may be expensive in the long run.

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Introduction

Women play an important role in the economic development of their families and communities and most of them are engaged in entrepreneurial activities to support their families. Women entrepreneurship is seen as an 'extra income' for the survival of their family or simply to improve their standard of living. Although entrepreneurship is a greater motivator for women than men in low-income countries, it has been found that women entrepreneurial performance is lower than that of men. Among them microfinance is considered as a one of the key factors to enhance the performance of women entrepreneurs. Microfinance institutions provide a wide range of services to poor/ low-income households and their enterprise including deposits, loan repayment services, money transfer and insurance. These institutions aim to empower women with a clear goal of empowering them. It is hoped that increasing women's access to microfinance will increase their incomes, which lead to improved well-being and broader changes as well as gender equality. The connection between microfinance and women entrepreneurs in the Sri Lankan context is discussed in a very small number of researches and they have not captured over the Galgamuwa area. Researcher highlights the importance of microfinance for women entrepreneurial performance in the Galgamuwa area.

Materials and methods

The study was conducted in the Galgamuwa area in the Kurunegala district from 2020. Qualitative and quantitative approaches were used in the data collection due to the nature of the problem. Data were collected through structured questionnaire from a sample of 100 women entrepreneurs. Secondary data was mainly collected from the previous research reports, statistical data analysis published by Department of

Census and Statistics as well as previous reports and web articles. The sample was chosen using a convenient sampling technique. Analyzing the collected data done by using Statistical Package for Social Sciences through reliability, factor, correlation and regression analysis.

The regression model was specified as follows:

$$BPWE = \beta_0 + \beta_{CF} + \beta_{SF} + \beta_{MT} + \epsilon_i$$

Where, BPWE = Business Performance of Women Entrepreneurs (Dependent Variable), β_0 = Intercept/ constant of the equation, β = Slope, CF = Credit Facility (Independent Variable 1), SF = Saving Facility (Independent Variable 2), MT= Microfinance Training (Independent Variable 3), ϵ_i = Random Error

Results

According to the results, the model showed a goodness-of-fit, indicated by the coefficient of determination (R^2) with a value of 0.935. The ANOVA table provides sufficient evidence to prove the model is fit.

Table 1: Results of the estimated regression model

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.834	.143		-5.840	.000
Credit Facility	.588	.052	.566	11.343	.000
Saving Facility	.349	.073	.266	4.793	.000
Microfinance Training	.232	.067	.189	3.471	.001

a. Dependent Variable: Business Performance of Women Entrepreneurs

The results of regression analysis revealed a positive effect of the credit facility (0.588), saving facility (0.349), and training facility (0.232). However, the variables, credit, saving and training facilities are statistically significant at a 5% significant level.

Conclusion and Policy recommendation

The study concludes that micro credit, micro savings and micro training have a greater impact on the business performance of women entrepreneurs in accordance with the chosen field of study. Based on the findings of the study, the study recommends that women entrepreneurs are reluctant to take loans because they feel that the interest rates are too high. Micro Finance Institutions should provide credit when they need it to avoid disappointment and avoid turning to other sources of credit that may be expensive in the long run. Microfinance institutions should reduce the cost of training sessions to allow a larger number of women entrepreneurs to access training. Otherwise, they should offer the first year as a free service to all their customers.

The impact of hyperinflation on rural household food consumption expenditure and patterns: A case study of Kandy district in Sri Lanka.

Key Message(s)

[1] Low, middle, and high-income households' food consumption expenditures show a statistically significant difference between before and during hyperinflation.

[2] The study revealed the adverse impacts of hyperinflation on child nutrition, pregnant women's health, child education, elders' health, and family harmony.

[3] It is recommended to set up a targeted food ration scheme for vulnerable families in lower and middle-income households until inflation-targeted policy measures are effective in lowering the country's food inflation to a single digit.

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Introduction

Sri Lanka is currently facing a severe economic crisis and hyperinflation, with the country's inflation hitting a new high of 73.3% in September 2022. The economic outlook in Sri Lanka is highly uncertain due to fiscal and external imbalances. Food inflation increased by 94.9% in September 2022 from 93.7% in August 2022. The biggest upward contribution came from food costs, which jumped to an all-time high of 93.7%, after a 90.9% surge in July. Hyperinflation can deeply impact rural household food consumption due to unexpected food price hikes. Food consumption patterns and expenditure also can change due to this hyperinflation. This study attempted to investigate how food inflation impacts rural household food expenditure and patterns in the context of hyperinflation and identify the vulnerable rural households.

Materials and methods

The study mainly used a deductive approach and utilized both qualitative and quantitative data. The study population includes all households in the DS division in the Kandy district. Of the total population, 75 households were selected for data collection using a random sampling technique. Interviews were conducted employing both quantitative and qualitative techniques. Descriptive and inferential statistics were used to analyze the collected data. A paired sample t-test was used to obtain statistically significant differences among expenditures on food prices before and during hyperinflation.

Results

According to the total surveyed sample, household food consumption expenditure has increased during hyperinflation compared to before hyperinflation.

According to the results of the paired t-test, household food consumption expenditures show a statistically significant difference between before and during hyperinflation in the categories of cereals, pulses, eggs, vegetables, milk foods, fats and oil, coconut, sweets, sugar, tea, and prepared foods.

- Lower-income households: Significant differences in food consumption expenditures were found in the categories of cereals, pulses, meat, coconut, fats and oil, sugar, and tea.
- Middle-income households: Significant differences were observed in the categories of cereals, pulses, meat, fish, vegetables, fruits, milk foods, coconut, fats and oil, sweets, sugar, tea, and prepared foods.
- High-income households: Statistically significant differences were noted in the categories of pulses, eggs, fish, vegetables, milk foods, coconut, fats and oil, and sugar and tea.

The study identified five categories of households severely affected by hyperinflation: child nutrition, pregnant women's health, child education, elder health, and family-associated issues.

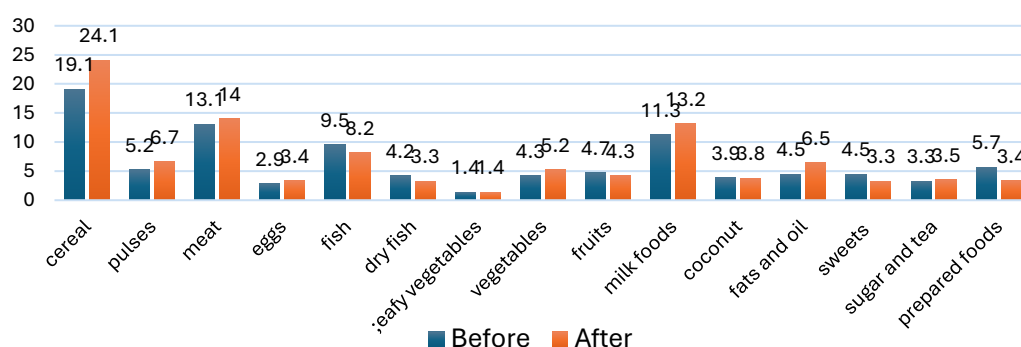


Figure 1: Percentage Change of rural low-income households' food consumption expenditure before and during hyperinflation

Conclusion and Policy recommendation

Due to the severe economic crisis, the country's inflation hit a new high of 73.3% in September 2022. The study confirmed that higher commodity prices have eroded the purchasing power of rural households and undermined dietary quality and total energy intake. Thus, the study recommends the immediate intervention of authorities to set up a targeted food ration scheme for vulnerable households until the adopted policy measures are effective in lowering the country's food inflation to a single digit. Specifically, the implementation of a proper nutritional and dietary quality development program for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, as well as infants below 5 years of age, is recommended.

