POLICY BRIEFS OF ECONOMIC RESEARCH

POLICY BRIEFS

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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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2024

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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 these briefs provide 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.

Prof. SWGK Bulankulama
Editor

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Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

Policy Briefs 01

Vol. (4) January 2024 ISNN 2827-7376

Factors Affecting the Performance of Small and Medium Enterprises in Sri Lanka.

Key Message(s)

[1] This study underscores the factors Affecting the Performance of Small and Medium Enterprises in Sri Lanka.

[2] Findings revealed that there exists a significant association between Access to Capital, Accounting Practices, Entrepreneur Competency and SMEs Performance.

[3] The study recommended that financial institutions provide loan facilities with a lower interest rate, improve their skills and abilities, get advice from BDS, properly maintain the records and select the appropriate location.

NGC Sevwandi & SKN Gamage

Department of Economics, Rajarata University of Sri Lanka

Introduction

The growth of Small and Medium Enterprises (SMEs) is a critical ingredient in the sustainable development of developing economies. SMEs are the backbone of most economies and are a key source of economic growth, dynamism, and flexibility. In Sri Lanka, SMEs have a vital role. As in other developing countries, it accounts for a fairly high proportion of total industrial and business establishments small and medium enterprises (SMEs) are expected to be an important vehicle to address the challenges of job creation, productivity, entrepreneur training, sustainable economic growth, national income, employment, an equitable distribution of income and the overall stimulation of economic development. The demise of small businesses has led to various negative outcomes such as joblessness, impoverishment, inadequate economic diversification, low GDP contribution, resource wasting and financial harm to lenders and entrepreneurs. Therefore, this study examines factors affecting the Performance of Small and Medium Enterprises in Sri Lanka Small and Medium Enterprises (With Special reference to Nagoda Divisional Secretariat Division).

Materials and methods

This study conducted on the small and medium enterprises (SMEs) in the Nagoda Divisional Secretariat Division in the Galle district of Sri Lanka. The sample comprised 100 small and medium business entrepreneurs. In the data analysis method, the data were collected through self-administered questionnaires. Data analysis methods are descriptive statistics, correlation coefficients, and regression analysis. SPSS 14.0 version was used for this study.

Results

Based on the findings, three independent variables (Access to Capital, Accounting Practices and Entrepreneur Competency) have a significant impact on SME performance. Hence, H1, H2 and H3 are accepted.

Table 1: Results of Regression Analysis

Hypothesis	B	Sig. Value	Decision
H_1: There is a significant relationship between Access to Capital and the performance of SMEs.	.326	.000	Accepted
H_2: There is a significant relationship between Accounting Practices and the performance of SMEs.	.546	.000	Accepted
H_3: There is a significant relationship between Entrepreneur Competency and the performance of SMEs.	.447	.000	Accepted
H_4: There is a significant relationship between Education and the performance of SMEs.	-.026	.643	Rejected
H_5: There is a significant relationship between Experience and the performance of SMEs.	.144	.169	Rejected
H_6: There is a significant relationship between Location and the performance of SMEs.	-.028	.574	Rejected

Source: Survey data, 2023

According to the research findings, three factors (access to capital, accounting practices and entrepreneur competency) have a statistically significant impact on the performance of SMEs while performance of SMEs was not significantly influenced by the other three factors of education, experience and location. Furthermore, the sample is expected to cover the following five major industries: food and beverage industry, Agriculture Nurseries, mushroom cultivation and animal husbandry, Garments, Craft products and Services sector. These results show Education, Experience, and Location does not have a significant impact on all different enterprises. Accounting practices, Access to Capital and Entrepreneur Competency have significant impacts on all different enterprises. The results do not show much difference between different entrepreneurs.

Conclusion and policy recommendation

The study's findings access to capital, entrepreneur competency and accounting practices have a significant influence on the Performance of SMEs. Based on the literature and theories, the six variables selected in this study were tested as the core variable of the Performance of SMEs, which is consistent with the previous research. According to that, some factors highly affect the performance of SMEs, and some are not highly affected. According to the previous research and articles, the researcher has concluded mainly in six dimensions. Those are Access to capital, Accounting Practices, Entrepreneur competency, Education, Experience, Location.

Suggest some recommendations to financial institutions provide the loan facilities with a lower interest rate, improve their skills and abilities, get advice from BDS, properly maintain the records and select the appropriate location. There is also, a need for the government to make sure that, businessmen are enabled to have access to loans (credits) with few conditions from banks and other financial intermediaries for expanding their businesses.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

Policy Briefs 02

Vol. (4) January 2024 **ISNN 2827-7376**

Factors Affecting the Migration Aspirations of Sri Lankan Professionals: A Special Reference to the Matale Urban Area, Sri Lanka.

Key Message(s)

[1] This study underscores the factors affecting the migration aspirations of Sri Lankan professionals in Sri Lanka.

[2] The findings revealed that the economic condition is the key push factor that affects to the migration aspirations of Sri Lankan professionals.

[3] The study recommended that to enhance the economic condition of the country, the government can implement policies that promote economic growth and create diverse employment opportunities while fostering industries requiring highly skilled professionals.

MKN Pabasara & SKN Gamage

Department of Economics, Rajarata University of Sri Lanka

Introduction

Migration is a well-known human phenomenon that refers to the temporary or permanent movement of people or groups for a variety of reasons, such as job opportunities or persecution. People fleeing the harsh conditions of their home countries in search of better living conditions are the driving force behind this significant trend of migration. Within the past few years there can be identified a growing trend in migration of Sri Lankan professionals. On the other hand, despite a declining acceptance rate for semi-skilled or less skilled migrants, the United Nations Population Fund reports that border barriers are being lifted for professional, skilled, and technical immigrants in rich nations. On average, although the migration of professional category provides primary benefits such as provide flow of remittance, reduce unemployment, human development and provide living standers to the country of origin, it will create unfavorable conditions for the country. This situation will lead to loss in high skilled human capital from Sri Lanka will create ineffective situation within the country and adversely affect the entire economy of the country. Accordingly, it becomes a necessary condition to identify the determinants that affecting migration of Sri Lankan professionals. This paper highlights this concerning issue of leaving the country of professional workers, highlighting the factors contributing to the migration aspiration of academics, doctors, nurses and engineers from Sri Lanka to developed nations.

Materials and methods

This study used quantitative methods. Primary data gathered from a survey of 100 respondents, including doctors, nurses, principals, and engineers in the Matale urban area. The questionnaire survey method was used to collect data. All the dependent and independent variables are measured using items that have been adapted from previous studies. The objectives were thoroughly examined and assessed using multiple linear regression analysis.

Results

Table 1: Results of Regression Analysis

Hypothesis	B Value	Sig. Value	Decision
H_1: Lack of job security increases the tendency for professionals to migrate.	.072	.073	Rejected
H_2: Unfavorable working conditions increase the tendency for professionals to migrate.	.170	.038	Accepted
H_3: Adverse economic situations compel professionals to leave their country.	.749	.000	Accepted
H_4: Poor political institutions and government inefficiencies increase the tendency for professional migration.	.382	.000	Accepted
H_5: Poor quality of life increases the tendency for emigration.	.053	.483	Rejected
H_6: There exists a significant relationship between age and the tendency for professionals to migrate.	-.135	.066	Rejected

Source: Survey Data, 2023

The findings suggest that push factors (Economic condition, Political condition, and Quality of life) have a significant positive impact on the migration aspirations of professionals in Sri Lanka; adverse economic situations compel professionals to leave their country; poor political institutions and government inefficiencies increase the tendency for professional migration; and poor quality of life increases the tendency for professionals to migration. According to the results H_2, H_3 and H_5 are Accepted.

Conclusion and policy recommendation

This study attempts to investigate the Factors Affecting the Migration Aspirations of Sri Lankan Professionals with special reference to Matale urban area in Sri Lanka. Formulating six hypotheses, the study found robust significant positive relationship between the push factors and migration aspiration of Sri Lankan professionals: economic condition, political condition and quality of life. Among them the country's economic situation has the greatest influence on the migration aspiration of Sri Lankan professionals. In order to mitigate this problem of increasing trend of migration aspirations of Sri Lankan professionals, relevant authorities can get remedial actions to improve institutions' quality and developing scholarship programs to aid talented individuals in pursuing advanced degrees in Sri Lanka in order to strengthen the quality of life in the country and can implement policies that promote economic growth and create diverse employment opportunities while fostering industries requiring highly skilled professionals. Moreover, implementing policies for political and economic stability, addressing corruption, and promoting good governance in order to enhance trust in the public institutions is preferable.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

Policy Briefs 03

Vol. (4) January 2024 **ISNN 2827-7376**

Socio-Economic Factors Influencing Productivity of Smallholder Tea Farmers: A Case Study of Mulatiyana Divisional Secretariat Area, Sri Lanka.

Key Message(s)

[1] This study aim of this study is to identify the factors that Influencing Productivity of Smallholder tea farmers in Sri Lanka.

[2] The results show that there is a low contribution of youth labor, which leads to a decrease in productivity.

[3] To improve the efficiency of tea cultivation, strategies to attract youth labor should be implemented.

LC Priyadarshani & SKN Gamage

Department of Economics, Rajarata University of Sri Lanka

Introduction

Tea is an export crop with high economic value. Among the economic crops produced in Sri Lanka, the tea crop has a special place, and it also contributes a significant percentage to the gross domestic product. It can also be mentioned as one of the major plantation crops, providing direct and indirect employment to a significant percentage of the population of Sri Lanka. Tea production has contributed a lot to Sri Lanka's economy for a long time, but at present, it has been recognized that the situation is gradually decreasing. Focusing attention on the decline in tea production, the main fact that was revealed was the decline in the production of raw tea leaves. That is, the amount of harvest obtained from cultivation is reduced. The production of green leaves in Sri Lanka can be identified mainly in two sectors, namely, the corporate sector (large estates) and the small estate sector. Out of these, the small tea plantation sector contributes relatively highly to the production of tea. That is, 70–75% of the total tea production is claimed by the small tea plantation sector. Therefore, the contribution of smallholder tea farmers is noteworthy. Statistical reports have shown a decrease in the overall tea yield compared to the land size under tea cultivation in Sri Lanka. This situation provided the basis for this study. There was implied that socio-economic factors such as age of farmers, experience of farmers, amount of fertilizer, cost of production, and number of days spent with cultivation, production income, reinvestment, and land size affect the productivity of small tea farmers in different ways. Therefore, the objective of this research project is to investigate the socio-economic factors affecting the productivity of smallholder tea farmers in Mulatiyana Divisional Secretariat Area, Sri Lanka.

Materials and methods

This study is conducted based on the Mulatiyana Divisional Secretariat Area of Matara District in the Southern Province. The data collection instrument of this study is the questionnaire.

The study selected 100 small tea farmers covering these divisional secretariat samples using a simple random sampling method. The gathered data will be analysed using the analysis method of SPSS.

Results

Table 1: Results of Regression Analysis

Hypothesis	Variables	B Value	Sig. Value	Decision
H_1	Age	-0.216	.286	Rejected
H_2	Experience	0.419	.036	Accepted
H_3	Amount of fertilizer	-0.004	.808	Rejected
H_4	Monthly cost	0.000	.010	Accepted
H_5	Number of days	3.366	.024	Accepted
H_6	Monthly income	1.455	.475	Rejected
H_7	Re-investment	7.066	.347	Rejected
H_8	Land Size	-0.053	.011	Accepted

Source: Field Survey Data, 2023

Based on the results, R^2 value of 0.239 indicates that the model explains 23.9% of the variance in the dependent variable, suggesting that the model has a moderate explanatory power. When considering each independent variable with the dependent variable, the variables of farmers' age, amount of fertiliser, monthly production income, and amount of reinvestment did not show any significant relationship on farmers' productivity. But monthly production income and reinvestment have a positive relationship with farmers' productivity. The age of farmers and amount of fertiliser show a negative relationship with productivity of farmers. Farmers' experience, monthly cost of production, and number of days spent actively with tea plantations showed a significant positive relationship, while land size showed a negative relationship. It implies that the productivity of small tea farmers increases as the farmers' experience, the number of days actively working with cultivation and production costs increase, and that the productivity of the farmers does not increase just because the tea land size increases.

Conclusion and Policy Recommendations

If new farmers in the tea industry want to achieve high yields, they must follow the experienced farmers' methods and strategies for cultivation. To increase productivity, one should actively participate in cultivation activities and regularly monitor the tea cultivation process. The government can expect a high yield in tea cultivation by maintaining fair prices for fertilizers and other necessary resources. Providing reasonable cost conditions that farmers can afford will further encourage them. Setting a fair price for raw tea leaves encourages farmers because it increases their income and satisfaction. This, in turn, leads to higher yields and productivity. Increasing reinvestment in tea cultivation can also result in a higher yield.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

Policy Briefs **04**

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Contribution of Community Based Organizations to Rural Economy in Sri Lanka: A case study of Angamuwa village in Rajanganaya Division.

Key Message(s)

[1] The aim of this study is to identify the contribution of community-based organizations and cooperative societies to the rural economy in Sri Lanka.

[2] This study finds out that Community-Based Organizations (CBOs) have significantly improved agricultural productivity, diversified incomes, and enhanced financial inclusion, resulting in notable economic and social benefits.

[3] This research provides actionable recommendations for fostering sustainable growth and enhancing the overall well-being of rural communities.

PBAK Amaradasa & SKN Gamage

Department of Economics, Rajarata University of Sri Lanka

Introduction

The rural economy of Sri Lanka plays a vital role in the country's overall development and socio-economic well-being, heavily reliant on agriculture. Community-Based Organizations (CBOs) have emerged as crucial actors in promoting rural development, addressing challenges, and empowering marginalized sections of society. CBOs mobilize local resources, traditional knowledge, and foster collective responsibility, contributing to the overall well-being of rural areas. Angamuwa village in the Rajanganaya division serves as a case study to examine the contribution of CBOs to the rural economy, considering economic constraints and disparities. Understanding CBOs' role is important for policymakers, development practitioners, and community leaders to inform evidence-based policies and programs. This research aims to provide empirical evidence on CBOs' impact on poverty reduction, livelihood enhancement, and community empowerment.

