



Unveiling Sri Lanka's Perception on Foreign Aid: A Closer Look

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(This research was initiated and organized by the South South Research initiative group, which spear headed the project. Key contributions were received from experts who has extensive knowledge of law, economics and geopolitics.)

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1. Executive Summary

"If you can capture the humanity of a family struggling in an economic crisis you can make a difference. You can raise awareness just of the simple humanity." Emily Blunt

No country can survive and thrive in isolation. The world is built on economic and political relationships between countries, providing a link to one another. In this context, this research provides insight into the perception and thoughts of people about obtaining financial aid from other countries. The study outlines the determinants of foreign aid and its relationship with Sri Lanka's perception towards it. Additionally, the research provides an analytical deep dive into the core perceptions developed by Sri Lanka regarding foreign aid, the most likely country to assist, and the main economic sector that needs to be developed to achieve success.

The study utilizes data analysis to provide basic information about the sample and statistically analyzes the variables. Correlation analysis and chi-square tests were conducted to determine the relationship between the dependent variable (Sri Lankan's perception) and the independent variable (foreign aid).

The survey results indicate that a significant majority of Sri Lankan respondents believe foreign countries are responsible for the economic crisis in the country. China is identified as the main contributor to the crisis, and India is identified as the country that provides the most foreign aid. Furthermore, most of the respondents expressed confidence in the ability of foreign countries to aid Sri Lanka in moving away from the economic crisis. The majority of respondents suggested that India is the country Sri Lanka should collaborate with to overcome the crisis. The study's sample population consisted of individuals aged 35-45, educated and employed in the private sector, who believe that developing Sri Lanka's tourism industry is crucial for moving away from the economic crisis.

The results of the hypothesis testing provide evidence to support the notion that culpability, assistance, cooperation, and trust all play a crucial role in shaping how Sri Lankans perceive the situation. Overall, the survey results suggest that there is a general consensus among respondents on the importance of international collaboration in finding a solution to Sri Lanka's economic challenges. The study provides valuable insights into the opinions of Sri Lankan citizens regarding the economic crisis and the role of foreign countries in providing assistance.

2. Introduction

2.1 Problem of the study

Sri Lanka is presently facing a severe economic crisis, with the country undergoing its steepest economic debacle since gaining independence. Growing expenditures for importing essentials and agriculture, as well as debt repayment, have made it challenging to sustain the nation's economy. To alleviate this situation, Sri Lanka has sought the aid of foreign countries to provide assistance. The aim is to acquire financial and material support as foreign aid from various countries. The author of this survey seeks to investigate Sri Lankan citizens' perception of such foreign aid.

2.2 Research questions

- What are the determinants of foreign aid?
- What is the relationship between foreign aid and Sri Lanka's perception towards it?

2.3 Research objectives

2.3.1 Main objective

- To identify Sri Lanka's perception towards foreign aid

2.3.2 Sub objectives

- To identify the determinants of foreign aid
- To identify the depth of Sri Lanka's perception towards foreign aid that has been provided to Sri Lanka

2.4 Significance of the study

The research aims to comprehend the perception of Sri Lankan citizens towards foreign aid. By doing so, it aims to determine the various dimensions of foreign aid towards Sri Lanka and gain insights into the image Sri Lanka has of other countries. The study aims to identify the Sri Lankan people's perception of foreign aid.

3. Methodology

This section presents a detailed overview of the research methodology. It outlines the research design, population, sample size, data collection methods, and data analysis methods.

3.1 Research Design

The research design encompasses the type of study, its nature, and its setting.

3.2 Unit of Analysis

The study intends to analyze the responses of individual passengers at Fort Railway Station, Colombo.

3.3 Population

For this research study, the researchers have selected passengers at Fort Railway Station, Colombo. According to Fort Railway official data, the population of the research consists of 200,000 passengers within one day. Being a major transportation hub for commuters from all nine provinces of Sri Lanka, the diverse population is composed of individuals from different economic backgrounds and ethnicities.

3.4 Sample

The researchers have selected a sample of 1000 passengers from Fort Railway Station.

3.5 Data Collection Method

Data from passengers were collected through a questionnaire that consisted of three sections:

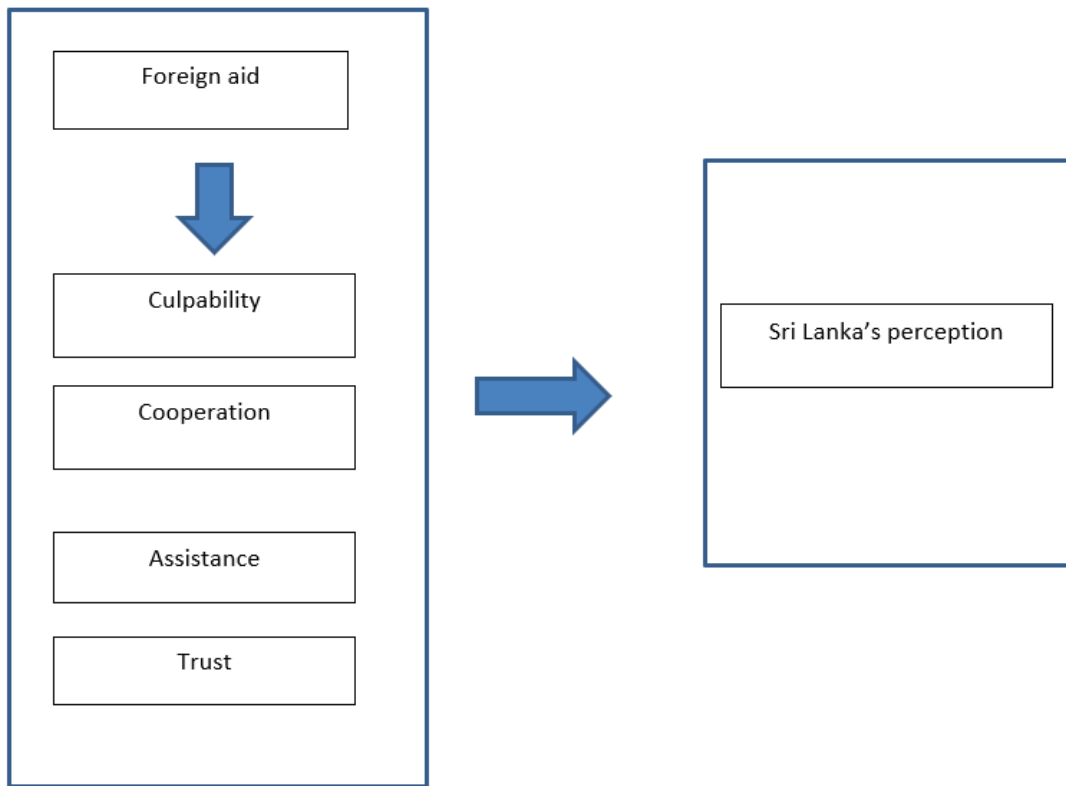
- Demographic factors
- Foreign aid
- Sri Lanka's perception