**Impact of organic fertilizer policy adopted in 2021
on the economic viability of rice farming in
Kurunegala District.**

Key Message(s)

[1] Results confirmed the statistically significant impact of the adopted fertilizer policy in 2021, including a reduction in farm productivity, an increase in unit price, a reduction in the cost of production, and a reduction in the profitability of the rice sector.

[2] The study recommends the gradual adoption of the organic fertilizer policy due to its positive attributes in managing the effects on other critical variables, specifically the food security variable.

**AMNTB Abeyrathna &
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Introduction

There is a contentious academic discussion over the impact of the policy on banning chemical fertilizer imports in 2020. Some scholars argue positively, highlighting the benefits of encouraging the application of organic fertilizer to agricultural fields in terms of health, the environment, and the sustainability of farming systems. In contrast, others present negative arguments concerning food security, farm productivity, farm income, export earnings, and the economic viability of farming systems. Given these contrasting perspectives, this study aimed to estimate the impact of the organic fertilizer policy on the economic viability of rice farming in the Kurunegala district, focusing mainly on the organic fertilizer policy adopted in 2021. Other specific goals of this study included identifying the basic characteristics of farmers and determining the impacts of the adopted policy on paddy productivity, cost of production, unit price, and paddy production.

Materials and methods

The study data were drawn from a farmer survey carried out among 100 rice farmers in the Ahetuwewa divisional secretariat of the Kurunegala district by administering a survey-based questionnaire. The methodological framework for the study was developed using secondary data from resource papers. Accordingly, four areas were considered: rice productivity, cost of production per acre, rice production per acre, and rice price per unit. The data analysis was conducted using a mixed analysis technique under the deductive approach.

Results

The study results confirmed the statistically significant impact of the adopted fertilizer policy in 2021, including

a reduction in farm productivity, an increase in unit price, and a reduction in the cost of production and profitability of the rice sector. However, the absolute numbers of the profitability analysis revealed that the net gains of rice farming under the organic fertilizer policy have only declined marginally (by Rs. 2,944.5 per acre) due to the increased unit price (91.4% increase) of rice coupled with a reduction in supply (658 kg per acre). Additionally, the perception of surveyed rice farmers in the area indicated a positive impact of the organic fertilizer policy (56%) on health.

Table 1: Profitability, income, cost, and unit price of rice farming- before and after policy adoption

Item	Before the adoption of organic fertilizer	After the adoption of organic fertilizer	T value
Production per acre (Kg/per acre) – (A)	2063.30 (SD = 2900.419)	1405.365 (SD = 389.706)	2.378966 (0.019279) **
Mean unit price (Rs. /Per acre) – (B)	36.01 (SD = 23.251)	68.91 (SD =44.862)	-14.8297 (3.41E-27) ***
Total income – (A) * (B) = (C)	74299.433 (SD = 307342.30)	96843.702 (SD =96747.46)	1.51718124 (0.1324077) *
Total cost (Rs. /Per acre) – (D)	40,005.559 (SD = 19045.929)	65,494.353 (SD = 20525.709)	-21.692550 (2.12848) ***
Net income (Rs. / Per acre) - (C) – (D)	34293.874 (SD =298401.68)	31349.349 (SD =85731.78)	2.4456628 (0.0162240) **

Conclusion and Policy recommendation

The study concluded that the economic welfare of rice farmers has marginally declined due to the organic fertilizer policy adopted in 2021. This policy has created a challenging environment in terms of food security, due to a reduction in supply and an increased unit price of rice. Additionally, the study found difficulties in adopting the organic fertilizer policy on a large scale. The study results support the government's decision to withdraw the policy and return to the previous policy. However, the study recommends the gradual adoption of the organic fertilizer policy due to its positive attributes, as it helps manage the effects on other critical variables, specifically the food security variable.

Factors influencing the digitalization of the small & medium enterprises (SMEs) in Sri Lanka.

Key Message(s)

[1] Logistic Regression analysis accepted one hypothesis (experience in the business) and rejected four hypotheses (gender, education, innovation, and competitive pressure) in determining SME digitalization.

[2] Government-sponsored training on digitization should be provided to SME entrepreneurs.

**UMP De Silva & RPIR
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Introduction

Small and Medium Enterprises (SMEs) play a pivotal role in national economies, contributing significantly to job creation and fostering innovation. Digitalization represents the systemic restructuring of companies, societies, and economies. The literature underscores the importance of digitalization for SMEs, enabling global customer service, reducing operational costs, minimizing human error, leveraging analytics and real user data, and enhancing business continuity. However, despite these benefits, SMEs face challenges, including heightened competition, often leading to a high rate of closure shortly after establishment. Enhancing competitiveness and survival through digitalization is thus critical for the SME sector. This study aims to explore the specific factors influencing the adoption of digitalization by SMEs.

Materials and methods

Data for this study were collected through a field survey conducted among 50 SMEs in the tourism and hospitality industry within the Galle Four Gravets Divisional Secretary area of Galle district, Sri Lanka. The survey included SMEs both utilizing and not utilizing digitalization. Primary data was gathered using a structured questionnaire administered in English and Sinhala. A Binary Logistic Model was employed to identify the factors influencing SME digitalization. The model was specified as follows:

$$Y = \left(\frac{P_i}{1-P_i} \right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + ui$$

Where Y is the adoption of digitalization, $\left(\frac{P_i}{1-P_i} \right)$ is the ratio of the probability of those who use digitalization to the probability who do not use digitalization in SMEs. X_1 is gender, X_2 is education, the probability who do not

use digitalization in SMEs. X_1 is gender, X_2 is education, X_3 is innovativeness, X_4 is experiences in the business, X_5 is competitive pressure and u_i is error term.

Results

Table 1 presents the estimated results of the logistic regression model. It confirms that only the variable "experience in the business" significantly affects the adoption of digitalization in the business and production processes of SMEs. Additionally, the analysis shows that variables such as gender, educational level, innovativeness, competitive pressure, and firm size do not have a significant impact on SME digitalization.

Table 1: Results of the logistic regression

Variable	Coef.	Std. Err.	Z	p> Z
Variables –Entrepreneurs' attributes				
Gender	-16.92743	3834.622	-0.00	0.996
Education	.2071536	1.41267	0.15	0.883
Innovativeness	-.1032587	1.307998	-0.08	0.937
Variables – Business specific				
Experience in the Business	.4456193	.2214433	2.01	0.044
Competitive Pressure	-.7817338	1.280449	-0.61	0.542
Firm size	16.12287	4360.1	0.00	0.997

Conclusion and Policy recommendation

The study highlights that experience in business significantly facilitates SMEs in adopting digitization. Despite its benefits, many SMEs in the tourism and hospitality industry exhibit reluctance towards digitalization. Therefore, government support is crucial to encourage digital transformation among SME entrepreneurs in this sector.

A notable barrier identified is the apprehension among SMEs regarding potential increases in income tax associated with digitalization. To address this concern, it is recommended that new legislation be formulated specifically addressing income tax for small and medium enterprises in the tourism and hospitality sector. Such policies should aim to alleviate tax burdens and incentivize digital adoption.

Job Satisfaction Among Workers in the Work-from-Home Era During the Covid-19 Pandemic: Evidence from Employees of Commercial Banks in Colombo.

Key Message(s)

[1] The working conditions are the primary factor affecting the job satisfaction of employees in the banking sector under the work-from-home concept.

[2] The performance of bank employees has declined during the COVID-19 period.

[3] It is recommended that organizations select the most appropriate telecommunication methods to enhance job performance under this concept.