Materials and methods

This study embraces a qualitative research approach, recognizing its aptitude for delving into the intricacies of the contribution of community-based organizations (CBOs) and cooperative societies to the rural economy in Angamuwa Village. The study area selected for this research is the Angamuwa Grama Niladari Division, located in the Rajanganaya Divisional Secretariat of the Anuradhapura District in the North-central province.

The target population comprises 60 individuals actively involved in CBOs in Angamuwa Village, Rajanganaya Division. Through purposive sampling, 20 participants were selected for in-depth data collection, considering factors such as diversity in CBO roles, duration of involvement, and demographic representation. Data collection will primarily rely on semi-structured interviews with selected CBO members. The collected data were subjected to qualitative data analysis using a thematic analysis method.

Results

The research uncovered diverse thematic categories, working strategies, and impactful themes employed by the Angamuwa Village Community-Based Organization (CBO) and Cooperative Society (CBS) From leadership and agricultural initiatives to sustainable development and empowerment programs, the organization showcased a multifaceted approach to rural development. The study highlighted challenges such as financial constraints and land ownership issues, with proposed solutions emphasizing financial stability, community engagement, and technological advancements. These findings contribute valuable insights for practitioners and policymakers in rural development, emphasizing the importance of inclusive strategies and collaboration.

Conclusion and Policy Recommendation

The research sheds light on the commendable efforts and impactful initiatives of the Angamuwa Village Community-Based Organization (CBO) and Cooperative Society (CBS) in fostering rural development. The diverse thematic categories and working strategies underscore the organization's holistic approach, addressing not only economic aspects but also societal well-being. Despite facing challenges, the organization exhibits resilience and adaptive strategies. The findings emphasize the pivotal role of community engagement, sustainable practices, and technology integration in promoting rural development.

Policy initiatives should concentrate on improving the sustainability and operational effectiveness of Community-Based Organizations (CBOs) in Angamuwa village in order to strengthen their influence. Strengthen capacity building and training; enhance financial support and sustainability, foster government- CBO collaboration and support infrastructure and technological integration.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

Policy Briefs 05

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The Impact of Income on Household Energy Consumption in Kandy District, Sri Lanka.

Key Message(s)

[1] The aim of this study is to enhance energy efficiency investments in urban and rural areas.

[2] Findings of this study reveal that the impact of income on energy consumption can vary by region due to differences in climate, energy prices, and availability of energy sources.

[3] Policymakers need to consider income disparities when designing energy policies. Subsidies for energy-efficient appliances, incentives for renewable energy adoption, and support for energy-efficient home improvements can help lower-income households reduce their energy consumption and costs.

HPGDD Dissanayake & SKN Gamage

Department of Economics, Rajarata University of Sri Lanka

Introduction

Sri Lanka has grappled with recurring power shortages over the past forty years, exacerbated by a failure to anticipate the escalating demand for electricity, driven largely by rapid household population growth with a population of 22 million residing in 5.1 million households, per capita daily electricity consumption averages 13.99 billion kilowatts, reflecting an annual consumption of about 631 kilowatts. This surge is linked to increased usage of electrical appliances alongside rising incomes, influencing domestic sector demand. The disparity between electricity demand growth and GDP growth highlights a critical imbalance. Further challenges arise from currency devaluation against the US dollar, exacerbating the electricity deficit. To address these issues, policymakers must accurately forecast future electricity demand, informed by models that consider income and price elasticity impacts, substitution effects, and consumer responses to price and income fluctuations. More robust statistical analyses are essential to guide effective policy formulation and research efforts in managing Sri Lanka's electricity demand dynamics. Therefore, this study aims to examine the impact of income on household energy consumption in Kandy district, Sri Lanka.

Materials and methods

The sample consisted of 200 participants selected using a simple random sampling technique which 100 families will be included in urban areas and 100 families in rural areas. 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.

Results

The study identified data reveals a discernible contrast in electricity consumption patterns between urban and rural households within the surveyed area.

Evidently, urban households exhibit a considerably higher demand for electricity, constituting a dominant 66.33% of the overall consumption, whereas rural households account for a relatively smaller share at 33.67%.

Table 1: Results of Regression Analysis

Hypothesis	B Value	Sig. Value	Decision
H_1: There is a relationship between total income and household energy consumption.	0.000	0.000	Accepted
H_2: There is a relationship between household size and household energy consumption.	2.822	0.001	Accepted
H_3: There is a relationship between education level and household energy consumption.	0.955	0.160	Rejected
H_4: There is a relationship between available electric appliances and household energy consumption.	7.295	0.000	Accepted

Source: Field Survey Data, 2023

The findings suggest that, factors of monthly total income, household size and available electrical applications have significant positive impact on the electricity consumption; increase in total income corresponds to a 0.137 increase in electricity consumption units, one-member increase in family size is associated with a 2.569 increase in electricity consumption units, one-unit increase in the use of electrical appliances is leading to a substantial 5.809 increase in electricity consumption units. On the other hand, educational level is statistically insignificant in this model.

Conclusion and policy recommendation

The research on electricity consumption in Sri Lanka reveals inelastic demand due to its essential nature, despite government tariff revisions and public dissatisfaction. But Determinants of consumption include income, household size, education, and appliance use. Urban areas show higher consumption, driven by lifestyle and education, but education level statistically insignificant to the model, while rural areas rely more on firewood. Solar panels are a potential solution but face cost barriers.

The researcher recommends several measures: Inelastic Demand and Government Policies, Determinants of Electricity Consumption, Solar Panel Adoption, Household Dynamics and Education. Policymakers should consider multifaceted variables and their interplay to create effective strategies that address the nuanced patterns observed in electricity consumption.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

Policy Briefs 06

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The Factors affecting to Adoption of E-learning Technology Undergraduates in Sri Lanka.

Key Message(s)

[1] The main objective of the study is to identify the factors affecting e-learning technology among the undergraduates in Rajarata University.

[2] Findings revealed that Perceived ease of use, Perceived usefulness, faculty capacity and learner characteristics are positively and significantly affected to the online learning adaptation.

[3] The study recommended that universities hold training sessions to improve students' online learning preferences, encourage students to actively interact with lecturers and classmates, and improve their' self-study abilities.

PADM Dharmarathne & SKN Gamage

Department of Economics, Rajarata University of Sri Lanka

Introduction

The global education system has disrupted to an unprecedented scale Since March 2020. Millions of pupils and students had been forced to stay at home by leaving their schools and universities in a total of 100 countries (Pham, le, & Do, 2021). E learning is used to transfer knowledge and assist students to get access to the various online courses, scientific databases and various learning tools. Therefore, E learning is considered as an important educational source to improve the efficiency and the effectiveness of the learner. As the E learning technology usage was wide among the university level, studying about their e learning adaptation is very important. There was a significant interruption to the education system in Sri Lanka since March 2020. At this moment authorities examined the necessity of an effective distance learning system to both university students and school children. But 52% of Sri Lankan households owned a smart phone or a computer and only 40% had the internet connectivity primarily via mobile phone (Abeysekara, 2020). This means that less than half of the Sri Lankan households were only benefited from E learning at the start up stage. However, many Sri Lankan universities and schools were conducted their lessons since March 2020, via the online method. However, up to now online education is more popular and widely used in Sri Lankan education system not only in the school level but also the university level. Especially in the University education system, online learning was very much advanced compared with the school level (Haththotuwa, 2021). Therefore, the aim of this study is to investigate the factors affecting to the e learning technology among the undergraduates in Sri Lanka.

Materials and methods

Based on that, author studied about the factors such as perceived usefulness, perceived ease of use, faculty capacity, course content and learner characteristics Which can be influence to the technology adaptation among the 150 undergraduates who use E-learning technology in Rajarata University. They were selected by using Simple Random Sampling technique. Required primary data was obtained through questionnaire method and data was analyzed through SPSS software.

Results

Table 1: Results of Regression Analysis

Hypothesis	B Value	Sig. Value	Decision
H_1: Perceived usefulness has a positive effect on students' E- learning technology adaptation.	.167	.015	Accepted
H_2: Perceived ease of use has a positive effect on students' E- learning technology adaptation.	.354	.000	Accepted
H_3: Faculty capacity has a positive effect on students' E- learning technology adaptation.	.230	.025	Accepted
H_4: Course content has a positive effect on students' E- learning technology adaptation.	.212	.009	Accepted
H_5: Learner characteristics have a positive effect on students' E- learning technology adaptation.	-.031	.665	Rejected

Source: Field Survey Data, 2023

The results revealed that the impact of independent variables; perceived ease of use, Perceived Usefulness, Faculty capacity and Learner Characteristics has positive impact on adaptation to online learning. But course content has negative impact to the adaptation on online learning. According to the results, four hypotheses were accepted. Therefore, it can be concluded that Perceived ease of use, Perceived usefulness, faculty capacity and learner characteristics are positively and significantly affected to the online learning adaptation. However, course content negatively and insignificantly affects the online learning adaptation.

Conclusion and policy recommendation

This study has focused to fill a gap by studying an area that has not been studied enough especially with reference to Sri Lankan context. The researcher selected this topic to fulfil the existing knowledge gap about online education. Adaptation of Online Learning as the dependent variable and independent variables of the study as five dimensions namely Perceived Ease of Use, Perceived Usefulness, Faculty capacity, Learner Characteristics and Course content. The effect of course content on the e- learning adaptation is different from the previous research findings. Because the effect of course content on the e- learning adaptation was a negative and insignificant effect, but the research findings show it as a positive influence. Findings revealed that Perceived ease of use, Perceived usefulness, faculty capacity and learner characteristics are positively and significantly affected to the online learning adaptation. However, course content negatively and insignificantly affects the online learning adaptation. Based on the results, it can be recommended that universities must hold training sessions to improve students' online learning preferences, encourage students to actively interact with lecturers and classmates, and improve their' self-study abilities.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

Policy Briefs 07

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The impact of self-employment on household income of rural married women in Sri Lanka.

Key Message(s)

[1] Focusing on these factors influencing the self-employment income of married women to alleviate the poverty barrier.

[2] Encouraging married women to pay more attention to self - employment by providing training programs, assistance in obtaining equipment and raw materials for their self-employment.

[3] Creating a domestic & foreign market for married women to be satisfied with self-employment income.

HMTD Herath & SWGK Bulankulama

Department of Economics, Rajarata University of Sri Lanka

Introduction

This In the process of rural development, efforts should be made to complete the basic human needs of the rural people, such as improving the income statues, living conditions, raising education, improving health and sanitation activities and etc. Self-employed industries can be identified as an economic activity linked to the rural economy. Small and medium scale industries in the subject of self-employed industries are a type of small industries (Gunatilaka,2013). Today, self-employment can be identified as a major permanent income strategy for most rural married women. In recent years, self-employment has continued to play a critical role in Sri Lanka’s economy. As the household expenditure increased, the income from self-employment was not enough for men, so they turned to other jobs. As result, women were encouraged to become more self-employed. This research focuses specially on the impact of self-employment on household income of rural married women. Here also the household income taken as the dependent variable, is the self-employment income earned by married women. It is studied experience, vocational training, financial attitude and self-efficacy of self-employed married women affected their household income.

Materials and methods

Sri Lanka is divided into 9 provinces and 25 districts. We selected Ibbagamuwa Divisional Secretariat Division in the Kurunegala District, Northwestern Province, for this study. A sample of one hundred married women self-employed people living in the four rural service domains of Ibbagamuwa Divisional Secretariat selected using Convenience sampling method The research essentially dependent on primary data. A questionnaire survey and Face-to-face interviews were used to collect the primary data. Descriptive analysis and multiple linear regression model were performed using SPSS software.

Results

This study investigated the impact of rural married women's self-employment on the household income in Ibbagamuwa Divisional Secretariat. The first objective of the study was to study relationship between experience of rural married women self-employer and rural household income(H1). To achieve that objective, the Correlation and Multiple Regression Analysis has been used by the researcher. Under both correlation analysis and multiple regression analysis, the experience is statistically significant relationship between experience and household income of rural married women. (p value= 0.000< 0.05). Second objective of the study were to study relationship between vocational Training of rural married women self-employer and rural household income(H2). Both correlation and regression analysis are statistically significant (p value = 0.000< 0.05 and have a strong positive correlation. The third objective to study relationship between financial attitude of rural married women self-employer and household income(H3). To Achieve that objective, the research used both correlation and regression analysis. The correlation analysis of this objective was statistically significant correlation=.842). However, the financial attitude of rural married women is significant impact on household income under the multiple regression analysis. The fourth objective to study relationship between self-efficacy of rural married women self-employer and household income(H4). To Achieve that objective, the research used both correlation and regression analysis. The correlation analysis of this objective was statistically significant (p= .000), also self-efficacy has the week positive relationship with household income. (correlation= .771) However, the self-efficacy of rural married women is significant impact on household income under the multiple regression analysis.

Conclusion and policy recommendations

The study problem is to study how the self-employment of rural married women in Ibbagamuwa division affects their household income. The general objective is to study the impact of rural married women's self-employment on the household income in Ibbagamuwa Divisional Secretariat. The specific objectives are to investigate the relationship of independent variables of experience, vocational training, financial attitude and self-efficacy to household income of married women in Ibbagamuwa Divisional Secretariat.

1. Expanding self-employment business among married women locally and abroad and giving them new experiences. Vocational training in self-employment skills should focus on rural married women.
2. Rural married women should be given vocational training to acquire practical knowledge. Awareness should be made about the vocational training.
3. Arrangement should be made to provide them with nationality and internationality recognized professional training certificates.
4. Banking institutions should educate married women from time to time to develop knowledge about banking transactions. (Online banking).
5. Conducting workshops with self-employed married women with more experience and self-employed people. Introduction of new technological tools to increase the self-efficacy of the married women self-employed.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

Policy Briefs 08

Vol. (4) January 2024 **ISNN 2827-7376**

Study the Financial Literacy of Undergraduates at Rajarata University of Sri Lanka.

Key Message(s)

[1] Financial literacy is a critical life skill that undergraduates at Rajarata University must develop to ensure their financial well-being.

[2] By taking proactive steps to enhance financial education through curriculum integration, targeted programs, and partnerships, the university can equip its students with the tools they need to navigate their financial futures successfully.