**BVT Ashinshani &
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Introduction

In the era of globalization, technological advancements have facilitated the performance of tasks from anywhere in the world. Telecommunication systems have particularly enabled a flexible work environment, allowing individuals to work remotely, diverging from traditional office setups. This flexibility is supported by ubiquitous hardware such as laptops, desktops, notebooks, and smartphones. The COVID-19 pandemic has further accelerated this trend, compelling a significant portion of the global workforce to adopt telecommuting practices from home. This shift has led to a reassessment of work culture, with increasing reports of job satisfaction among employees. Amid lockdowns and social distancing measures, remote work has become a practical solution adopted by many companies, government, and semi-governmental organizations, citing its cost-effectiveness. However, questions remain about its long-term effects on employee well-being. This study examines the impact of remote work on job satisfaction, focusing on the commercial banking sector.

Materials and Methods

The study focused on the Colombo area, home to the headquarters of most banks in the region. Data were gathered through an online survey conducted among 60 employees working at bank headquarters in Colombo, selected via random sampling. The survey questionnaire aimed to identify factors influencing job satisfaction. A Binary Logistic model was employed to analyze the data, specifying the model as follows:

$$Y = (P_i / 1 - P_i) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_k X_k + \mu_i$$

Where Y is the log of odd ratio and it indicates the worker's job satisfaction, X1 is the employee's gender, X2 is the employee's educational level, X3 is work hours per

day, X4 is family support, X5 is working conditions and U_i is the error term.

Results

Negative coefficients suggest that higher levels of predictors decrease the likelihood of satisfaction. Conversely, positive coefficients indicate a positive relationship between predictors and satisfaction likelihood. Results indicate that among these factors, only working conditions significantly affect job satisfaction among banking sector employees during the COVID-19 pandemic.

The study also found that despite longer work hours, performance improved due to reduced stress, comfortable home workspaces, and enhanced job-related skills and knowledge. Conversely, factors such as lack of coworker support, feelings of isolation, impracticality in the banking sector, household distractions including poor internet connection, and unsuitable home environments contributed to decreased job performance.

Table 1: Results of the logistic regression model

Logistic regression				Number of obs = 60
				LR chi2(5) = 14.70
				Prob > chi2 = 0.0117
Log Likelihood = -30.841958				Pseudo R2 = 0.1924
Variable	Coef.	Std. Err.	Z	P> z
Gender	-0.2723302	0.79182	-0.34	0.731
Educational level	0.2585333	0.52118	0.5	0.62
Work hours per day	-0.2080671	0.445705	-0.47	0.641
Family support	-0.2271607	0.730911	-0.31	0.756
Working conditions	2.234687	0.753298	2.97	0.003
Cons	-0.2652972	1.95382	-0.14	0.892

Conclusion and Policy recommendation

The study findings indicate that gender, education level, working hours per day, and family support do not significantly impact job satisfaction among employees in the banking sector under the work-from-home concept. However, working conditions emerged as a critical factor, showing significant influence at a 1% significance level.

Organizations are encouraged to carefully choose optimal telecommunication methods to enhance productivity within this framework. This strategic selection can foster improved job satisfaction and overall effectiveness in remote work environments.

Service gap between public and private Commercial Banks in Sri Lanka.

Key Message(s)

[1] The higher service gap in public banks and private banks was revealed.

[2] Recommend the government to implement training programs for public bank officers, improve the infrastructure of the state banks, intervene to change the opinion of people, and initiate programs to win the trust of employees by using new technology and internal and interactive marketing methods.

**BMKS Banneheka &
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Introduction

In Sri Lanka's economy, both public and private banks play a pivotal role within the banking sector. Service quality is a critical factor in distinguishing businesses from competitors within this sector. Various studies have explored the factors influencing service quality, which encompasses actions—whether tangible or intangible—aimed at addressing customer needs and concerns. Robinson (1999) defines service quality as "an attitude or overall judgment regarding the excellence of a service." The Sri Lankan commercial banking sector exhibits a significant service gap, particularly evident between public and private sector banks. Factors such as tangibility, reliability, responsiveness, assurance, and empathy are key determinants influencing this gap in banking service quality. This study aims to investigate the existing service gap between public and private banks in Sri Lanka.

Materials and Methods

The study focused on the 1100-Wadugedara GN division as the population base, comprising 176 households. A sample of 60 customers using commercial banks was selected, including 30 from public banks and 30 from private banks. Additionally, qualitative data were gathered through in-depth interviews with 10 officers from public and private banks within the Kuliapitiya-West Divisional Secretariat Division. The researcher utilized a mixed methodology, employing Likert scale analysis for quantitative data and thematic analysis for qualitative insights, which were presented using tables.

Results

According to Table 1, in terms of customer perceptions of service quality in public and private banks, the highest service gap is observed in reliability, while the lowest is

in assurance. The highest recorded value is 4.36, and the lowest is 2.55. Following reliability, responsiveness ranks as the second-highest service gap at 3.6, followed by tangibility at 3.05 and empathy at 3.04, respectively.

Overall, the data indicates that private banks maintain a higher level of service quality compared to public banks. Despite both public and private banks achieving high levels of service assurance according to the sampled customers, there remains a significant gap concerning the reliability of services provided by banks as perceived by their customers.

Table 1: Service Gap between Public and Private Banks

Service quality	Public (A)	Private (B)	Gap (B-A)
Responsiveness	20.2	23.8	3.6
Empathy	20	23.04	3.04
Tangible	22.9	25.95	3.05
Assurance	23.55	26.1	2.55
Reliability	19.28	23.64	4.36

According to the officers' perspective, the service quality gap in the banking sector is attributed to the larger customer base in public banks, as well as challenges in customer understanding of the information provided by officers.

Conclusion and Policy recommendation

The study reveals a wider service gap in public banks compared to private banks. Therefore, it is recommended that the government implement training programs for public bank officers, enhance the infrastructure of state banks, intervene to reshape public perception, and initiate programs aimed at building employee trust through the adoption of new technology and internal interactive marketing strategies.

Factors affecting the adoption of E-Banking techniques in rural Sri Lanka: A case of bank customers in Kalutara District.

Key Message(s)

[1] The significant variables affecting the adoption of e-banking include the security of e-banking and marital status. Age, gender, customer awareness, service quality, and consumer attitude were found not to affect customer adoption of e-banking.

[2] The study recommends the following measures: developing new strategies to attract new users (such as adding language translation and currency conversion features), implementing IT development programs for bank employees, and introducing a fingerprint security system.

**HWDM Nisansala &
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Introduction

E-Banking refers to an electronic payment system that enables customers of banks or financial institutions to conduct various financial transactions through the institution's website. It encompasses services such as fund transfers via computers, smartphones, or laptops, checking account statements, bill payments, account opening, accessing financial service information, and applying for loans. Despite significant investments by banks in Internet banking infrastructure, adoption rates remain relatively low. This study aims to investigate the factors influencing the adoption of E-Banking, focusing on several rural areas in the Kalutara District, Sri Lanka, specifically examining variables including consumer awareness, service quality, security of E-Banking, and consumer attitude.

Materials and Methods

This study utilized a quantitative approach with non-probability sampling. Data were analyzed using Excel and STATA statistical software for various statistical analyses. A survey was conducted among a sample of 100 bank customers across the Kalutara district, Sri Lanka. Primary data were collected through a questionnaire utilizing a 5-point Likert scale.

$$Y = \left(\frac{1}{1-p} \right) = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + \beta_7 x_7 + \mu_i$$

Where;

Y = adoption of e-banking

x_1 = consumer awareness of e-banking

x_2 = service quality of e-banking

x_3 = security of e-banking

x_4 = consumer attitude toward e-banking

x_5 = gender

x_6 = age

x_7 = marital status and μ_i = error term

Results

The study found that the security of e-banking and marital status are significant variables affecting the adoption of e-banking ($p = 0.000$), while age, gender, consumer awareness, service quality, and consumer attitude do not significantly affect consumer adoption of e-banking.

Table 1: Results of binary logistic regression

Type of variable	Variable(s)	Coef.	Std. Err.	Z	p> Z
Demographic variable	Gender	2.429815	1.990598	1.22	0.222
	Marital Status	-33.97931	3.700742	-9.18	0.000***
	Age	-2.013627	1.326385	-1.52	0.129
Independent variable	Consumer awareness	0.4079926	2.624874	0.16	0.876
	Service quality	4.848644	3.392917	1.43	0.153
	Security of E-Banking	18.173	2.352011	7.73	0.000***
	Consumer Attitude	39.22327	-	-	-

Note: ***, **, and * are 99%, 95%, and 90% significant levels

Source: Field survey, 2022

Conclusion and Policy recommendation

The study findings highlight that the security of e-banking and marital status are significant factors influencing the adoption of e-banking. Additionally, a notable proportion of bank customers exhibit unfamiliarity with internet usage, contributing to a subdued response towards adopting internet banking services. The research identifies key barriers hindering the widespread adoption of e-banking in Sri Lanka.

To address these challenges, the study recommends implementing educational programs at the bank level to enhance customer awareness, simplifying internet banking interfaces to improve usability, developing new strategies to attract and onboard new users, and introducing enhanced security measures such as fingerprint authentication systems.

**A study of gender differences in financial inclusion-
Special reference to Pathadumbara Divisional
Secretariat division, Kandy, Sri Lanka.**

Key Message(s)

[1] Gender influences financial inclusion

[2] It is recommended to implement comprehensive financial education programs targeting both genders, with a focus on improving financial knowledge and skills among women to empower their financial decision-making.

[3] The study suggested to develop policies and initiatives that specifically address the unique barriers faced by women in accessing financial services and participating fully in the financial ecosystem.

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Introduction

Financial inclusion serves as a catalyst for economic growth and opportunities. By reducing poverty and enhancing family well-being, financial inclusion fosters economic growth and significantly contributes to economic empowerment and gender equality. It entails providing households and businesses with access to and the utilization of formal financial services, such as opening bank accounts with registered financial institutions. However, notable differences exist between men and women in terms of financial inclusion.

Although the global financial inclusion rate has improved in recent decades, the gender gap remains significant. Women have lower rates of bank account ownership and face greater challenges in accessing business finance. Consequently, men enjoy higher levels of financial inclusion compared to women, resulting in a persistent gender disparity. This issue is exacerbated by the underrepresentation of women workers in the financial sector, which hinders the full financial inclusion of women, as intermediaries are crucial for this process. This gender disparity in financial inclusion is also evident in Sri Lanka, a developing country. Given the current economic conditions, addressing and balancing the gender gap in financial inclusion is imperative for fostering sustainable economic growth and promoting gender equality.

Materials and Methods

This study was conducted by using Divisional Secretariat Division. Primary data for this study were collected through a randomized distribution of questionnaires to residents across 12 Grama Niladhari Divisions within the Pathadumbara DSD area, using a self-administered technique. A sample of sixty respondents was selected randomly using a convenience sampling method respondents' financial awareness. Financial knowledge and financial awareness were measured using the Likert

scale. A multiple regression model was employed to identify the factors influencing financial inclusion. The model was specified as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e_i$$

Where Y is the dependent variable, which is financial inclusion, $\beta_1 \dots \beta_6$ are the coefficient value of the independent variables. X_1 is gender, X_2 is financial literacy, X_3 is information technology, X_4 is technological access, X_5 is income, X_6 is financial awareness and e_i is the error term.

Results

Table 1: Multiple regression analysis results

	Unstandardized coefficients		t	Sig.
	B	Std. error		
(Constant)	-0.312	1.168	-0.267	0.791
Gender of the respondent	0.780	0.378	2.063	0.046**
Financial literacy	10.214	0.437	23.371	0.000***
Financial awareness	1.897	0.211	8.991	0.000***
Information technology	-0.133	0.294	-0.452	0.049**
Income	-0.278	0.131	-2.121	0.040**
Technological access	-0.094	0.095	-0.985	0.000***

Note: ***, **, and * are 99%, 95%, and 90% significant levels

Source: Field survey, 2022

As illustrated in Table 1, gender, financial literacy, financial awareness, information technology, income, and technological access significantly influence financial inclusion.

Conclusion and Policy recommendation

The primary objective of this study was to examine the factors contributing to gender disparities in financial inclusion. The results underscore that gender itself plays a pivotal role in shaping financial inclusion outcomes. Additionally, financial literacy, financial awareness, information technology, and technological access emerge as significant determinants of financial inclusion. Therefore, policymakers are urged to implement targeted measures aimed at narrowing the gender gap in financial inclusion.

The Study on the Factors that Influence Rice Consumption: With special to Kotapola Secretariat Division.

Key Message(s)

[1] Income, employment status, number of family members, and price impact rice consumption.

[2] This research recommends that policymakers promote consumer awareness and support the production of nutritious rice varieties. By doing so, they can contribute to improving public health outcomes and enhancing overall consumer satisfaction with rice consumption.

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Introduction

Rice stands as a crucial staple for nearly half of the global population and ranks second only to wheat in importance (Firdaus et al., 2020; Rajamoorthy & Munusamy, 2015). Approximately 90% of the world's rice production occurs in Asian countries, with over 80% of it consumed by Asians (Omar et al., 2019). In Sri Lanka, with a population of 21 million, per capita annual rice consumption averages around 107 kg per person. Consumer preferences for rice exhibit varying patterns across countries and are influenced by diverse factors affecting their purchasing decisions for household consumption. Socio-demographic variables such as age, education level, marital status, gender, and occupation significantly shape preferences for local rice (Ogundele, 2014). This study aims to investigate the determinants influencing consumers' rice consumption behaviors.

Materials and Methods

This study was conducted in the Kotapola Divisional Secretariat Division. Primary data were collected through the random distribution of questionnaires to residents in Morawaka, Waralla, and Pelawatta within the Kotapola DSD area using a self-administered technique. A sample of one hundred and twenty residents was randomly selected using a convenience sampling method. The data collection instrument was a survey questionnaire comprising two sections. Section A included items related to the socio-economic profile of consumers, encompassing variables such as age, gender, educational level, ethnicity, income, employment status, and household size. Subsequently, factors influencing their selection of rice were categorized into three variables: price, perceived quality, and health considerations. Section B employed the Likert scale to gauge consumer agreement or disagreement with these items. A Multiple Regression model was applied to ascertain the factors influencing rice consumption.

The model was specified as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10} + e_i$$

Where Y is the dependent variable, which is rice consumption per month, $\beta_1 \dots \beta_{10}$ are the coefficient value of the independent variables. X_1 is gender, X_2 is age, X_3 is education level, X_4 is ethnicity, X_5 is income, X_6 is employment status, X_7 is the number of family members, X_8 is price, X_9 is quality, X_{10} is a health condition and u_i is the error term.

Results

Table 1: Binary logistic analysis results

	Unstandardized coefficients		Sig.
	B	Std. error	
(Constant)	1.415	2.076	0.497
Gender	0.010	0.014	0.486
Age	0.612	0.362	0.094*
Education level	0.005	0.000	0.688
Ethnicity	0.852	-1.577	0.590
Income	0.464	0.000	0.001***
Employment status	1.440	0.000	0.035**
Number of family members	14.095	0.002	0.000***
Price	-1.187	0.289	0.006**
Quality	0.209	0.743	0.780
Health condition	0.475	0.559	0.401

Note: ***, **, and * are 99%, 95%, and 90% significant levels

Source: Field survey, 2022

As depicted in Table 1, income, employment status, number of family members, and price significantly impact rice consumption.