NN Jayasekara & SWGK Bulankulama

Department of Economics, Rajarata University of Sri Lanka

Introduction

Financial literacy is the ability to understand and effectively apply various financial skills, including personal financial management, budgeting, and investing. As the global economy becomes increasingly complex, financial literacy has become a vital skill set for individuals to navigate their financial lives successfully. For university students, financial literacy is particularly crucial, as they are at a pivotal stage in life where they begin to make independent financial decisions that will impact their future financial stability and well-being.
In Sri Lanka, the need for improved financial literacy among university students is underscored by the country's socio-economic context, where many young people face significant financial challenges. The findings from a recent study on undergraduates at Rajarata University of Sri Lanka highlight critical gaps in financial literacy, raising concerns about the long-term financial health of these students.

Materials and methods

To gain insights into the financial literacy of undergraduates at Rajarata University, a mixed methods approach was employed, combining quantitative surveys and qualitative interviews. A structured questionnaire was developed to assess the financial literacy levels of students. The survey covered various aspects, including budgeting, saving, investing, and debt management. A random sampling method was used to select a representative sample of 500 undergraduate students from different faculties and years of study. The sample was stratified to ensure diversity in socio economic backgrounds, gender, and educational exposure. The survey was administered both online and in-person, ensuring a high response rate. In addition, in-depth interviews were conducted with 50 students to explore their financial attitudes and behaviors in more detail. The quantitative data was analyzed using statistical methods to identify trends and correlations, while qualitative data from interviews was thematically analyzed to gain deeper insight into students' financial literacy challenges. The quantitative data was analyzed using statistical methods to identify trends and correlations, while qualitative data from interviews was thematically analyzed to gain deeper insight into students' financial literacy challenges.

Results

The analysis of the survey and interview data revealed several key findings: (1) Overall Financial Literacy: The average financial literacy score among students was moderate, with significant variability across different demographic groups. (2) Socio-Economic Influence: Students from higher socio-economic backgrounds had higher financial literacy scores, attributed to greater access to financial resources and education. (3) Gender Disparities: Male students outperformed female students in financial literacy assessments, particularly in areas related to investing and financial risk-taking. (4) Impact of Education: Students who had taken courses in economics or finance scored significantly higher on financial literacy tests, highlighting the effectiveness of formal financial education. (5) Common Challenges: The most common challenges reported by students included managing debt, lack of savings, and limited knowledge of investment options.

Table 1: Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	*Std. Error*			
(Constant)	2.854	.459		6.090	.000
Personal Characteristics	-.246	.074	-.324	-3.305	.001
Educational Characteristics	.446	.082	.530	5.409	.000

The Cronbach’s alpha test was done to ensure the reliability aspects of the variable. Cronbach’s alpha coefficients suggested that the internal reliability of each variable is satisfactory. In the fifth chapter of the research report, researchers mainly analyzed the data collected from the selected sample in order to answer the research questions. Firstly, the researcher presented and analyzed the basic information regarding the sample of the study. Secondly, descriptive statistics were used to analyze the data and correlation analysis used in order to ascertain relationship between dependent variable and independent variables, simple and multiple regression analysis used in order to ascertain impact of dependent variable on independent variables.

Conclusion and policy recommendation

Financial literacy is a critical life skill that undergraduates at Rajarata University must develop to ensure their financial well-being. By taking proactive steps to enhance financial education through curriculum integration, targeted programs, and partnerships, the university can equip its students with the tools they need to navigate their financial futures successfully.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

Policy Briefs 09

Vol. (4) January 2024 **ISNN 2827-7376**

Study the contribution of minor export crops to the household income.

Key Message(s)

[1] Focusing to contribute the highest income for minor export crops cultivated farmers.

[2] Encouraging to cultivate the export of miner.

[3] Creating a domestic and foreign market demand for Sri Lankan minor export crop sector.

SBSS Jayathilaka & SWGK Bulankulama

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Introduction

Agricultural exports in developing countries are significantly impacted by achieving sustainable development goals. In Sri Lanka, the island still a developing country based on agriculture orientated culture. The country had more than 70% of the population lives in rural areas, and 80% of the population is dependent on agriculture for their livelihoods. Agricultural exports performed well compared to the last few years in the country compared to the other agricultural crops. The agricultural exports mainly identifying that major and minor crops category. Major crops such as tea, rubber, and coconut performed come to the decline but minor crops performed increase year by year. Therefore, the minor export crops provide necessary framework to understand the contribution of household income to the rural economy. Most of the minor crops are related to the spices and non-spices crops. This study used to cinnamon, pepper, and areca nut crops to analysis the contribution of minor export crops to the household income. The objective is to identify the contribution of minor export crops to household income compared with famers experience; size of the land used to cultivation, working hours. The findings reveal that farmers experience, size of the land used to cultivation, and working hours are positively impact to the farmers household income.

Materials and methods

This study was conducted in the three GN divisions, Rambadagalla agricultural area, Ridegama Divisional Secretariat, Kurunegala district. Using Simple Random Sampling, 120 farmers are selected from the data collection in three divisions who are cultivating cinnamon, pepper, and areca nuts. Structural questionnaire, group discussion, and telephone conversations used to collect the data. Descriptive statistics, Pearson correlation, chi-square test, linear regression model used for the analysis.

Results

The correlation analysis shows that the, there were statistically significant correlations between the experience, working hours, land used to cultivation of farmers, age and income of the farmers at 0.05 significant level. The result of the multiple linear regression model shows that R-square value was 0.89. Also, ANOVA table shows that F=311.907 and is statistically significant. And the model is considered to be a good fit because of the significant value it is .000.

The hypothesis of

H1= Farmers experience

H2= Size of the land used to cultivation

H3= Number of working hours

Conclusion and policy recommendation

This study analyzed the surveyed data from 120 farmers who cultivate minor export crops in the Rambadagalla agricultural area, Ridegama Divisional Secretariat, Kurunegala district, North-Western province in Sri Lanka. This study has achieved its objective through a conceptual-level analysis of the underlying factors of farmer's experience, number of working hours, and size of the land used for cultivation. Based on the result, these factors positively impact the income of the household.

Recommendations

(1) Farmers should be given the necessary knowledge of crop management, technology and facilities.

(2) To avoid power imbalance during the transactions with external parties, especially trading their harvest to buyers. (Wholesales, village collectors, export companies)

(3) Develop direct selling methods to farmers for selling their harvest.

(4) Government intervention and policy support are necessary for encouraged minor crop cultivation.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

Policy Briefs 10

Vol. (4) January 2024 ISNN 2827-7376

A Study Customer Acceptance on Internet Banking (Special Reference to Rajarata University of Sri Lanka).

Key Message(s)

[1] Commercial banks should focus on improving user-friendly interfaces, streamlined processes, and easy navigation in their internet banking platforms to boost customer acceptance rates.

[2] Banks should enhance their services' reliability and ensure seamless internet accessibility to maximize the positive impacts of Reliability and Accessibility.

[3] Banks should invest in advanced security protocols, encryption technologies, and user education programs to boost customer confidence in online financial transactions.

ASAS Swarnaweera & SWGK Bulankulama

Department of Economics, Rajarata University of Sri Lanka

Introduction

The 21st century has brought new possibilities in information access and security, presenting challenges in protecting sensitive information. Banks have been adapting technology to enhance their products and services, such as fund transfers, mobile recharges, online shopping, and e-ticketing. Customers are drawn to digital banking channels like ATMs, mobile banking, and Internet banking due to their convenience, anytime, anywhere banking, and ease of use. The banking sector operates in a complex and competitive landscape, with technological advancements significantly impacting consumer services. Online banking, which began in the 1980s, has become increasingly popular, enabling customers to access account balances, transfer money, and pay bills from home computers. Internet banking has made banking transactions easier worldwide, and it is fast gaining acceptance in Sri Lanka. However, banks face challenges related to customer adoption factors, which are the main challenges to banks. 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

The research focuses on undergraduate students at Rajarata University of Sri Lanka, consisting of five faculties and nearly 8,000degree candidates. The sample size is 100 students from the Faculty of Social Sciences and Humanities.

The researcher used the Stratified Random Sampling method to collect primary data through questionnaires. The data was analyzed using SPSS software and multiple regression analysis, revealing a significant demographic profile within the university.

Results

An in-depth exploration into the factors influencing customer acceptance in internet banking was conducted through a multifaceted analysis. The study utilized a comprehensive research framework, considering variables such as convenience, reliability, accessibility to computers/internet, security, and awareness. Initial correlation analyses unveiled significant associations, with convenience, reliability, and accessibility demonstrating positive correlations with customer acceptance. Subsequently, a multiple regression model was employed to ascertain the collective impact of these variables. The model's statistical significance ($p < 0.05$) and substantial R Square value (53.6%) indicated its robustness. The individual predictors further elucidated their significance, with convenience, reliability, and accessibility emerging as key influencers. Surprisingly, the hypothesized impact of customers' awareness was found to be statistically insignificant. These findings provide valuable insights for practitioners and policymakers, emphasizing the pivotal roles of convenience, reliability, and accessibility in fostering customer acceptance of Internet banking. The results not only contribute to the theoretical understanding of consumer behavior in the digital banking landscape but also offer practical implications for financial institutions aiming to enhance their internet banking services.

Conclusion and policy recommendations

The study emphasizes the importance of Convenience (CV) in customer acceptance, suggesting that commercial banks should focus on user-friendly interfaces, streamlined processes, and easy navigation to increase acceptance rates. Recognizing the positive impacts of Reliability (RE) and Accessibility (AC), banks should focus on fortifying the reliability of their services and ensuring seamless accessibility to internet banking platforms. This involves rigorous quality assurance measures to minimize system errors and responsive user interfaces. Banks should implement targeted marketing campaigns highlighting internet banking's convenience, reliability, and security features, and educate customers on its benefits and ease of use to boost adoption.

Considering the non-significant impact of Awareness (AW), there is an opportunity for banks to reassess their communication strategies. Effective awareness campaigns can be tailored to highlight the benefits, security features, and user-friendly aspects of internet banking, addressing any misconceptions or apprehensions that potential users may harbor. In conclusion, the recommendations emanating from the study's regression analysis underscore the need for commercial banks to prioritize and enhance the dimensions of Convenience, Reliability, Accessibility, and Security in their internet banking offerings.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 ISNN 2827-7376

Outgoing Labour and its Impact on the Plantation Sector in Sri Lanka.

Key Message(s)

[1] The workers lead a meagre existence and are often on the lookout to augment their income. Part-time engagements are common among the labourers.

[2] This study finds that there is greater investment in productive assets in order to generate additional income. The other sector workers, on the other hand, are more stable in terms of extra pecuniary benefits and associate support from their employer.

[3] These Rubber Board mediated labour welfare schemes are almost absent among most plantation estate.

KHD Madhushani & SWGK Bulankulama

Department of Economics, Rajarata University of Sri Lanka

Introduction

The plantation sector in Sri Lanka has played an extremely important role in the Sri Lankan economy. And the Plantation sector is also a labor-intensive industry in the country. In the cultivation and production of rubber, growing areas of Sri Lanka is located mainly in the wet zone land. There are 426 estates, land extent cultivation (ha) of 164,168 hectares and Extent Bearing (ha) of 120,150 hectares (RPCs & State Plantations 2019-2020). Most traditional rubber growing districts are Colombo. According to M. Binitha, et al Meaning of Labour shortage is lack of labourers against required number of labourers for a particular job (M. Binitha, et, al.2018). This condition of crisis in the plantation sector has huge impact on the performance and economic sustainability of the plantation sector and the livelihood of the labourers. According to A.S. Chandradose, the rubber sector industry has become undesirable to laborers due to major problems such the comparably lower wage and uncomfortable working conditions on plantations. Due to those reasons this plantation workers are shifting to other sectors owing to better wages and working conditions resulting in inadequate skilled labours (A.S. Chandradose, 2015). Thus the study objective is to examine the factors contributing to labour shortage in the rubber plantation sector in the Kalutara District, with a focus on employment alternatives, working conditions, wage systems, and labour-management relations.

Materials and methods

A list of questions designed to collect data from respondents is called a questionnaire, which is a type of research instrument. Secondary data is information gathered by an entity other than the first party. Important sources of the secondary data are various publications of Statistical Information on Plantation Crops in Sri Lanka, Janatha estates development board, Annual Central Bank report-2022, other documents and various issues of journals periodicals.

In this research we use a table of descriptive statistics and use correlation coefficient between a variable, Quality of work life, Benefits, Skill, working condition, working with plantation is my passion, Career growth and income are used as independent variables and labour shortage as dependent variables. The statistical package for social sciences (SPSS) is also used for analyses. Accordingly, to this study data analysis is used by descriptive statistics, correlation coefficient.

Results

Based on the Multiple Liner Regression, the 14% of variance in Labour Shortage is explained by all the independent variables. A value of 0.385 Model Summary R Square. According to population of 320 labours, 175 samples labours are used to the analysis most of the labours are female and most of them are study up to middle school grade 7 to 9 also, no one get a vocational technical training. And the experience of the worker is in most cases a positive function of the age of the plantation. Most of the labours point out that they are not satisfy their wage rate, because of current economic crisis its adequate them to cover their expenses. And because of labour shortage issue the work lord of a labour is increase daily. Rubber tapping is starting in the early morning around 6:30 a.m. because of that it is very difficult to the women to the come to work on time after the household work. And the improper benefits that are provided by planation management also impact to the labourse, due to that this sector unattractive to the most the people.