Conclusion and Policy recommendation

The findings indicate that income, employment status, and family size influence household rice consumption among the socio-economic factors examined. Additionally, the price of rice emerged as a significant determinant influencing consumers' decisions regarding rice selection for home consumption. However, perceived quality and health considerations did not significantly affect rice selection. Consumers' purchasing decisions primarily hinge on rice prices rather than quality or health considerations. Based on these findings, this paper underscores the importance of consumer awareness regarding product quality and health benefits. Encouraging the production of high-quality and nutritious rice products could enhance consumer well-being and satisfaction. Policymakers should prioritize initiatives that educate consumers about the benefits of choosing high-quality and healthy food products.

The impact of Marketing Mix on Customer Satisfaction in Beverage Products in Sri Lanka; Special reference to Elephant House, Coca-Cola, Kist, and SMAK.

Key Message(s)

[1] The marketing mix elements of the product and price have a positive and significant impact on customer satisfaction

[2] The place has a negative and significant effect on customer satisfaction.

[3] It is recommended to focus on continuous improvement of product quality and ensure that pricing strategies reflect the value provided to customers in order to strengthen customer satisfaction and loyalty.

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Introduction

Customer satisfaction is an essential aspect of the marketing process because it ultimately contributes to measuring the success of the service or product sold (Darian et al., 2001). The marketing mix is one factor that affects customer satisfaction and loyalty. Harsono (2016) points out that having a good product, a reasonable price, an accessible location, and an effective promotion strategy can enable companies to influence customers to learn about and buy their products, thereby increasing their credibility with customers.

Beverage products are necessities that play an essential role in human life. Beverages are an integral part of our lives, and we choose them for various reasons such as thirst, fun, taste, energy, hunger, boredom, cooling down, or even warming up. Sri Lankans consume 100 million liters of beverages annually, and the total beverage market is worth about \$80 million. The \$12 million fruit juice industry accounts for about a quarter of the country's total soft drink sales each year. Currently, there are several popular drinks in Sri Lanka, including Elephant House, Coca-Cola, Kist, and SMAK. These brands have become popular because different types of beverage products are available to consumers and because brands like Coca-Cola are internationally recognized high-end brands.

Materials and Methods

This study is based on university students in Sri Lanka. One hundred eighty-eight questionnaires were sent to the respondents through WhatsApp and email. One hundred seventy responses were received, resulting in a response rate of 90%. Therefore, a total of 170 responses is considered the sample data for formulating the research. This research employed purposive sampling methods for

data collection. The Likert scale was used to measure customer satisfaction and the marketing mix. To identify the marketing mix factors influencing customer satisfaction, a multiple regression model was applied. The model was specified as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_i$$

Where Y is the dependent variable which is customer Satisfaction, $\beta_1 \dots \beta_6$ are the coefficient value of the independent variables. X_1 is product, X_2 is price, X_3 is promotion, X_4 is the place, and u_i is the error term.

Results

Table 1: Multiple regression analysis results

Model 1	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.344	.287		4.686	.000***
Product	.379	.067	.413	5.676	.000***
Price	.374	.088	.341	4.228	.000***
Promotion	.085	.063	.096	1.341	.182
Place	-.172	.077	-.175	-2.244	.026**

Note: ***, **, and * are 99%, 95%, and 90% significant levels

Source: Field survey, 2022

A multiple regression model was employed to investigate the relationship between the 4Ps of the marketing mix (product, price, promotion, and place), customer satisfaction, and customer loyalty. This analysis aims to elucidate the interplay among these variables within the beverage industry. The findings indicate that the marketing mix elements of product and price have a positive and significant impact on customer satisfaction. Conversely, promotion exhibits a positive but insignificant effect on customer satisfaction, while place demonstrates a negative and significant impact on customer satisfaction.

Conclusion and Policy recommendation

Marketing strategy is a primary determinant of international customer satisfaction in the beverage industry. This paper aims to analyze the effect of the marketing mix on customer satisfaction with food and beverage products in Sri Lanka. The findings of this research reveal that the marketing mix elements of product and price have a positive and significant impact on customer satisfaction. In contrast, promotion exhibits a positive but insignificant effect on customer satisfaction. Additionally, place demonstrates a negative and significant impact on customer satisfaction.

**A Study of Factors Influencing Onion Seed
Production: A Special Reference to the Matale
District, Dambulla Divisional Secretariat.**

Key Message(s)

- [1] Demographic, educational, professional, and economic factors influencing onion seed production in the Matale District.
- [2] These results encourage policymakers to make significant investments in research and development, crucial for developing new onion seed varieties that are high-yielding and disease-resistant.

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Introduction

The local production of big onions in Sri Lanka, approximately 81,707 MT per year, is insufficient to meet the annual demand of 203,993 MT. The primary constraint is the inadequate supply of quality seeds, a problem exacerbated by the importation of substandard seeds through illegal routes. The availability of high-quality seeds at affordable prices is a persistent issue in Sri Lanka, particularly at the onset of each cultivation season. This problem is especially significant for big onion cultivation, which is an important cash crop. From 2006 to 2010, the average yield of big onions in Sri Lanka was 11.17 MT/ha, significantly lower than that of regional countries such as India and Pakistan. Popular big onion varieties cultivated in Sri Lanka include Nasic Red, Dambulu Red, Pusa Red, and Rampoor. Currently, local seed production meets only 40% of the total demand, with the remainder being imported.

Although the government and private sectors have initiated programs to boost local seed production, particularly in the Matale and Anuradhapura districts, these efforts have not been sufficient to meet the total requirements. Therefore, this research aims to investigate the factors influencing seed production, with the goal of identifying and addressing the challenges to enhance the supply of quality seeds for big onion cultivation in Sri Lanka.

Materials and Methods

This study primarily relies on primary data, with a sample of 50 onion seed farmers selected from the Matale district. A purposive sampling method was employed to select the sample, and data were collected using a structured questionnaire. A tables and charts were utilized to identify the factors influencing onion seed production.

Results

The study reveals several key demographics, educational, professional, and economic factors influencing onion seed production in the Matale district. Individuals above 60 years and men contribute significantly more to onion seed production than their counterparts, with the Sinhalese community being the primary contributor. Most respondents possess a secondary education, indicating that higher levels of education are less common among these farmers. Professionally, the majority are engaged in farming, although there are participants from business, public and private sectors, and self-employment. Onion seed production occurs on large, medium, and small scales, with most farmers involved in medium-scale production. The average monthly production value for most farmers ranges between 6-15 units, and the majority report an average monthly income between 50,000 and 100,000 Sri Lankan Rupees, indicating a high-income level from onion seed production. Most farmers have been engaged in this activity for one to three years, and when asked about their satisfaction, most expressed a neutral opinion. These conclusions highlight the multifaceted influences on onion seed production, offering valuable insights for policymakers and stakeholders aiming to enhance production efficiency and profitability.

Conclusion and policy recommendation

Based on the study's findings, several policy recommendations can be made to enhance onion seed production in the Matale district: Given the significant contribution of individuals above 60 years to onion seed production, tailored support programs should be implemented. These programs could provide technical assistance, easier access to resources, and financial incentives to sustain their involvement in farming. As most farmers possess only secondary education, it is essential to develop educational programs that focus on advanced agricultural techniques, seed technology, and farm management. These programs could be delivered through extension services or agricultural training centres to improve farmers' knowledge and skills. To address the issue of substandard seeds, policies should enforce stricter regulations on seed imports and actively promote local seed production. Establishing seed quality certification programs and providing incentives for local seed producers will help ensure a steady supply of high-quality seeds. Significant investment in research and development is crucial to developing new onion seed varieties that are high-yielding and disease-resistant. Collaborating with agricultural research institutions and universities can foster innovations in seed production and improve overall agricultural productivity.

Analysis of factors affecting the use of organic fertilizer and its effect on small and medium scale farmers' household income in Sri Lanka (With special reference to Kurunegala District).

Key Message(s)

- [1] Use of organic fertilizer significantly affected on crop productivity.
- [2] Use of organic fertilizer also significantly affected on household income.
- [3] These results encourage policymakers to encourage the use of organic fertilizer.

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Introduction

Sri Lanka is an agricultural country and remains an essential sector of the Sri Lankan economy. It has enormous significance in employment generation to the rural and urban populace involved in the production, processing, and marketing of agro-products in agricultural businesses. Fertilizer, though one of the essential inputs for increasing agricultural production, is practised in 187 countries, and 72.3 million hectares of agricultural land were managed organically by at least 3.1 million farmers". Organic fertilizer has been increasingly recognized as one of the critical elements in organic and sustainable agriculture production. With the current economic crisis in Sri Lanka, the use of organic fertilizer has become more popular among farmers.

Furthermore, due to some adverse issues, farmers tend to shift from inorganic fertilizers to organic fertilizers. Many factors affect the use of organic fertilizer. Similarly, as there are socioeconomic and geographical advantages and disadvantages of using organic fertilizers, the factors affecting it are still being determined with changes in fertilizer use policies in the country. This study's central aim is to examine the factors affecting the use of organic fertilizer and its impact on small and medium-scale farmers' household income.

Materials and Methods

This study uses the survey method, and the collected quantitative data were analyzed using descriptive statistics.

Both primary and secondary data were used for this study. Direct interviews and structured questionnaires were used to elicit information from 111 randomly selected respondents using the probability sampling technique from four cultivated areas of the Kurunegala district.

Results

The Following tables represent the factors influencing the use of organic fertilizers and their effect on household income.

Table 1: Chi-square analysis for demographic factors and Usage of organic fertilizer

Variable	X ²	Df	P-value	Decision
Education Status	25.237	3	0.000	Accepted
Farm size	14.197	1	0.001	Accepted
Farming Experience	111.000	3	0.000	Accepted
Household Size	4.041	3	0.257	Rejected
Group Membership	32.190	1	0.000	Accepted

Table 1 shows the relationship between the respondents' selected demographic information and the use of organic fertilizer. According to the results, educational level, firm size, farming experiences, and membership in societies impact the usage of organic fertilizer. Although, the household size is not significant in the analysis.

Table 2: Chi-square analysis for household income and crop productivity

Variable	X ²	Df	P-value	Decision
Crop productivity	111.000	3	0.000	Accepted
Household Income	41.129	3	0.000	Accepted

According to Table 2, the Chi-square analysis shows a significant relationship between the selected uses of organic fertilizer and crop productivity and household income. The results of the analysis confirmed that organic fertilizer usage has a positive impact on crop productivity and household income.

Conclusion and policy recommendation

The study results confirmed a statistically significant impact of educational status, farm size, farming experience and group membership on organic fertilizer use. In contrast, household size did not significantly influence the use of organic fertilizers in the study area. Furthermore, the use of organic fertilizer significantly affected crop productivity, and it also considerably affected household income. Based on the findings, it was suggested that future intervention techniques be implemented to encourage the use of organic fertilizer, hence increasing crop productivity and household income in the research area. The government should implement a fertilizer subsidy program focused on growing vegetables and using mainly organic fertilizers.

Factors Affecting the Export Performance of Small and Medium Enterprises in Sri Lanka (With special reference to Kurunegala District).

Key Message(s)

[1] Export Performance is based on the internal environment and the external environment of the firm.

[2] Managerial capability, technological capabilities, and government support are essential factors in SMEs' export performance success.

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Introduction

Small and Medium Enterprises (SMEs) are an economy's backbone. SMEs have a significant role to play in the development of the country. The SMEs contribute to the economy and increase the country's gross domestic product (Sitharam & Hogue, 2016). *Export Performance* can be broadly defined as the result of various corporate activities in export markets (Muhammed & Saleem, 2008).

The study mainly focuses on the factors affecting SMEs in Sri Lanka and identifies the factors that influence the export engagement of SMEs in Sri Lanka. It helps SME exporters enhance their exports by better understanding the factors that influence the export engagement of SMEs. They can increase exports while increasing Gross Domestic Products and Gross National Products. In this study, the researcher aims to identify the factors contributing to SMEs' successful export performance in Sri Lanka.

Materials and Methods

The study used quantitative technique to investigate the factors affecting export performance of SMEs. The primary data was collected using the questionnaire method. 100 SMEs were selected using a simple random sampling technique and the sample was based on the manufacturing exporter of SMEs in Kurunegala district. A multiple linear regression was used to analysis the data.

$$EPS = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + UI$$

EPS = Export Performance of SMEs

β_0 = Intercept

β_1, β_2 = Coefficient

X_1 = internal environmental factors (Managerial Competency and Skills, TC =Technological Capabilities),
 X_2 = External environmental factors (GR =Government support)

UI= Error term

Results

Table 1: Results of estimated regression model

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.662	.287		2.3170	0.786
	Internal environmental factors	.857	.057	.835	14.910	.000
	External environmental factors	.143	.050	.159	2.843	.006

a. Dependent Variable: Export performance of SMEs

$$EPS = 0.662 - 15 + .857 X_1 + .143 X_2$$

According to the multiple regression analysis, internal environmental factors have a significant impact on the export performance of SMEs. When considering Table 1, the regression coefficient of internal environmental factors is 0.857, and it is statistically significant. It has a considerable impact on the export performance of SMEs under 0.05 significant level. There is a significant impact of external environmental factors on the export performance of SMEs. When considering Table 1, the regression coefficient of external environmental factors is 0.143, and significant value is 0.000, and it significantly impacts the export performance of SMEs under 0.006 considerable levels. There is a significant relationship between external environmental factors on the export performance of SMEs.

Conclusion and Policy recommendation

The primary objective of this study was to analyze the factors affecting SMEs' export performance. According to the research results, independent variables significantly impact SMEs' export performance. We also investigated and found positive results. Hence, based on the above findings, independent variables such as managerial capability, technological capabilities, and government support are essential factors in SMEs' export performance success.

Impact of Human Capital on the success of Small and Medium Enterprises in Sri Lanka (With special reference to Mirigama Divisional Secretariat).

Key Message(s)

- [1] This study focuses on identifying how impact of human capital on the Success of small and medium enterprises.
- [2] Human capital is the set of knowledge, skills, and abilities that an individual acquires through education and work experience.

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Introduction

Small and Medium Enterprises are businesses with a limited number of people. SMEs play an important economic role and are the most attractive and massive innovation system (Al-Herwi, 2019). World Bank defines SMEs as the number of employees, annual turnover, and Assets. The Ministry of Industry and Commerce in Sri Lanka defines SMEs as the number of employees and annual turnover. The SMEs segment is made up of enterprises with less than 300 employees and an annual turnover not exceeding Rs. 750 million. There are so many factors that can identify and determine the success of SMEs. However, this study focuses on identifying how impact of human capital on the success of small and medium enterprises. Education, training, Experience, and Professional qualification are independent variables, and the dependent variable is the Success of SMEs. The study mainly focuses on how human capital impact SMEs in Sri Lanka and how Human capital enhances help to the Success of SMEs in Sri Lanka.

Materials and Methods

Primary data was collected by using a 100 traditional survey-based hundred questionnaire and was used random sampling methods. According to the conceptualization model, four dimensions (level of education, training, Experience, and Personal attribute) are considered independent variables, and the Success of SMEs is taken as the dependent variable. The Linear Regression Analysis model was developed to investigate the relationship between the dependent variable and each independent variable.

$$SFSME = \beta_0 + \beta_1 HC + UI$$

SFSME = Success of SMEs,

β_0 = Intercept,

β_1 = Coefficient of variables,

HC = Human Capital

Results

Based on data analysis, there is a positive relationship between human capital and the success of SMEs. The above regression coefficients imply that human capital positively correlated with the success of SMEs. The coefficient value is 0.418. The significant level is 0.000, and it is an acceptable level. This is assumed by the coefficient of correlation in Pearson Correlation Analysis since the correlation coefficient is positive. Therefore, there is a significant relationship between human capital and SMEs' success, meaning that SMEs' success is a function of human capital. The R square value is the proportion of the variance in the dependent variable that the independent variables can explain. The R Square value of 0.174 indicates the variation among the variables on the success of SMEs. Adjusted R square (R2) shows a value of 0.166 (16.6%).