Conclusion and policy recommendation

The region surrounding still remains underdeveloped thus the labourers have no other source of employment to improve their lifestyle. The present wage structure is not adequate to run their family. Though they have drinking water, road, transportation, and sanitation facility but not maintained properly. They are leading a life in poor conditions and hence the younger generations are pursuing better paid jobs. Further studies may be conducted to explore the various other reasons for the plantation labour migrating to other jobs. Studies may also be conducted to find out the labour turnover, job satisfaction and social security needs among rubber plantation labourers. The quality of work life can be improved by recognizing the labourers' work or rewarding them. Increasing the daily wage of the labourers would attract more labourers despite their status. Thus, the management can consider revising the wage to be comparable to other labour-intensive sectors or neighboring districts to avoid the migration of labourers to better paid jobs or a neighboring district. Increasing the wage beyond the minimum wages act can help to retain labourers. Skill shortage can be overcome by providing training to the labourers. And give benefit properly to the labours. Helping the labourers to start a secondary job such like farming or growing can improve the standard of living. Improving the working environment by using the bio fertilizers to avoid health hazards and improving social security measures provided to the labourers during off season can reduce labour shortage in plantation. Providing Awareness Raising Training and Social Protection through Section or Labour Line Based Trade Unions as well.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

Policy Briefs 12

Vol. (4) January 2024 **ISNN 2827-7376**

The Impact of Economic Growth on Inflation in Sri Lanka.

Key Message(s)

[1] Sri Lanka's economy grew by 4.5% in 2023, recovering from a sharp contraction of 8.0% in 2022 due to political instability and economic crisis.

[2] Inflation in Sri Lanka peaked at 73.4% in 2022, largely driven by supply chain disruptions, currency depreciation, and high global commodity prices. As of July 2024, inflation has decreased to 22.1% but remains a concern.

[3] With the economy rebounding, increased consumer spending and demand have contributed to rising prices, especially in sectors like housing and transportation.

DMDM Dissanayaka & SWGK Bulankulama

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Introduction

Sri Lanka has experienced different economic growth trajectories over the past few decades, affecting inflation rates and overall economic stability. Understanding the interrelationship between economic growth and inflation is critical for policymakers to design effective economic strategies. This brief examines the impact of economic growth on inflation in Sri Lanka, highlighting key findings, challenges and policy recommendations. Economic growth and inflation are critical factors in shaping Sri Lanka's economic stability and development. The policy brief explores the relationship between economic growth and inflation in Sri Lanka using recent data to provide insights and recommendations for policymakers (Central Bank of Sri Lanka, 2024; World Bank, 2024).

Challenges

Policy Coordination: Balancing inflation control with growth support is complex, particularly with high public debt and external financial pressures (World Bank, 2024).

Structural Constraints: Structural inefficiencies and infrastructure gaps continue to constrain economic potential and exacerbate inflation (World Bank, 2024).
Global Influences: Fluctuations in global commodity prices and geopolitical uncertainties impact both inflation and growth prospects (IMF, 2024).

Conclusion and policy recommendation

The interplay between economic growth and inflation in Sri Lanka is complex and requires careful policy management. By adopting a balanced approach to monetary and fiscal policy, addressing structural inefficiencies, and managing inflation expectations, Sri Lanka can foster a stable economic environment conducive to sustainable growth.

Monetary Policy Adjustments:
Interest Rate Management: Maintain a cautious approach to interest rate adjustments, ensuring that rates are sufficiently high to control inflation without stifling growth (Central Bank of Sri Lanka, 2024).
Inflation Targeting: Enhance transparency in inflation targeting to anchor expectations and build confidence in the monetary policy framework (World Bank, 2024).

Fiscal Discipline:
Debt Management: Prioritize debt reduction strategies to improve fiscal sustainability and reduce inflationary pressures from high public debt (IMF, 2024).
Targeted Spending: Focus fiscal spending on critical infrastructure and productivity-enhancing projects that can support long-term growth without exacerbating inflation (World Bank, 2024).

Structural Reforms:
Supply Chain Enhancements: Invest in improving supply chain efficiency and infrastructure to mitigate cost-push inflation (World Bank, 2024).
Productivity Improvements: Implement reforms to enhance productivity in key sectors such as agriculture and manufacturing, which can help stabilize prices and support growth (Central Bank of Sri Lanka, 2024).

Inflation Expectation Management:
Communication Strategy: Develop a robust communication strategy to manage inflation expectations and provide clear guidance on policy intentions and economic outlook (IMF, 2024).
Consumer and Business Education: Promote understanding of inflation dynamics and encourage practices that help mitigate the impact of rising prices on businesses and consumers (World Bank, 2024).

Monitoring and Evaluation:
Regular Assessments: Establish mechanisms for regular monitoring and evaluation of the impact of monetary and fiscal policies on inflation and growth (Central Bank of Sri Lanka, 2024).
Data-Driven Decisions: Utilize real-time economic data to inform policy decisions and make adjustments as necessary to respond to changing economic conditions (IMF, 2024).

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 **ISNN 2827-7376**

Comparative Study of Economic & Social Impacts of Improved Rural Transportation: Dibulgoda vs. Medagoda in Hambantota, Sri Lanka.

Key Message(s)

[1] Agunukolapalassa Urban Council and local leaders must prioritize the development and maintenance of rural road systems.

[2] The Sri Lanka Transport Board, in collaboration with rural leaders, should enhance the reliability and accessibility of public transport in rural areas.

WAA Nipuni & RPIR Prasanna

Department of Economics, Rajarata University of Sri Lanka

Introduction

The problem addressed in this study is the significant impact that the availability and quality of rural transport infrastructure have on the economic and social well-being of rural communities in Sri Lanka. Despite the importance of rural transport for development, many areas suffer from inadequate transport networks, limiting access to essential services, restricting economic opportunities, and perpetuating regional disparities. The main objective of this study is to examine the economic and social impact of improved rural transportation in Sri Lanka, focusing on a comparative analysis between two GN Divisions—Dibulgoda and Medagoda—in the Agunukolapalassa Divisional Secretariat. By understanding these impacts, the study aims to shed light on how enhanced rural transportation can promote better integration of rural communities into the broader economy and improve overall quality of life.

Materials and methods

This study employed quantitative research methodology. A sample of 40 individuals from both divisions, primarily engaged in the agricultural sector, was surveyed using a structured questionnaire. Primary data were collected through these surveys and field visits, while secondary data was sourced from Central Bank reports, census data, and local administrative records. The collected data were analyzed using SPSS version 25, with methods including Paired Sample T-Tests and Descriptive Analysis (Frequency). This approach enabled a detailed examination of how improved rural transportation impacted socioeconomic conditions in the selected rural areas.

Results

The study's findings revealed that improved rural transportation had significant positive effects on the socioeconomic conditions in the studied areas. A paired t-test analysis showed a notable increase in household income, with a rise from Rs. 40,350 to Rs. 61,770, marking a statistically significant difference ($t = -2.998$, $p = 0.007$). Social development indicators, measured using a Likert scale, also showed considerable improvement, with a score increasing from 1.023 to 2.025 ($t = 41.00$, $p = 0.000$). Similarly, cultural development scores rose from 1.200 to 2.190 ($t = 119.00$, $p = 0.000$). These results underscore the critical role of rural transportation in enhancing both economic outcomes and social cohesion within rural communities.

Table 1: Effects of improved transport system -results of paired t test

Indicator	Improved	Not improved	t	Sig.
Household income (Rs)	61770	40350	-2.998	0.007
Social development*	2.025	1.0230	41.00	0.000
Cultural development*	2.190	1.200	119.00	0.000

Note*: Employed a Likert scale method

Conclusion and policy recommendations

The study confirms that improved rural transportation significantly enhances agricultural yield, household income, social development, and cultural activities, yet many rural areas still suffer from inadequate transport infrastructure, limiting economic and social progress. To address these issues, the Agunukolapalassa Urban Council and local leaders should prioritize the development of rural road systems to improve accessibility. Additionally, maintaining and upgrading the culvert system is crucial to prevent flooding and ensure safe transportation during the rainy season. Furthermore, the Sri Lanka Transport Board, in collaboration with rural leaders, should focus on improving the reliability of public transport services, which would reduce transportation costs and enhance mobility for rural communities. These steps are essential for boosting the rural economy and improving the quality of life for rural residents.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 **ISNN 2827-7376**

Effectiveness of Samurdhi Program in Poverty Alleviation: A Qualitative Study in Mailewa, Giribawa.

Key Message(s)

[1] Provide targeted services for vulnerable beneficiaries and reform administrative processes to better meet needs, improving Samurdhi program effectiveness in poverty alleviation.

[2] Strengthen literacy, foster positive attitudes, and improve access to credit programs to empower beneficiaries, increasing their chances of escaping poverty through the Samurdhi program.

WMAS Premarathna & RPIR Prasanna

Department of Economics, Rajarata University of Sri Lanka

Introduction

The Samurdhi program, launched in 1995 by the Sri Lankan government, aimed to alleviate poverty through a multi-faceted approach that includes welfare, savings, credit, and rural development initiatives. Despite considerable government expenditure-amounting to nearly 600 billion rupees over 28 years-the program's effectiveness in reducing poverty has been questionable. Even with continued financial support, the number of beneficiaries remains substantial, highlighting persistent poverty levels. This study investigates why the Samurdhi program has struggled to achieve its primary objective of poverty eradication. By exploring the underlying challenges and determinants that influence the program's success or failure among beneficiaries, this research seeks to offer insights into the program's limitations and suggest pathways for improving poverty alleviation efforts in Sri Lanka.

Materials and methods

The study employs a qualitative exploratory approach to assess the effectiveness of the Samurdhi program in Sri Lanka. The research is conducted in the Mailewa Grama Niladhari Division within the Giribawa Divisional Secretariat in Kurunegala District. A purposive sample of 20 families was selected, comprising 10 families who moved out of the Samurdhi program within the last decade and 10 who have retained benefits for over 10 years. Data were gathered through in-depth interviews for primary insights and supplemented by secondary data from previous studies and local Samurdhi offices.

Results

The study identifies several key factors that hinder beneficiaries from escaping poverty through the Samurdhi program. These include households with disabled members, chronic diseases, drug and alcohol abuse, and high numbers of dependents, which impose significant financial burdens.

Additionally, issues such as illiteracy, poor attitudes, lack of program awareness, and problems with program officers and institutional inefficiencies further impede progress. These challenges collectively prevent beneficiaries from achieving economic stability and improving their living conditions despite receiving support from the program.

Table 1: Failure determinants which caused beneficiaries not to move out of poverty

Theme	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10
Disable member	*				*					*
Chronic diseases			*				*			
Drugs				*		*			*	
Alcohol			*	*		*				
Died family member				*				*		
Attitude					*				*	
Illiteracy	*				*		*			
High number of dependents	*	*	*						*	*
Lack of awareness about the program		*			*		*			*
Issues with officer		*					*			
Institutional issues					*	*				*

Source: Key Informant Interviews

Key findings reveal that several determinants significantly contribute to beneficiaries' success in moving out of poverty through the Samurdhi program. Key factors include personal effort, dedication, and positive attitudes, which are crucial for economic improvement. Literacy and access to credit programs also play pivotal roles by enhancing skills and providing financial resources. Monthly subsidies, scholarships, and effective awareness about the program further support beneficiaries. Encouragement from Samurdhi development officers and a low number of dependents also positively influence poverty alleviation.

Conclusion and policy recommendations

The Samurdhi program's effectiveness in poverty alleviation has been undermined by several factors, including chronic illnesses, disabilities, and high dependency ratios among beneficiaries. Key determinants of success include personal effort, positive attitudes, literacy, and access to financial resources through credit programs. To enhance the program's impact, targeted support services for those with specific challenges, improved literacy and awareness initiatives, and administrative reforms to address institutional inefficiencies are essential. These measures will help ensure that the program more effectively addresses the needs of beneficiaries and contributes to meaningful poverty reduction.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 **ISNN 2827-7376**

Impact of Food Inflation on Consumption Patterns in Sri Lanka's Extreme Poor: A Case Study of Padukka Urban Area.

Key Message(s)

[1] To alleviate the impact of food inflation on vulnerable households, it is essential to enhance social safety nets.

[2] Invest in and support local food security programs, such as community gardens and cooperative food distribution networks.

GK Sandareka & RPIR Prasanna

Department of Economics, Rajarata University of Sri Lanka

Introduction

Food inflation, characterized by persistent increases in food prices, significantly affects household consumption patterns, especially in low- and middle-income countries like Sri Lanka. Recent surges in food prices have heightened concerns about food security, particularly among the extremely poor and vulnerable households, who spend a larger share of their income on basic food items. In Sri Lanka, where food inflation is among the highest globally, the impact on nutritional status and overall health is severe, exacerbating poverty and malnutrition. The main objective of this study is to examine how rising food prices have altered food consumption patterns among low-income households with children under five in Padukka Urban Area. By analyzing changes in food expenditure, dietary quality, and coping strategies, this research aims to provide insights into the challenges faced by these households and inform policy interventions to mitigate the adverse effects of food inflation.

Materials and methods

This study employs a qualitative case study approach to understand the effects of food inflation on food consumption patterns among extreme poor and vulnerable urban households in Sri Lanka, particularly those with children under five. The research focuses on urban areas due to their higher vulnerability to food price shocks.

Data was collected through semi-structured interviews and group discussions with a purposive sample of 10 households selected based on income levels, vulnerability indicators, and geographic location. Thematic analysis was used to analyze interview data, identifying recurring themes and patterns to provide a comprehensive understanding of coping strategies and consumption changes amidst rising food prices.

Results

Food price inflation has significantly altered consumption patterns among vulnerable urban households in Sri Lanka, particularly impacting children aged 1-5 years. Respondents reported substantial reductions in the consumption of protein-rich foods, such as meat, fish, and eggs, and a shift towards more affordable staples like rice and lentils. The frequency of consuming dairy products and fruits also declined. Many households have resorted to skipping meals and reducing their intake of vegetables and fruits. Increased food expenses have led to financial strain, with some families citing that their entire income is spent on food. Coping strategies include prioritizing low-cost staples, engaging in small-scale gardening, and sharing food with neighbors. Despite these efforts, most respondents still struggle to maintain adequate nutrition for their children, highlighting the severe impact of inflation on dietary quality and overall household well-being.