Table 1: Results of Liner regression model

Model	Coefficients				
	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	1.336	.578		2.311	.023
Human capital	.644	.142	.418	4.550	.000

a. Dependent Variable: Success of SMEs (Source: Survey data, 2022)

Conclusion and Policy recommendation

There is a positive relationship between human capital and the success of SMEs. Mainly four dimensions are education, experiences, training and personal attribute. Five hypotheses were established, and five hypotheses were accepted. Education, Experiences, Training and personal attribute makes a positive impact on the success of SMEs which means hypotheses (H1) (H2) (H3) (H4) are accepted. Finally, human capital makes a positive impact on the success of SMEs which means hypothesis Five (H5) is accepted. SMEs can also achieve high success by increasing the investments made by small and medium business owners in human capital. SME owners can conduct training programs, counseling services, etc. SMEs can hire more educated workers to run a business successfully and profitably for a long time, and hiring highly educated, experienced, and trained people is very important.

Analyzing the technical efficiency of upcountry potato farming based on the Welimada area in Sri Lanka.

Key Message(s)

- [1] Study found that land, seed cost, fertilizer cost, and pesticide cost are the main factors that influenced the potato yield
- [2] Education significantly impacted to technical efficiency, while household size had no impact, and experience, although positively related, was not significant.
- [3] Government needs to make policies to increase the education level of the farmers.

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Introduction

Sri Lanka is an island located in the Indian Ocean, with nearly one-third of its total land area dedicated to farming. There are two major farming seasons called "Maha" and "Yala." Sri Lanka normally practice two farming methods, organic farming and conventional farming which uses agrochemicals and pesticides. Potato is one of the major crops contributing to the global food supply. In Sri Lanka, potatoes are a desirable crop in the upcountry regions, especially in the Nuwara Eliya and Badulla districts. Potato cultivation is particularly attractive in Sri Lanka due to its potential for high-income generation.

The Sri Lankan upcountry is favorable for potato cultivation. The Welimada area has the highest percentage of farmers cultivating seasonal crops in the farming communities of the Badulla district, marked at 84%. The upcountry plays a vital role in potato production in Sri Lanka. In year 1993 potato production was around 80,000 MT. However, due to the South Asian Free Trade Agreement (SAFTA) and the Indo-Sri Lanka Free Trade Agreement, the Sri Lankan potato sector was adversely affected. These agreements allowed Sri Lanka to import potatoes from low-cost producing countries such as India and Pakistan, resulting in a decrease in domestic potato production.

Materials and Methods

The main objective was to identify the technical efficiency of potato farmers. The 100 Potato farmers were selected using convenient sampling method in Welimada area and structured questionnaire was applied to the primary data collection method. The study mainly focused on the "Maha Season" in 2020. This study applied Cobb – Douglas production frontier to estimate technical efficiency for each Potato farm.

To identify the determinants of technical efficiency, the expression below was used.

$$U_i = \alpha_0 + \alpha_1 Z_{1i} + \alpha_2 Z_{2i} + \alpha_3 Z_{3i} + W_i$$

Z_1 = educational level

Z_2 = years of experience

Z_3 = household size

W_i = unobservable random variables

Results

Based on the Maximum Likelihood estimates for the parameters of the production function, all variables excluding labor and water supply were significant at the 1% level. The analysis found that land, seed cost, fertilizer cost, and pesticide cost were the main factors influencing potato yield in the Welimada area during the Maha season of 2020. The Gamma value in the MLE analysis was statistically significant at the 1% level, indicating the presence of technical inefficiency. The mean overall estimated technical efficiency of potato farmers was 0.56, suggesting that potato output could be increased by approximately 44% without adding any additional resources in the study area. According to this study, the education level of farmers is statistically significant and helps reduce technical inefficiency. The signs of the variables for experience and education level were negative which indicate that increasing the education level and experience of potato farmers leads to improved technical efficiency in potato farming.

Conclusion and Policy recommendation

The results related to technical efficiency indicated that there is a gap between the real and potential levels of technical efficiency. Thus, the mean technical efficiency value was recorded as 0.56. This study revealed that better education leads to a decrease in the inefficiency of farmers. Accordingly, these findings are useful to farmers increase their efficiency. The following recommendations can be made in this study,

- Increase the awareness of new techniques to the farmers of potato cultivation,
- Provide quality fertilizers and pesticides to farmers acceptable price,
- It needs to improve the quality of the local seed,
- give the incentive and technical awareness to people to produce value-added products from the potatoes,
- Farmers need to utilize all usable areas of their land and need to manage properly the water supply process to get a better harvest.
- It needs to improve the education level of farmers to decrease the inefficiency of potato farmers.

Examine the influencing factors of online customer satisfactions and loyalty on websites of e-commerce service quality (Special mention to the undergraduates in the Social Science and Humanities).

Key Message(s)

[1] Efficiency, privacy, e-service quality, trust and system availability are some of the main factors that influence and positively increase customer satisfaction and loyalty.

[2] There is a positive relationship between E-commerce service quality and the implementation of E-customer satisfaction measures, which should be properly implemented to improve customer retention and customer loyalty.

[3] E-commerce service providers must maintain a favorable e-commerce service quality to attract new customers and hold current customers.

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Introduction

Technology plays an important role in improving the quality of service provided by business units. The internet has created a platform to expand commercial transactions in a very convenient way and has created a wide range of business opportunities through the expansion of wireless communication. E-commerce offers many benefits to sellers and buyers. Because of these advantages of the online business model over traditional businesses, expectations of e-commerce are rising. E-commerce websites serve as alternative communication channels where customers expect their needs to be met easily and comfortably. As a result, the provision of high-quality communication channels will improve customer satisfaction and the competitive advantage of these organizations (Karatepe, Yavas & Babakus, 2005).

In the retail sector, the internet can play a vital role in maintaining and developing a high level of customer service. Previous studies have discussed many issues and factors that affect customer satisfaction and loyalty through e-commerce. The purpose of this research was to identify the influencing factors of online customer satisfaction and loyalty on e-commerce service quality websites.

Materials and Methods

A total of 100 undergraduate students involved in e-commerce transactions were selected as the sample for the study. Twenty-five undergraduate students from each batch (i.e., years 1 to 4) from the Faculty of Social Sciences and Humanities at Rajarata University of Sri Lanka were selected using a simple random sampling approach. Five independent variables (Efficiency, Trust, E-Service Quality, Privacy, System Availability) and one

dependent variables (Online Customer Satisfaction and, Loyalty) were used for this test. The multiple regression method was used with the following equation.

$$Y = \beta + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \mu_i$$

Y = Dependent variable (Customer Satisfaction & Loyalty)

β_0 = Intercept

X5 = System Availability

X1 = Efficiency

μ_i = Error Term

X2 = Privacy

X3 = E Service Quality

X4 = Trust

Results

Through this analysis, the changes in the dependent variable in response to changes in the independent variables are investigated using unstandardized coefficients. All independent variables positively and significantly affect the dependent variable. Moreover, the results of the multiple regression analysis show that the regression coefficients of efficiency, privacy, e-service quality, and system availability have a significant effect on e-customer satisfaction and loyalty. The regression coefficient of trust, however, shows no significant effect on e-customer satisfaction and loyalty. Finally, it can be concluded that among the factors considered, efficiency, privacy, e-service quality, trust, and system availability are some of the main factors that influence and positively increase customer satisfaction and loyalty.