Table 1: Impact of inflation on dietary quality and overall household well-being

Impact	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10
Consuming only the more affordable essential staples						*		*		
Increased expenditure on food		*			*	*				
Reduction in the frequency of consumption of protein-rich foods such as meat, fish, and eggs		*			*			*	*	
Stopping using milk powder and biscuits	*		*					*		
Reducing the number of meals per day		*	*		*	*		*	*	*
Dropping consumption of vegetables and fruits significantly	*	*			*	*	*			*

Conclusion and policy recommendations

Food inflation in Sri Lanka has significantly impacted vulnerable urban households, especially those with young children, leading to reduced consumption of protein-rich foods and increased financial strain. Despite employing various coping strategies like prioritizing low-cost staples and engaging in small-scale gardening, many families struggle to maintain adequate nutrition. To address these issues, it is crucial to enhance social safety nets to provide direct support and subsidized food, promote community-based food security initiatives to increase local food access, and support nutritional education programs to help families make the most of their limited resources.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 ISNN 2827-7376

Impact of Money Supply on Economic Growth Lanka: A Time Series Econometric Analysis (1979 – 2019).

Key Message(s)

[1] Policymakers should focus on strategies that harness the positive impact of M1 on economic growth by ensuring effective channels for investment and consumption.

[2] Implement measures to control excessive RM growth and balance its supply to avoid inflationary pressures, thereby supporting a more stable economic environment.

PGB Umeshika & RPIR Prasanna

Department of Economics, Rajarata University of Sri Lanka

Introduction

Money supply significantly influences economic growth by driving investment, consumption, and overall economic activity. In Sri Lanka, managing an appropriate money supply is crucial for fostering sustainable development. The Central Bank of Sri Lanka oversees monetary policy to regulate money supply and maintain economic stability. However, despite a substantial increase in money supply in recent years, Sri Lanka has faced severe economic challenges, including high inflation. This discrepancy highlights the need to explore the relationship between money supply and economic growth more deeply. This study aims to analyze both short-term and long-term effects of various money supply measures on economic growth in Sri Lanka. Understanding these dynamics is essential for formulating effective monetary policies to achieve economic stability and growth.

Materials and methods

This study employed various econometric methods to analyze the impact of money supply on economic growth in Sri Lanka. The primary techniques included the Unit Root Test, Co-Integration Test, Vector Error Correction Model (VECM), and Granger Causality Test. Secondary data from 1979 to 2019 was utilized, focusing on annual time series data for macroeconomic variables such as GDP, narrow money supply (M1), broad money supply (M2), reserve money (RM), real interest rates (IR), and exchange rates (ER).

Econometric model

$$\log \mathrm{GDP}_t = \beta_0 + \beta_1 logM1_t + \beta_2 \; log\, \mathrm{M2}_t + \beta_3 \; log\, \mathrm{M2}b_t + \beta_4 logR\mathrm{M}_t + \beta_5 logI\mathrm{R}_t + \beta_6 logE\mathrm{R}_t + \mathrm{U}_t$$

Results

The analysis revealed that different economic variables exhibit varying degrees of stationarity and relationships with economic growth in Sri Lanka.

Initial unit root tests identified that GDP, M2, M2b, RM, and ER were non-stationary at the level, requiring first differencing, while M1, IR, and ER were stationary. Further tests confirmed stationarity at the second difference for all variables. The regression analysis showed that Narrow Money (M1) positively affected GDP, while Reserve Money (RM) had a negative impact. Broad Money (M2) and Aggregate Broad Money (M2b) had less significant effects. The co-integration test indicated long-term relationships between GDP and several variables, with the VECM highlighting significant error correction terms but less pronounced short-term impacts of GDP. Residual diagnostics confirmed the model's assumptions of normality and homogeneity. The Granger Causality Test suggested that GDP Granger-caused M1 and M2, while the Impulse Response Analysis showed that money supply variables responded positively to GDP shocks, with less consistent effects observed for interest rates, exchange rates, and inflation.

Table 1: Results of econometric model

Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
LOG_M1	0.648958	0.322508	2.012224	**0.0056**
LOG_M2	0.083798	0.986313	0.084961	**0.0493**
LOG_M2B	1.161871	1.253914	0.926596	0.3642
LOG_RM	-0.800703	0.422108	-1.896918	**0.0104**
LOG_IR	-0.002410	0.029759	-0.080974	0.9362
LOG_ER	-0.471063	0.496049	-0.949630	**0.0352**
C	1.528976	0.839854	1.820526	0.0823
R-squared	0.995044	Mean dependent var		14.79480
Adjusted R-squared	0.993693	S.D. dependent var		1.197880
S.E. of regression	0.095133	Akaike info criterion		-1.660574
Sum squared resid	0.199107	Schwarz criterion		-1.330537
Log likelihood	31.07832	Hannan-Quinn criter.		-1.557210
F-statistic	736.2272	Durbin-Watson stat		0.699641
Prob(F-statistic)	0.000000			

Conclusion and policy recommendations

The study reveals that Narrow Money (M1) positively affects Sri Lankan GDP, while Reserve Money (RM) has a negative impact. Broad Money (M2) and Aggregate Broad Money (M2b) show weaker effects. Significant long-term relationships exist between money supply and GDP, but short-term impacts are less pronounced. Policymakers should adjust monetary policy to optimize M1's growth benefits and mitigate RM's negative effects. Additionally, targeted inflation management is crucial to prevent high inflation while expanding money supply. Complementing monetary policy with fiscal and structural reforms will further enhance economic growth and stability.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 ISNN 2827-7376

Estimation of Technical Efficiency of Smallholder Tea Farming in Rathnapura District, Sri Lanka.

Key Message(s)

[1] The study identifies a significant gap in the technical efficiency of smallholder tea farmers in the Kuruvita region, with an average efficiency of only 29%.

[2] Active participation in farming organizations and better land management practices, such as re-cultivating abandoned lands, can significantly reduce inefficiencies.

KHADAP Kodithuwakku & RPIR Prasanna

Department of Economics, Rajarata University of Sri Lanka

Introduction

Tea is a cornerstone of Sri Lanka's export economy, with Ceylon tea recognized globally for its superior quality. Small-scale tea plantation owners contribute significantly to the country's overall tea production, despite their limited landholdings. To sustain and enhance the industry's output, these farmers must improve their technical efficiency. Given challenges like resource constraints and fluctuating market prices, optimizing the production process is essential. This policy brief aims to present findings on the technical efficiency of smallholder tea farmers in the Kuruvita region of Ratnapura and provide recommendations to enhance production, profitability, and sustainability in this crucial sector.

Materials and methods

A random sampling method was used to select 10 out of 20 village official domains. Within each selected domain, 10 small tea plantation owners were randomly chosen, resulting in a sample size of 100 individuals from the Kuruvita area. Primary data was collected using a structured questionnaire, while secondary data was sourced from central bank reports, population census reports, and regional secretariat information. The analysis employed the Cobb-Douglas Stochastic Production Function using Stata Frontier 4.1 to assess the technical efficiency of these farmers.

$$LnY_i = ß_0 + ß_1 \ln X_1 + ß_2 \ln X_2 + ß_3 \ln X_3 + ß_4 \ln X_4 + ß_4 \ln X_4 + V_i - U_i$$

Y_i is tea yield in kg of the i-th farmer, X_1 is size of land (acres), X_2 is labor usage (Man days), X_3 is experience, X_4 is fertilizer usage (Rs), and U_i = Non-negative random variable.

Results

The study reveals several key insights into the technical efficiency of small-scale tea producers in Kuruvita, Ratnapura. The average technical efficiency of tea cultivation in the region is found to be 29%, which indicates a significant potential for productivity improvement—up to 71%—using the same level of inputs. Among the factors influencing this efficiency, land size, labor, fertilizer usage, and farming experience stand out as positive contributors, with labor and land having the most substantial impact. The range of technical efficiency among the farmers varied significantly, from as low as 3.7% to as high as 88.66%, with 39 out of 100 farmers surpassing the average efficiency level of 29%. Moreover, the study identified that land ownership and active membership in farming organizations play a crucial role in reducing technical inefficiency, thereby enhancing overall efficiency. On the other hand, factors such as gender, household size, and education level were found to contribute to increased technical inefficiency among these small-scale tea farmers.

Table 1: Frequency Distribution of Technical Efficiency among Tea farmers

Efficiency Range	**Frequency**	**Mean**	**Percentage**
0.00 – 0.10	20	0.086763	20%
0.11 - 0.20	29	0.140758	29%
0.21 - 0.30	13	0.258943	13%
0.31 - 0.40	08	0.370974	08%
0.41 - 0.50	07	0.444762	07%
0.51 - 0.60	12	0.553122	12%
0.61 - 0.70	06	0.647304	06%
0.71 - 0.80	03	0.558258	03%
0.81 - 0.90	01	0.886677	01%
0.91 - 1.00	0		
Total	100		100%
Mean Efficiency	0.29		
Inefficiency	0.71		

Conclusion and policy recommendations

The study highlights the significant role of small-scale tea farmers in Kuruvita, Ratnapura, who currently operate at an average technical efficiency of 29%, revealing potential for substantial improvement. To enhance productivity and sustainability, three key policy recommendations are proposed. First, the government should promote sustainable fertilization practices by providing subsidies and training for the adoption of organic fertilizers. Second, initiatives should be undertaken to re-cultivate abandoned land and streamline land allocation processes. Third, fostering collaboration and knowledge sharing among farmers through active participation in farming organizations can help reduce inefficiencies and improve overall productivity in the tea sector.

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Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

Policy Briefs **18**

Vol. (4) January 2024 **ISNN 2827-7376**

Women's Role in Household Food Security in Rural Sri Lanka: A Case Study of Rajanganaya, Anuradhapura.

Key Message(s)

[1] Implement targeted programs that enhance women's access to essential resources such as land, agricultural technology, and financial services.

[2] Invest in developing rural infrastructure, including transportation and market facilities, to facilitate better access for women to sell their produce.

DAAS Dissanayake & RPIR Prasanna

Department of Economics, Rajarata University of Sri Lanka

Introduction

A healthy population benefits a nation by boosting labour productivity and reducing health costs. Food security, which ensures that all people have continuous physical, social, and economic access to sufficient, safe, and nutritious food, plays a crucial role in overall health. Food security has four key dimensions: availability, accessibility, utility, and stability. However, food insecurity remains a significant challenge worldwide, particularly in rural areas where poverty restricts access to basic necessities. Understanding household food security requires a gender analysis, as women predominantly manage food preparation, storage, and purchasing. In Sri Lanka, cultural norms often confine women to these roles, and gender stereotypes in rural areas further limit their access to opportunities and resources. This study examines the impact of women's roles on household food security in the Rajanganaya Divisional Secretariat.

Materials and methods

This study adopts a qualitative explanatory approach to gain a deeper understanding of women's roles in household food security in rural Sri Lanka. The research was conducted in the Rajanganaya Divisional Secretariat, located in the Anuradhapura district of Sri Lanka's North Central Province. The sample comprised 10 families, purposively selected, with a primary focus on the women in each household. Primary data were gathered through in-depth interviews with the selected participants. The data were then analyzed qualitatively using a descriptive method.

Results

The study explores rural women's roles in food availability, accessibility, and utility within households, highlighting their contributions to household food security. Women's engagement in domestic production, food stock management, food aid, and preservation techniques ensure food availability, with many cultivating vegetables, raising poultry, and utilizing both traditional and modern preservation methods. Their involvement in income generation, market access, and overcoming transportation challenges is crucial for food accessibility, as they often grow and sell surplus produce. Additionally, women's roles in meal preparation, nutritional balance, and meal planning emphasize their influence on food utility, ensuring that families receive balanced and culturally appropriate meals. Women's contributions are vital in maintaining food security, particularly in rural areas where access to markets is limited, and traditional practices are still heavily relied upon.

Table 1: Women’s role in household food utility

Thematic areas	**R1**	**R2**	**R3**	**R4**	**R5**	**R6**	**R7**	**R8**	**R9**	**R10**
Meal preparation	*	*	*	*	*	*	*	*	*	*
Food preservation	*				*		*		*	
Nutritional balance	*	*	*		*	*	*			*
Meal planning	*		*	*	*	*	*		*	*
Cultural practices	*	*		*	*		*		*	*
Culinary skills	*	*	*	*	*	*	*	*	*	*

Conclusion and policy recommendations

Women in rural Sri Lanka, particularly in Rajanganaya, Anuradhapura, play a vital role in ensuring household food security through their involvement in food production, preservation, income generation, and meal preparation. To strengthen their contributions, it is essential to enhance women's access to resources such as land, technology, and financial support, alongside training in modern agricultural techniques. Improving rural infrastructure and market access will empower women to sell surplus produce and purchase essential food items, thereby bolstering food security. Additionally, promoting gender equality through education and awareness campaigns can challenge stereotypes and ensure women's equal participation in household food management, further reinforcing their crucial role in achieving food security.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 **ISNN 2827-7376**

Study the Impact of Product Package Elements on Consumer Purchasing Intention – with special reference to Gampaha district instant noodles consumers.

Key Message(s)

[1] Packaging designers and marketers should prioritize packaging color, size and shape, image, and innovation.

[2] Move away from traditional packaging logos and focus on modern trends in packaging design.

MBDP Mandeera & RPIR Prasanna

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Introduction

The instant noodles market has experienced significant growth globally, including in Sri Lanka, where consumer demand has surged over the past five years. Despite this growth, intense competition within the industry necessitates companies to differentiate their products effectively. Packaging has emerged as a critical factor influencing consumer purchasing intentions, serving both functional and communicative purposes. However, there is a noticeable gap in research specifically addressing how various packaging elements impact consumer choices in the Sri Lankan instant noodles market. This study aims to fill that gap by examining the role of packaging elements—such as color, size, shape, logo, and innovation—on consumer purchasing decisions.

Materials and methods

The research adopts a descriptive survey design, using a self-administered questionnaire as the primary data collection tool. The questionnaire is divided into three sections: demographic information, consumer purchasing behaviors, and the influence of packaging elements. A sample size of 100 respondents, aged 18-60, was selected using a convenience sampling method to ensure that a diverse range of consumers is represented. The collected data was analyzed using descriptive statistics to summarize and interpret the findings. Correlation analysis and multiple linear regression were employed to determine the relationship between independent variables (packaging elements) and the dependent variable (consumer purchasing intention). The reliability of the questionnaire was tested using Cronbach's alpha, and IBM SPSS software was used for all statistical analyses.

Results

The multiple linear regression analysis reveals that all five packaging elements — color, size and shape, logo, image, and innovation — positively influence consumer purchasing intention for instant noodles. The model's constant (β0) is 0.508, with a statistically significant P-value of 0.000. Packaging innovation, size and shape, and color have the highest impact, with Beta values of 0.337, 0.328, and 0.171, respectively. Packaging image and logo also contribute significantly, with Beta values of 0.099 and 0.085. The P-values for all variables are below 0.05, confirming their statistical significance.

Table 1: Multiple linear regression analysis

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	.508	.121		4.182	.000
	Packaging color	.171	.054	.186	3.197	.002
	Packaging size and shape	.328	.054	.371	6.063	.000
	Packaging logo	.085	.028	.092	3.062	.003
	Packaging image	.099	.032	.117	3.131	.002
	Packaging innovation	.337	.059	.335	5.717	.000

Conclusion and policy recommendations

The study concludes that packaging elements such as color, size and shape, image, and innovation significantly influence consumer purchasing intentions for instant noodles in the Gampaha district, while the packaging logo has a lesser impact. To effectively attract consumers, manufacturers should focus on enhancing these key elements, particularly through innovative designs that reflect current market trends. Continuous market research is essential to adapt packaging strategies to evolving consumer preferences, ensuring that products remain competitive and appealing in a dynamic marketplace.

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Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 ISNN 2827-7376

Impact of micro-credit utilization on household well-being: Special reference to Dodangoda DS division in Kalutara district.

Key Message(s)

[1] The analysis revealed that the amount of micro-credit access, micro-credit utilization and micro-credit amount positive impact the household well-being.

[2] Thus the study recommends to Collaborating together with microlending organizations to create products that are specifically tailored to the characteristics that have been found to influence household wellbeing.

[3] Alternatively, it recommended promoting credit flexibility in order to accommodate various families' requirements and economic endeavours within the Dodangoda DS Division.

WMS Sekara & RPIR Prasanna

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Introduction

The 21st century has brought new possibilities in information access and security, presenting challenges in protecting sensitive information. Banks have been adapting technology to enhance their products and services, such as fund transfers, mobile recharges, online shopping, and e-ticketing. Customers are drawn to digital banking channels like ATMs, mobile banking, and Internet banking due to their convenience, anytime, anywhere banking, and ease of use. The banking sector operates in a complex and competitive landscape, with technological advancements significantly impacting consumer services. Online banking, which began in the 1980s, has become increasingly popular, enabling customers to access account balances, transfer money, and pay bills from home computers. Internet banking has made banking transactions easier worldwide, and it is fast gaining acceptance in Sri Lanka. However, banks face challenges related to customer adoption factors, which are the main challenges to banks. 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

The study selected the Dodangoda DS division in Kalutara as the study area as it is one of the districts which reported high microcredit consumption. A quantitative approach was employed for data collection due to the nature of the study problem. The selected sample consisted of 100 householders. Primary data were collected using a structured questionnaire via telephone calls. It was administered to a random sample of household heads in the study area in the year 2023. The multiple regression analysis models helped quantitative data analysis.

Results

The study applied regression analysis to identify the impact of independent variables (Access of microcredit, Utilization of microcredit, Amount of credit) on the dependent variable (Household well-being). According to the results, the model showed goodness-of-fit, indicated by the coefficient of determination (R2) with a value of 0.804. The explanatory power of the predictors on productivity is 80%, and the adjusted R square is 79.8% between variables. The ANOVA table provides sufficient evidence to prove the model is fit.

Table 1: Results of the estimated Multiple Linear Regression Model

Model	B	St. Error	Beta	t	Sig.
(constant)	.504	.186		2.707	.000
Access of micro credit	.241	.039	.311	6.186	.000
Utilization of micro credit	.395	.041	.516	9.563	.000
Amount of credit	.225	.038	.309	5.958	.000

The results of regression analysis revealed a positive effect of the access of micro credit (0.241), utilization of micro credit (0.395), and amount of credit (0.225) on household well-being.

Conclusion and policy recommendations

This study concludes microcredit-related factors affecting household well-being. It is recommended to determine three specific microcredit-related characteristics that significantly affect household well-being. Accordingly, the positive and statistically impact of micro-credit access, micro-credit utilization and micro-credit amount on household well-being in Dodangoda DS division. It is recommended to Collaborating together with microlending organizations to create products that are specifically tailored to the characteristics that have been found to influence household wellbeing. Alternatively, it recommended promoting credit flexibility in order to accommodate various families' requirements and economic endeavours within the Dodangoda DS Division.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 ISNN 2827-7376

Factors Affecting Technical Efficiency of Rice Farmers in Polonnaruwa District, Sri Lanka.

Key Message(s)

[1] Implement targeted training initiatives that encourage younger farmers to adopt modern agricultural techniques.

[2] Establish mentorship programs that allow experienced farmers to share their knowledge and successful practices with less efficient farmers.

[3] Develop and disseminate clear guidelines for the optimal use of fertilizers and pesticides to reduce waste and enhance farm efficiency.

RMHC Bamunuge & RPIR Prasanna

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Introduction

In Sri Lanka, rice is a staple food deeply embedded in the nation's culture and economy, with paddy farming covering about 708,000 hectares across all districts. This study focuses on Polonnaruwa District, which led in rice production during the Yala season of 2022 but still faces challenges in agricultural efficiency. The study highlights the importance of improving technical efficiency to meet national rice demand, given that current inefficiencies impact both food security and economic stability. Using 2023 survey data, the study aims to quantify efficiency levels in Polonnaruwa and examine the factors influencing them.

Materials and methods

The study is conducted in the Diyabeduma area of the Polonnaruwa District. To ensure a representative sample of this population, 100 farmers were randomly selected and participated in the study. Quantitative data was collected directly from the farmers using a structured questionnaire. Data was analyzed using STATA software, employing the Cobb-Douglas Stochastic Frontier Production Model to compute the technical efficiency and technical inefficiency of rice farming in the area.

$$LnYi = \beta 0 + \beta 1 LnX1 + \beta 2 LnX2 + \beta 3 LnX3 + \beta 4 LnX4 + \beta 5 LnX5 + Vi - Ui$$

(Yi = Rice yield in the Study area of the ith farmer (kg), X1 = Age (by year), X2 = Education Level, X3 = Experience (by year), X4 = Land Size (Acres), X5 = Fertilizer Cost, $\beta 0$ = Intercept, Vi - Ui = Error term)

$$U = \partial 0 + \partial 1 Z1i + \partial 2 Z2i + \partial 3 Z3i + \partial 4 Z4i + \partial 5 Z5i + Wi$$

($Z1$ = Gender, $Z2$ = Household Size, $Z3$ = Land Ownership, $Z4$ = Training related farming techniques, $Z5$ = Membership in farmer organization, Wi = Unobservable random variables).

Results

The study of technical efficiency among rice farmers in the Polonnaruwa District demonstrates significant variation, with many farmers operating below their potential.

Table 1: Technical Efficiency Estimates

Efficiency score interval	Mean Efficiency score	Std.Dev.	Frequency
0.o-0.149	0.085940	0.042001	52
0.15-0.29	0.195128	0.038091	41
0.3-0.449	0.321432	0.018173	6
0.45-0.599	0.581036	-	1
0.599-0.749	-	-	0
Overall	0.155296	0.108133	100

Table 2: Technical Inefficiency Estimates

variable	Coefficient	Std.err.	z	p>|z|
Gender	0.4555671	0.8365772	0.544685	0.585970
Household size	0.1181114	0.1308927	0.090235	0.928100
Land ownership	0.5566423	0.8513286	0.653594	0.513374
Training	-0.5179436	0.3723457	-1.391030	0.164216
Membership in farming organization	0.4279945	1.606925	0.422321	0.672791

Conclusion and policy recommendations

Key findings suggest that younger and more experienced farmers tend to be more efficient, largely due to their adoption of modern techniques. However, overuse and misuse of fertilizers and pesticides are common issues leading to reduced efficiency. Thus, it is needed to implement training programs to encourage the adoption of innovative farming methods, especially targeting younger farmers; establish a mentorship initiative where experienced farmers can share their knowledge and practices with those less efficient, fostering a community of shared learning; and provide clear guidelines and education on the precise use of fertilizers and pesticides to minimize waste and maximize crop yield.

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Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 ISNN 2827-7376

Analyzing the Factors Influencing Credit Card Usage among Government Officers: A Case Study from the Kandy District, Sri Lanka.

Key Message(s)

[1] Findings indicate that gender, age, education level, residential area, and monthly income significantly influence credit card usage, whereas the number of dependents of government officials does not exhibit a significant impact on credit card utilization.

[2] Financial institutions should design credit card products and incentives tailored to different age groups and female officers.

[3] Financial institutions should concentrate their marketing efforts in urban areas; offering urban-centric rewards, such as discounts on transportation, dining, and entertainment, could further encourage credit card usage among government officers living in cities.

HMS Sewwandi & SAU Niranjala

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Introduction

A credit card is a financial tool used in electronic transactions, offering payment and credit functionalities. It allows cardholders to make purchases and pay later, with the issuing bank covering the initial cost. Various stakeholders are involved: the cardholder, the issuing bank, merchants, and credit unions like VISA and MASTERCARD. Credit cards offer benefits such as convenience, global acceptance, and perks, though some people remain reluctant to use them.

Within the Sri Lankan context, credit cards are utilized as a method to manage immediate financial needs within a limited timeframe. The credit card industry in Sri Lanka shows promising growth potential. Due to the similarity in products and services offered by all market players, the industry is highly competitive. As per Central Bank data, as of the first quarter of 2023, there were 14 Licensed Commercial Banks and 3 Finance Companies authorized to operate credit card services. Central Bank statistics indicate a notable decline in credit card issuance in Sri Lanka, with activated credit cards decreasing from 2,054,896 in 2022 to 2,012,497 in the first quarter of 2023 (Payments Bulletin, First Quarter 2023). The primary aim of this research is to investigate the factors that affect the credit card usage behavior of government officers in Sri Lanka.

Materials and methods

This research endeavors to explore the influence of demographic and socio-economic factors on the utilization of credit cards among government officials in Sri Lanka. A sample of 150 participants was surveyed using structured questionnaires. A binary logistic regression model was employed to assess the impact of different variables on the credit card usage of government officials in Sri Lanka.

$$Log\left(\frac{P}{1-P}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$$

Results

Table 1. Result of binary logistic model

Variables	B	S.E.	Sig.
Gender (Male)	5.355	2.183	.014
Age	-.216	.093	.020
Citizen (Urban)	-3.088	1.598	.050
Education Level	1.183	.678	.041
Monthly Income	.000	.000	.001
Family Size	.620	.428	.147
Constant	-33.038	12.566	.009

The analysis reveals a strong, statistically significant relationship between age and credit card usage among government officers, with usage decreasing by -0.216 as age increases. Middle-aged officers in Sri Lanka are more likely to use credit cards than their younger and older counterparts. The study also identifies a significant link between gender and credit card usage, with male officers showing a notable increase of 5.355 in usage, indicating a clear gender disparity favouring males. Although there is a negative relationship between the number of household dependents and credit card usage, this finding is not statistically significant. However, educational attainment shows a strong positive correlation with credit card usage, serving as a key incentive for usage among civil servants. The analysis also establishes a significant relationship between monthly income and credit card usage, with clear variations across different income groups. Additionally, the data reveal a strong, statistically significant relationship between urban residence and credit card usage, highlighting the influence of living environment on financial behavior.

Conclusion and policy recommendations

The Findings indicating that gender, educational level and monthly income positively influence government officials 'credit card usage, while age and residential areas have a negative impact. Number of dependents, however, does not significantly affect credit card usage. Financial institutions should tailor credit card products and give incentives to different age groups, offering promotional offers and financial literacy programs for younger officers. To reduce gender disparities, they should develop products specifically for female officers, such as lower interest rates, flexible payment plans, and targeted rewards programs. Collaborative efforts between the government and financial institutions should enhance financial literacy, educating civil servants on the benefits and risks of credit card usage. Additionally, credit card products should be customized for different income levels, with lower-income officers benefiting from reduced fees and interest rates, while higher-income officers receive premium rewards and higher credit limits. Marketing efforts should focus on urban areas, offering rewards like discounts on transportation, dining, and entertainment to encourage credit card usage among city-dwelling government officers.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 **ISNN 2827-7376**

Factors Influencing Financial Literacy Among Rural Populations in Sri Lanka: A Case Study of the Kotapola Divisional Secretariat in Matara District.

Key Message(s)

[1] Education level, income, e-banking, and age are some of the main factors that influence financial literacy level.

[2] It is essential to incorporate financial education into the national school curriculum.

[3] To support the financial literacy of rural populations, rural financial institutions should be strengthened.

GAL Madusanka & SAU Niranjala

Department of Economics, Rajarata University of Sri Lanka

Introduction

Financial literacy is crucial for economic growth, poverty alleviation, and sustainable development, particularly in emerging nations like Sri Lanka, where many rural residents have limited access to financial knowledge and resources. Improving financial literacy in these areas is essential for both individual and community well-being. Rural communities are the backbone of Sri Lanka's economy, contributing significantly to local livelihoods, small businesses, and agriculture. However, these communities frequently encounter barriers in accessing financial resources and information, which can impede their ability to save, invest, protect their assets, and make informed financial decisions.

Research conducted by de Silva and Samarakoon (2017) revealed that the average financial literacy score in Sri Lanka was merely 35%, underscoring a substantial knowledge gap in financial matters. Moreover, studies have consistently shown that financial literacy tends to be lower in rural regions compared to urban areas (Jayaratne, 2018). This disparity is largely attributable to the limited access to financial resources and information in rural areas. A study by Perera and Sumathipala (2019), which specifically examined rural populations in Sri Lanka, found a widespread lack of understanding of basic financial concepts, such as interest rates, savings, and investment options. This deficiency in financial knowledge can hinder rural individuals from engaging effectively with the formal financial system and making sound financial decisions.

Materials and methods

The sample for this study will be drawn from the Kotapola Divisional Secretariat in the Matara District. The total rural population in this area consists of 240 households. Based on the guidelines provided by the Morgan table, a sample size of 150 households will be selected using a convenience sampling method.