Conclusion and Policy recommendation

The issue that arises regarding consumers in today's context is the legal level of e-customer satisfaction. It should be increased in implementing e-commerce service quality procedures as soon as possible. The following recommendations are provided here to improve online customer satisfaction and loyalty improves the profitability of organizations.

- Activities or deliverables designed to enable users to efficiently and effectively use new processes, procedures, systems and other tools within the e-commerce service to improve e-customer satisfaction and loyalty.
- Properly maintain product distribution programmes that deliver products to customers on time and satisfy customers by offering various discounts during purchase thereby improving their loyalty.

The results of the present study reveal that there is a positive relationship between E-commerce service quality and the implementation of E-customer satisfaction measures, which should be properly implemented to improve customer retention and customer loyalty.

The impact of the Covid-19 pandemic on small & medium enterprises (SMEs) performance of in Sri Lanka; (Special reference to the Kotapola ds division).

Key Message(s)

[1] There was a negative effect of Covid-19 impact of SMEs performance.

[2] Suggestions of the study were providing loan schemes to the entrepreneurs and workshop, Training program to enhance knowledge, competencies and experience.

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Introduction

SMEs are the backbone of the economy and are found in all sectors. The SME sector in Sri Lanka accounts for 52% of the GDP and 45% of total employment, representing more than 75% of the total number of enterprises in the country (Gunawardana, 2020; Anwar, Djawad, & Ridwansyah, 2019). Micro and small businesses contribute significantly to the economy and are at the forefront of job creation. The impact on the economy since the beginning of the COVID-19 crisis in 2019 and the subsequent economic recession necessitates an analysis of the economic crises faced by SMEs in Sri Lanka.

There is no clear roadmap to measure the true impact of the COVID-19 pandemic on the Sri Lankan economy. The pandemic has resulted in a decline in tax collection, high unemployment rates, and decreased demand and supply. Ranasinghe (2021) indicated that approximately 150,000 workers have lost their jobs due to quarantine and lockdown measures. This study discussed the problems faced by the small and medium entrepreneurs due to covid-19 and how it has affected to the business in Sri lanka. The purpose of this study was to identify factors that have affected the performance of SMEs due to covid-19.

Materials and Methods

This study was conducted in the Kotapola Divisional Secretariat, Matara district in 2022. The selected sample consisted of 100 small and medium enterprise owners. Primary data were collected using a standard structured Questionnaire using convenient sampling method. The Multiple regression analysis was used to analyze the collected data.

The multiple regression equation as follows,

$$Y = \beta_0 - \beta_1 CQ + \beta_2 EQ + \beta_3 EXQ + \mu_i$$

Y = Dependent variable (SME performance)

CQ - Covid-19,

EQ - Education level,

EXQ – Experience,

μ_i = Error Term

Results

According to the result of the study, the model showed a goodness-of-fit, indicated by the coefficient of determination (R^2) with a value of 0.917. The explanatory power of the predictors on productivity is 91.7%, and the adjusted R square is 83.6% between variables. The ANOVA table provides sufficient evidence to prove the model is fit.

Table 01: Result Of the Estimated Multiple Linear Regression Model

Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	1.695	.273		6.206	.000		
Covid_19	-.102	.056	-.074	-1.813	.073	.994	1.006
Education	.295	.040	.475	7.413	.000	.404	2.477
Experience	.400	.052	.496	7.734	.000	.404	2.476

From the above result, it is evident that the Covid-19 pandemic, Level of education, Job Experience have unstandardized coefficients of -.102, .295 and .400 respectively and the following regression equation can be derived from the available data from predicting the SME performance from independent variables.

$$Y = 1.695 - (.102) CQ + (.295) EQ + (.400) EXQ$$

Conclusion and Policy recommendation

The study concluded that the negative effects of COVID-19 have significantly impacted the performance of SMEs. It is recommended that further education and training in entrepreneurship be provided to employees to enhance business performance. Future research should consider these suggestions. Additionally, providing loan schemes to experienced entrepreneurs who have been displaced can help them establish new SMEs. Creating workshops and training programs to enhance job experience is also crucial. Retaining employees by categorizing them into salary brackets based on their experience and education level is advisable. Expanding SME performance through online platforms and updating the national framework to support SMEs more effectively can also contribute to their growth and resilience.

**Examine the factors that influence the usage of
Electronic banking in rural areas (Special
Reference from kahatagasdigiliya
Divisional secretariat).**

Key Message(s)

[1] Perceived usefulness, perceived risk, customer awareness and internet experience can be identified as factors affecting the use of e-banking in rural areas.

[2] Bankers are always trying to develop e-banking facilities day by day properly as e-banking helps to increase bank performance.

[3] Guiding its customers how to use e-banking services correctly doing it through new methods. Awareness through YouTube & social media channels on how to use correctly.

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Introduction

Electronic banking simply means using electronic systems to conduct banking activities. Examples of electronic banking include internet banking, mobile banking, debit/credit cards, SMS banking, and ATMs. However, this research focuses only on internet banking, mobile banking, and debit/credit cards. E-banking is very important for both customers and banks because it helps improve bank performance. Therefore, bankers continually strive to develop their e-banking facilities. According to Muhammad (2012), banks have used electronic channels to conduct banking operations with both domestic and international customers. Currently, banks primarily use electronic channels to receive instructions and deliver their products and services to their customers.

Although the range of services provided by banks over electronic channels varies widely in content, this form of banking is generally referred to as electronic banking. Previous studies have discussed many issues and factors that influence the usage of electronic banking. Accordingly, the purpose of this research is to identify the factors that influence the usage of electronic banking in rural areas.

Materials and Methods

This explanatory research sought to determine the factors that affect the usage of electronic banking in rural areas. In this case, Pahalakudhapattiya village was selected as the study area. Pahalakudhapattiya is located in the Kahatagasdigiliya Divisional Secretariat Division in the Anuradhapura District of the North Central Province. The village is home to about 750 people from 150 families. The researcher selected 100 consumers for the study using convenient sampling techniques.

Five independent variables (usefulness, ease of use, risk, customer awareness, and internet experience) and one dependent variable (electronic banking usage) were used for this test. Multiple regression analysis was used and equation as follows,

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5$$

Y = Dependent variable (Electronic banking usage)

β_0 = Intercept

X1= Perceived usefulness

X2= ease-of-use

X3= Perceived risk

X4=T Customer awareness

X5 = Internet experience

Results

Below table shows that the Perceived usefulness, Perceived risk, Customer awareness and Internet experience regression coefficient yielded a result of $P=0.038$, $P=0.000$, $P=0.000$, $P=0.008$ respectively. It indicates that both factors significantly impact on usage of electronic banking because the level of significant was lower than $P<0.05$. The ease-of-use regression coefficient value yielded a result of $P=0.292$ which is not significance impact on the electronic banking because the level of significance was greater than $P>0.05$.

$$Y = 1.777 + (0.136)X_1 + (0.055)X_2 - (0.252)X_3 + (0.447)X_4 + (0.190)X_5$$

Table 1: Multiple Regression Analysis Result

Coefficients a			
Model	Unstandardized Coefficients		Sig.
	B	Std. Error	
(Constant)	1.777	.399	.000
PU_Mean	.136	.065	.038
PEU_Mean	.055	.052	.292
PR_Mean	-.252	.068	.000
CA_Mean	.447	.064	.000
IE_Mean	.190	.071	.008
a. Dependent Variable: UEB_Mean			

Conclusion and Policy recommendation

According to the stud findings, recognizing those factor researcher should give necessary recommendations for relevant parties.

- To show the efficiency of using these banking services to its customers in practice.
- Guiding its customers how to use e-banking services correctly doing it through new methods. Awareness through YouTube & social media channels on how to use correctly etc.
- To demonstrate the self-efficacy of using e-banking services in practice.



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