Primary data will be gathered through a structured questionnaire. The effects of the independent variables on the dependent variables will be analyzed using simple linear regression analysis.

Results

The objective of this study was to identify the factors that influence financial literacy among rural populations in Sri Lanka. To achieve this, six independent variables were examined: gender, education level, income, e-banking usage, age, and employment status. A conceptual model was developed to illustrate the relationship between these variables and the financial literacy of rural individuals.
The results of a one-way ANOVA analysis revealed that education level, income, e-banking usage, and age have a significant relationship with financial literacy among rural populations in Sri Lanka. In contrast, gender and employment status were found to have no significant effect on financial literacy. In conclusion, the study identifies education level, income, e-banking usage, and age as key factors influencing the level of financial literacy in rural areas.

Conclusion and policy recommendations

This study explored the factors influencing financial literacy among rural populations in Sri Lanka, focusing on the Kotapola Divisional Secretariat in the Matara District. The findings show that education, income, e-banking usage, and age significantly impact financial literacy, while gender and employment status do not. To improve financial literacy, it is crucial to integrate financial education into the national curriculum, emphasizing budgeting, savings, investments, and financial services from an early age. Additionally, efforts should be made to boost digital financial literacy, strengthen rural financial institutions, and conduct nationwide campaigns to raise awareness about the importance of financial literacy.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 **ISNN 2827-7376**

The Impact of the Economic Crisis on the Sustainability of Small and Medium Enterprises (SMEs) in Sri Lanka: A Case Study of the Polonnaruwa District.

Key Message(s)

[1] This research examines how SMEs in the Polonnaruwa District are responding to this major economic downturn, based on an empirical investigation.

[2] Economic crises significantly impair SME performance.

[3] The research recommends implementing subsidies or tax reliefs for essential expenses such as energy and raw materials enhancing access to affordable credit through low-interest loans, grants, and credit guarantees, and providing support for cost-saving measures, training programs, and consultancy services for SMEs.

SBYMNP Siurathna & SAU Niranjala

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Introduction

The Small and Medium Enterprise (SME) sector is considered the backbone of the Sri Lankan economy. Accounting for the vast majority of businesses and nearly half of national employment, SMEs play a central role in fostering inclusive growth and contributing significantly to GDP. While they generate more than half of Sri Lanka's GDP, their share in exports remains relatively low. Historically, SMEs have been vital in driving economic growth, supporting regional development, creating employment opportunities, and reducing poverty. In recent years, however, the sector has faced unprecedented challenges. The Easter Sunday attacks in 2019, the COVID-19 pandemic, and the ongoing economic crisis have collectively placed severe strain on SME operations, leaving many enterprises struggling for survival. The current economic downturn has further hindered their performance, creating a need for urgent attention to safeguard this critical sector. Against this backdrop, the present study seeks to examine how SMEs in the Polonnaruwa District are responding to the ongoing economic crisis, with a focus on identifying strategies to ensure their survival and long-term resilience.

Materials and methods

This study utilized a quantitative research approach, focusing on SMEs located in the Dimbulagala Divisional Secretariat Division in the Polonnaruwa district of Sri Lanka. The primary variables examined were the Sri Lankan financial crisis, its regional impact, and the downturn's effects on SMEs and their performance. The sample consisted of 100 SMEs, selected through a non-probability sampling method based on the researcher's judgment. The study employed a Five-point Likert Scale for data collection. Questionnaires were administered both face-to-face and through self-administered methods to managers, owners, and employees of SMEs.

A paired sample t-test was conducted to compare differences between pre-crisis and during-crisis periods.

Results

The sample companies spanned several industries, including construction, hospitality, information technology, and manufacturing. During the crisis, the primary challenges were high costs and declining demand due to rising inflation. The research revealed that only a small number of SMEs managed to safeguard their businesses by adopting strategies such as reducing labor costs, using substitutes, relying on family labor, and minimizing expenses, with a significant minority of these SMEs performing well. Unfortunately, the majority of SMEs (87%) experienced various difficulties, including reduced production, decreased employment, limited innovation, increased debt, minimizing savings and declining sales and profits during the crisis period.

Table1: Effects of economic crisis on sustainability of SMEs- results of paired t test

Indicator	With economic crisis	Without economic crisis	t	Sig.
Exchange rate volatility	3.67	2.86	6.876	0.000
Market contraction	3.78	2.78	10.079	0.000
Tightened credit market	3.8586	2.697	10.299	0.000

A paired t-test analysis showed a notable impact of economic crisis on sustainability of SMEs. Exchange rate volatility, market contraction and tightened credit market measured using likert scale, also showed the considerable impact for sustainability of SMEs. The mean score for exchange rate volatility increased from 2.86 to 3.67 ($t = 6.876$, $p = 0.000$), indicating a significant worsening during the crisis. Similarly, market contraction rose from 2.78 to 3.78 ($t = 10.079$, $p = 0.000$), reflecting a highly significant reduction in market opportunities and demand for SMEs. The tightened credit market showed the largest increase, from 2.70 to 3.86 ($t = 10.299$, $p = 0.000$), suggesting that access to credit has been most severely affected, making it increasingly difficult for SMEs to secure financing.

Conclusion and policy recommendations

The study concludes that economic crises significantly impair SME performance. The research recommends implementing subsidies or tax reliefs for essential expenses such as energy and raw materials, enhancing access to affordable credit through low-interest loans, grants, and credit guarantees, and providing support for cost-saving measures, training programs, and consultancy services. Additionally, it suggests facilitating access to technology and R&D funding to maintain competitiveness, introducing wage subsidies or job retention schemes to preserve employment levels, and offering training and resources to strengthen SMEs' resilience and crisis response capabilities.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 ISNN 2827-7376

Factors Affecting SME Performance in Sri Lanka: A Focus on Batik SMEs in the Northwest Province.

Key Message(s)

[1] This study aims to identify the factors influencing the performance of the batik industry in Sri Lanka.

[2] Access to infrastructure, business information service and government policies and regulations are influencing SMEs performances.

[3] It is recommended that policymakers focus on developing and upgrading infrastructure to ensure batik SMEs have reliable access to essential resources and facilities.

SDDP Thilakarathna & SAU Niranjala

Department of Economics, Rajarata University of Sri Lanka

Introduction

SMEs are crucial for economic development, as they formalize informal sector businesses and reduce poverty through job creation. They operate in various sectors, including agriculture, manufacturing, trade, and services (Nalika, Jeewanthi, & Bhavana, 2020). Their success depends on entrepreneurship, government support, socio-economic conditions, and access to finance. Batik, a traditional textile art with deep cultural significance, is used across Asia (Manalu & Adzimatinur, 2020; Haake, 1989). In 2020, Sri Lanka's government launched initiatives through a new ministry and the National Craft Council to promote local batik (Hussainmiya, 2020; Jayawardana, 2020). However, imported textiles have outpaced local batik due to lower costs (Ekanayake et al., 2020). Lonhardt (2019) points out that a lack of consumer awareness about the value of textile heritage worsens this issue. Thus, it is important to promote batik while preserving its traditional craft. This study aims to identify the factors influencing the performance of the batik industry in Sri Lanka.

Materials and methods

Data for this study were collected via a field survey of 48 Bathik SMEs within the North Central Province of Sri Lanka. A snowball sampling technique, a form of non-probability sampling, was employed to gather participants. Interviews were conducted using both quantitative and qualitative methods. The collected data were analyzed using descriptive and inferential statistical techniques. A Multiple Regression Model was employed to identify the factors influencing Bathik SME performances. The regression model was specified as follows:

$$SME_p = \beta_0 + \beta_1 AI + \beta_2 SFM + \beta_3 BIS + \beta_4 GPR + e_i$$

Where, SME_p = Performance of SME (Dependent Variable), β_0 = Intercept/ constant of the equation, β_1-β_4 = Slope, AI = Access to infrastructure (Independent Variable 1), SFM= Support of Family

Members (Independent Variable 2), BIS = Business Information Service (Independent Variable 3), GPR = Government Policy and Regulations (Independent Variable 4), e_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 0.897. 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)	-.033	.213		-.153	.879
Access to Infrastructure	.235	.102	.259	2.297	.027
Support of Family Members	.091	.109	.097	.838	.407
Business Information Services	.242	.101	.238	2.388	.021
Government Policy and Regulations	.430	.137	.405	3.143	.003
Dependent Variable: SMEs performance					

The results of regression analysis revealed a positive effect of the access to infrastructure (0.235), Support of family members (0.091), Business Information service (0.242) and Government policies and regulations (0.430). However, the variables, access to infrastructure, business information service and government policies and regulations are statistically significant at a 5% significant level.

Conclusion and policy recommendations

The study concludes that access to infrastructure, business information services, and government policies and regulations have a significant impact on the performance of batik SMEs within the scope of the selected field of study. Based on these findings, it is recommended that policymakers focus on developing and upgrading infrastructure to ensure batik SMEs have reliable access to essential resources and facilities. Additionally, the implementation and adjustment of government policies and regulations should be prioritized to better support the growth and sustainability of batik SMEs.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 ISNN 2827-7376

The Impact of Social Media Marketing on the Sales Performance of SMEs in Sri Lanka: A Case Study of Kalutara District.

Key Message(s)

[1] The results revealed that social media marketing significantly influences the sales performance of small and medium-sized enterprises.

[2] It is recommended that policymakers and business development agencies provide targeted training and resources to SMEs on effective social media marketing strategies.

[3] Policies should promote the adoption of digital technologies and establish specialized advisory services.

TMN Wasana & SAU Niranjala

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Introduction

Small and medium-sized enterprises (SMEs) play a critical role in global economic development, accounting for the majority of businesses and a significant share of employment. In Sri Lanka, SMEs represent more than three-quarters of enterprises, contributing notably to exports, employment, and national income. Their expansion is particularly important for addressing key economic challenges such as unemployment, poverty, and inflation. Since most SMEs are labor-intensive, their growth directly supports job creation, reduces income inequality, and enhances overall living standards.

A crucial factor in ensuring SME growth is improving sales performance. One promising avenue for this is social media marketing (SMM), which enables businesses to reach wider markets and engage with customers more effectively. However, many SMEs in Sri Lanka face barriers to adopting SMM, including limited resources, low awareness, and technological challenges. These issues often reduce their market access and competitiveness. With millions of internet and social media users in the country, there is considerable potential for SMEs to leverage digital platforms to increase sales and profitability. Despite this opportunity, the actual impact of SMM on sales performance remains uncertain, and many SMEs are unable to assess its effectiveness due to resource constraints. Therefore, this study seeks to examine the relationship between social media marketing adoption and sales performance among SMEs in Sri Lanka.

Materials and methods

The sample comprised 100 respondents selected through a simple random sampling technique from the Dodangoda Divisional Secretariat Division in Kalutara District, Sri Lanka. The study employed both primary and secondary data, with a questionnaire-based survey serving as the primary data collection method.

Respondents' perspectives were assessed using a five-point Likert scale. Data analysis was conducted using Multiple Regression Analysis in SPSS version 21.0.

Results

In this study, multiple linear regression analysis was utilized to examine the relationship between the independent variables (social media marketing and innovation) and the dependent variable (SME performance).

Table 1: Results of Regression Analysis

Hypothesis	β	Sig. Value	Decision
H_1: There is a positive relationship between social media marketing and sales performance	0.374	0.001	Accepted
H_2:There is a positive relationship between perceived ease of use and sales performance	0.456	0.002	Accepted
H_3:There is a positive relationship between innovation cost and sales performance	0.205	0.001	Accepted

Source: Survey data, 2023

The results revealed that social media marketing and perceived ease of use significantly influences the performance of small and medium-sized enterprises. Additionally, the analysis demonstrated a significant and positive relationship between innovation cost and SME performance.

Conclusion and Policy Recommendations

The study demonstrates that social media marketing significantly enhances SME performance, particularly in areas such as sales growth, customer relationship management, productivity, and creativity. Furthermore, the findings indicate that innovation influencing SMEs performances. These insights are vital for business owners and managers looking to effectively incorporate social media into their business strategies.

Policymakers and business development agencies should provide targeted training and resources on effective social media marketing for SMEs, including workshops, online courses, and digital marketing toolkits. Policies should also promote the adoption of digital technologies and establish specialized advisory services offering personalized guidance on integrating social media marketing and innovation. Additionally, to foster innovation, policies could include grants or tax incentives for research and development and support collaboration between SMEs and research institutions to develop new products and processes.

Department of Economics

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Vol. (4) January 2024 ISNN 2827-7376

Impact of Microfinance on Poverty Reduction with Special Reference to Rideegama Divisional Secretariat in Kurunegala District.

Key Message(s)

[1] Low-income households want permanent access to a range of high-quality financial services to finance their income-producing activities, build assets, stabilize consumption, and protect against risks.

[2] The microfinance services are not limited to credit, but include savings, insurance, and money transfers.

[3] Poor individuals may now access basic financial services including loans, savings, money transfer services, and micro insurance thanks to microfinance.

HPMS Dharmasiri & HGKN Bandara

Department of Economics, Rajarata University of Sri Lanka

Introduction

Microfinance can be identified as financial services for poor and low-income clients. Most of microfinance services provide institutions are named as development bank. In practice, microfinance is referred mainly with loans and other services. These institutions often tend to adopt new methods. These new methods are difference from financial activities of other financial institutions. The microfinance service is introduced as a remedy for the problem of poverty. Poor individuals may now access basic financial services including loans, savings, money transfer services, and micro insurance. Like everyone else, those who are poor require a variety of financial services in order to manage their risks, run their enterprises, accumulate assets, and smooth out their consumption. The main purpose of the microfinance credit and programs are to reduce the poverty of rural villagers. In this research hope to search is it true or fault by determining following research question. The main objective of this study is to examine the impact of microfinance on poverty reduction in Kurunegala District.

Materials and methods

This study was conducted based on Kavisigamuwa area belonging to Rideegama Divisional Secretariat Division of Kurunegala District in Northwestern Province. The structured questionnaire was used as a data collection instrument of this study. Study attempted to find the impact of microfinance on living standards, and poverty alleviation of poor people. The study 100 sample borrowers that are getting loan and deposit saving from the microfinance was selected using Purposive sampling method. The gathered data were analyzed using descriptive statistics and interparental statistics and also SPSS software used to the data analysis. The Questionnaires were personally distributed by researcher to the selected people. Researcher found some people couldn't read. So, he interviewed them and filled the questionnaire.

Results

The main objective of this study is to examine the "The impact of microfinance on poverty reduction. Find the impact of microfinance on poverty, current study was used amount of loan, interest rate, purpose of loan, education level as independent variables. Poverty reduction was the dependent variable. Under this analysis researcher identified separately correlation between amount of loan, interest rate, purpose of loan, education level and poverty reduction, all the variables were ($p<0.05$) which means it has a strong positive relationship between Independent and dependent variable. According to the sample of the study can say that microfinance credit scheme positively impacts to the poverty reduction.

Under the descriptive statistics found for microfinance credit schemes and poverty Identified, there was no significance difference among mean values of dependent variable dimensions. The analyzing demographic data showed that 57% of respondents are women. According to the sample of current study, microfinance credit scheme useful for women with compared to the male. So, microfinance should base them and for their activities.

Conclusion and policy recommendations

The current study found out there is good relationship between microfinance credit schemes with poverty. Through this study the researcher has found that there is a significant relationship between on the microfinance credit scheme and poverty reduction in rural sector of Kurunegala district. The finding of this research is useful for Micro finance institutes because they start microfinance projects to reduce poverty of the poor people. So, they can develop their activities to get more successfulness. So, MFIs must develop new activities to improve the poorest living standard. And also, generally poverty reduction caused improving the living standard. Finally, researcher can recommend microfinance indirectly influence to improve the living standard of the poor people. The researcher recommends reducing conditions of loan schemes operated in Sri Lanka and also, the microfinance institutions should pay attention in reducing time of getting loans.

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Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 **ISNN 2827-7376**

Impact of LP Gas shortage to household energy consumption in Kurunegala District.

Key Message(s)

[1] A statistically significant positive relationship between LP gas consumption and household income. The price of LP Gas facing household, exhibiting a significant positive impact.

[2] The limited impact of alternative energy prices on LP gas consumption in the examined model.

[3] Economic factors, family size, and the cost dynamics of LP gas and alternative energy effect to the Gas consumption in household after gas shortage in Sri Lanka.

KMNM Jayathilaka & HGKN Bandara

Department of Economics, Rajarata University of Sri Lanka

Introduction

Energy is use for various process in household day to day operation. Household energy specially use for entire food and nutrition system. Sri Lanka's petroleum consumption is minuscule compared with the global demand. Sri Lanka and the country as a whole is moving towards modern fuels such as liquefied petroleum gas (LPG) and electricity. is used as a gas but sold as a liquid, and produced in both crude oil refining and natural gas processing. LPG is more costly to distribute than liquid fuels, but less so than natural gas in areas without sufficient natural-gas economies of scale. LAUGFS Gas PLC is a LP Gas company based in Sri Lanka. The Sri Lankan economic crisis affected the process of the company. Difficulties in securing foreign exchange have resulted in the disruption of LPG imports, shortages in the market and long queues in the markets. Due to the huge economic crisis in Sri Lanka after the end of the Covid-19 epidemic, there is huge shortage of consumer goods. Meanwhile LP gas shortage is common phenomenon of Sri Lanka as an imported commodity. With the shortage of the gas, the increase in their price has made the cost unaffordable for consumer. Possible explosion if mixture of LP gas and air. Another problem with the gas shortage was domestic gas explosions and accusations from gas consumers. Due to this problem, the market had to face a shortage of health protection gas as consumer started to choose health protected gas. As a solution to the gas shortage, consumers are switching to various alternative energy sources.

Materials and methods

Relevant data on identified problem population is urban and rural households in Kurunegala district. A total sample was selected 100 household in both urban and rural area in Kurunegala district. The data collection instrument of this study was the structured questionnaire. After collecting data, the next important step was organized and present the data.

Primary and secondary data were summarized and presented in various forms such as text, tables, graphs and charts; data were collected through questionnaire by interviewing the household in Kurunegala district. The time series trends analysis, Descriptive statistics and percentages were used to data analysis process. The data was presented using charts and graphs using SPSS and excel software.

Results

The main objective of this study was to study the impact of the LP gas shortage on household energy consumption in Sri Lanka. Household energy is important to obtain light to preparing food. Therefore, under this study, the consumption of LP gas as a domestic energy source is primarily studied. following important points were considered in this study as independent variable which are mostly considered in Literature. Find the impact of LP Gas Shortage, Income, Family size of household, alternative energy, prices facing household and also dependent variable was LP gas consumption. According to the result of data analysis, the correlation between Income Family size of household, alternative energy, and Appliance prices facing households for LP gas and LP gas consumption was ($p<0.05$), which indicated a strongly positive relationship between the Independent and dependent variables. Demographic insights highlighted the diverse customer base, income, family size, and pricing were examined through statistical methods. The correlation and regression analyses reveal significant relationships, emphasizing the impact of household income, family size, and appliance prices on LP gas consumption. The influence of alternative energy prices was not significant. These findings contribute valuable insights into the nuanced dynamics shaping LP gas consumption patterns, informing future strategies.

Conclusion and Policy Recommendations

By compared with the objective of the research. Household income in household LP Gas consumption mainly effect to the gas consumption in household. If any household has proportionated income their gas consumption is mostly stable. There is a statistically significant positive relationship between LP gas consumption and household income. The price of LP Gas facing household, exhibiting a significant positive impact. Suggesting a non-significant relationship between the price of alternative energy and LP gas consumption. Economic factors, family size, and the cost dynamics of LP gas and alternative energy play substantial roles in influencing LP gas consumption patterns among the surveyed households after gas shortage in Sri Lanka. The study recommends that the government and policymakers ensure the availability of gas in the market, implement a flexible price control system, and raise public awareness to mitigate unnecessary household usage. These measures are essential for effective management and sustainability.

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Vol. (4) January 2024 **ISNN 2827-7376**

Study on Socio-Economic Impacts of Smallholder Dairy Cattle Farming in Ambanpola Area.

Key Message(s)

[1] Dairy farmers mainly describe their household economy as boosted by income from the sale of milk, manure and livestock.

[2] Through dairy farming, factors such as household food security, access to education and health services and household wealth generation can be improved.

[3] Dairy cow farmers the economic impact is mainly described by income from the sale of milk, manure and livestock.

HMIS Menike & HGKN Bandara

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Introduction

Livestock has played an important role in rural subsistence agriculture in Sri Lanka for generations. However, the purpose of rearing, the method of rearing and the attitude of livestock farming have changed over time. In the past, the Cattle and buffalo were primarily used in key operations such as ploughing, pudding, harrowing lands, and threshing paddy when inhabitation was concentrated in the dry zone of Sri Lanka and paddy cultivation was the predominant agricultural activity. Milk consumption was low, except where milk was used to make whey (yoda), ghee, and butter. Meat consumption was also low because eating cattle and buffalo flesh was considered a social taboo. Cows and buffaloes' roles have evolved to be primarily labor-intensive and versatile, providing milk and meat. The Cattle farming primary use in for milk production and secondary uses is for meat and other alternatives.

Materials and methods

178 Udadivulwewa grama niladhari domain of Abanpola Divisional Secretariat Division in Kurunegala District was selected as the study area. Three villages in the study area were used to collect the primary data which were Kurundegama, Yaluwewa and Udadivulwewa. Both primary and secondary data were used in the study. using mixed methods, qualitative discussion and quantitative structured questionnaire used to collect primary data. sample size 32 households were used out of a population of 75 farmers from three villages using convenient sampling techniques. The elder member of the household was considered as a respondent who engaged smallholder cattle farming and with dairy products. secondary data on impact of small-scale dairy industry in Sri Lanka retrieved from central bank report. collected data was edited, coded and summarized using the computer software excel and collected data were analyzed using the excel and SPSS software.

The descriptive disclosure statistics such as means, frequencies, percentages, and paired sample test were used to analyze the data.

Results

Table 1: Paired Sample Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Monthly income before dairy cattle	40318.4375	32	108339.73405	19151.94016
	Monthly income after dairy cattle	131872.8906	32	148180.33826	26194.83050

The study revealed that the average household monthly income generated from milk increased to Rs. 131,872.8906 compared to the income earned before dairy farming. The paired sample t-test in the above table justifies that there are differences in household monthly income in the two periods before and after the introduction of domestic dairy farming. The results revealed by the paired sample t test in the above table, there is a significant increase. Dairy farming generated household monthly income at 5% significance level ($t=-2.730$, $p< 0.01$). The monthly income of the dairy farmer increased by Rs. 91,554.45 after introduction of dairy farming with compared to before household dairy farming.

Conclusion

Small-scale dairy farming has shown significant socio-economic impact on household livelihoods addressing social influences such as household food security, access to education and health services, and household wealth creation. Livestock manure has contributed to improved crop production to fertilize agricultural land in agriculture and improving household food security through family food provision and milk consumption. Income from the production and sale of some livestock contributed to greater access to food. Household were able to pay for education and health services through income from milk production. The economic impact of small-scale dairy farming in the study area is illustrated by the income and employment opportunities generated. Dairy cow farmers the economic impact is mainly described by income from the sale of milk, manure and livestock. Additionally, they earn income by selling more of the crop by applying cow dung for agricultural activities. Farmers consider dairy farming as their most important profession. The study recommends that the government deploy more consultants in rural areas which helps farmers to acquire sufficient knowledge and skills. further promote the socio-economic impact of milk production to improve livelihoods addressing extreme poverty in rural communities. The Study recommend that Planning to increase milk business by overcoming production deficits in calves. Society companies should be established for dairy farmers and benefits should be provided. For example, providing benefits for deaths, providing school equipment to school children, and providing benefits for weddings and flower festivals. Breeding services should be ensured to get better milk production.

Department of Economics

Faculty of Social Sciences and Humanities, Rajarata University of Sri Lanka

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Vol. (4) January 2024 ISNN 2827-7376

Identify the Factors Influencing Customer Satisfaction on Electronic Banking Services - With Special Reference to Kuliyapitiya City.

Key Message(s)

[1] Internet banking (anywhere banking) allows for the processing of any review or transaction at any time without the need to visit a branch.

[2] Perceived Ease of Use, Perceived Credibility, and Customer Attitude positively and significantly affect customer satisfaction. However, while Perceived Usefulness has a positive impact, it is not statistically significant in influencing customer satisfaction.

MAGV Wijesooriya & HGKN Bandara

Department of Economics, Rajarata University of Sri Lanka

Introduction

E-banking is revolutionizing the banking sector, significantly influencing customer relationships. According to Raitani & Vyas (2014), E-banking has become essential rather than optional, enabling customers to access banking services without visiting physical branches. It offers competitive advantages, such as reduced operating costs, enhanced customer retention, expanded services, and convenience through anytime, anywhere access. Compared to traditional banking, online banking is simpler and more affordable for transactions and information exchange (Jalal, Marzooq, & Nabi, 2011). Customers also benefit from reduced paperwork and virtual access to their accounts (Kodithuwakku, 2018). In Sri Lanka, e-commerce, including E-banking, is emerging, though still in its early stages. E-banking is transforming the banking industry, particularly in enhancing customer relationships. It has become essential for banks to offer digital services, providing competitive advantages like reduced costs and improved customer retention (Raitani & Vyas, 2014). In Sri Lanka, the adoption of e-banking is growing, driven by increased competition and the need for customer satisfaction (Buddhika & Gunawardana, 2020). Banks are focusing on delivering quality digital services to retain customers, though customer satisfaction remains a critical challenge in the Sri Lankan context (Kavitha, 2017; Moden & Neufeld, 2020).

Materials and methods

This study was used a quantitative approach to examine online banking satisfaction among Sri Lankan customers. A sample of 150 users was selected through convenience sampling method. Primary data was collected using a structured questionnaire, while secondary data collected from journals, student papers, and online sources. Data analysis was conducted using SPSS software, employing validity and reliability tests, descriptive statistics, and regression analysis to assess and interpret the findings.

Results

Based on the findings, the B value for Perceived Usefulness is 0.018, indicating a positive relationship. However, the significance value is 0.774, which exceeds the 0.05 threshold. This means that the deviation from the null hypothesis is not statistically significant, leading to the null hypothesis not being rejected. There is a positive relationship between Perceived Usefulness and customer satisfaction with electronic banking services. The B value for Perceived Ease of Use is 0.26, with a significance value of 0.001, which is less than 0.05. This indicates that Perceived Ease of Use has a significant positive impact on customer satisfaction, leading to the acceptance of the second hypothesis.

Similarly, Perceived Credibility shows a B value of 0.329, with a significance value of 0.000, which is also less than 0.05. This demonstrates that Perceived Credibility has a significant positive impact on customer satisfaction, supporting the third hypothesis. Also, the B value for Customer Attitude is 0.334, with a significance value of 0.000, indicating a significant positive impact on customer satisfaction and leading to the acceptance of the fourth hypothesis. In conclusion, Perceived Ease of Use, Perceived Credibility, and Customer Attitude positively and significantly affect customer satisfaction. However, while Perceived Usefulness has a positive impact, it is not statistically significant in influencing customer satisfaction.

Conclusion and Recommendations

The study aimed to identify factors influencing customer satisfaction with electronic banking services in Kuliyapitiya city, focusing on perceived usefulness, ease of use, credibility, and customer attitude. The results revealed that while Perceived Ease of Use, Perceived Credibility, and Customer Attitude all have significant positive impacts on customer satisfaction, Perceived Usefulness does not show a statistically significant effect. Thus, the hypotheses related to Perceived Ease of Use, Perceived Credibility, and Customer Attitude were supported, whereas the hypothesis for Perceived Usefulness was not.

To enhance customer satisfaction, banks should emphasize improving the perceived ease of use, credibility, and customer attitude towards their electronic banking services. While Perceived Usefulness was found to be positively related but not significant, highlighting its benefits may still be valuable. Additionally, with an adjusted R-squared value of 73%, further investigation into the remaining 27% of factors influencing customer satisfaction is recommended. This will help banks optimize their services and better meet customer needs. Previous research supports these findings, confirming the relevance of these factors in different regional contexts.

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