1.6 Data Analysis

The researchers used the SPSS software to analyze the questionnaire responses through the following methods:

- Univariate analysis
- Bivariate analysis

3.7 Conceptual framework



4. Data presentation and analysis

4.1 Introduction

This chapter is designed to answer the main objectives of the study undertaken by the researcher. Initially, the chapter provides details regarding presentation of collected data through questionnaire method. The chapter also includes the analysis of the data which were analyzed using statistical models, techniques and tools. This chapter of data consists of two sections;

- Univariate analysis where the researcher analyzes one variable at a time and is based on descriptive statistics
- Bivariate analysis where the researcher tests the hypothesis mentioned in the previous chapter using correlation analysis and Chi square test

4.2 Univariate analysis

4.2.1 Frequency distribution analysis

4.2.1.1 Age

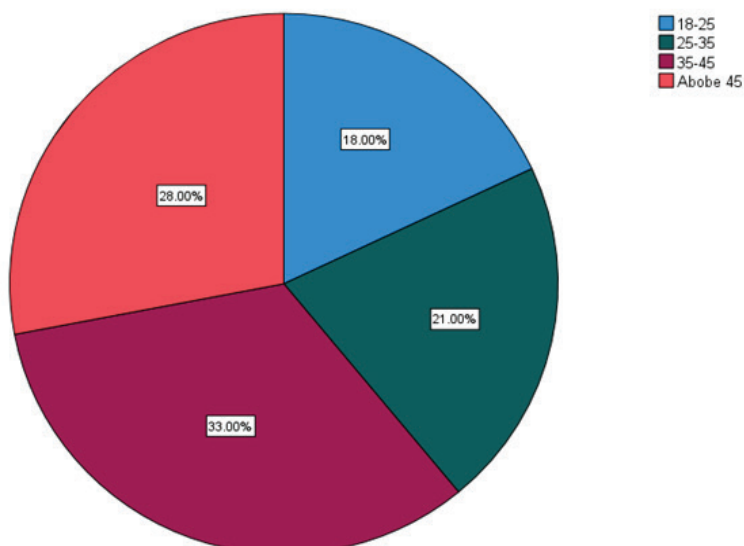


Figure 1: Age

According to figure 1, there are 18% passengers who responded in between 18-25 years and 21%, 33%, 28% included in age range 25-35, 35-45, and above 45 years respectively. The highest numbers of the respondents are from 35-45 age categories while the lowest respondents are from the 18-25 age categories and it is 18%.

4.2.1.2 Gender

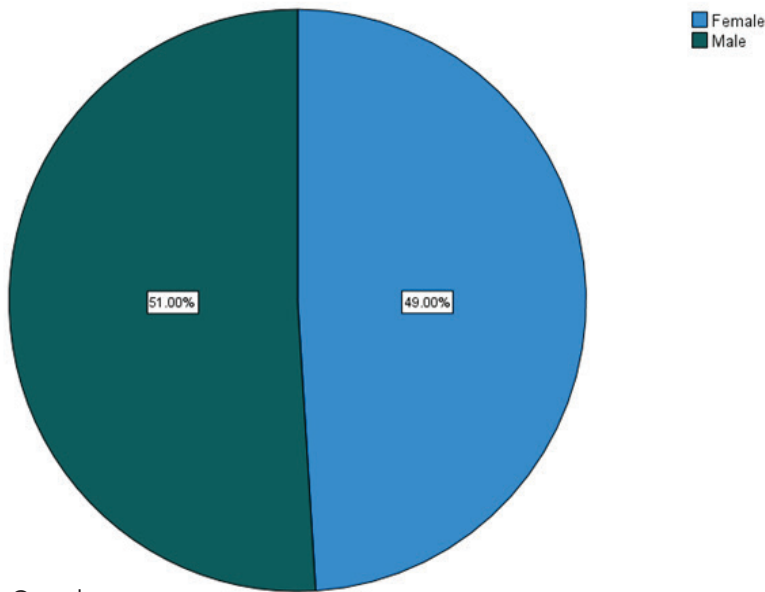


Figure 2: Gender

Based on Figure 2, the response rate shows that 51% of the respondents were male, while 49% were female. The majority of respondents were male passengers, indicating lower participation from female passengers. Nevertheless, the difference in response rates between the two genders was only a minor percentage.

4.2.1.3 Education level

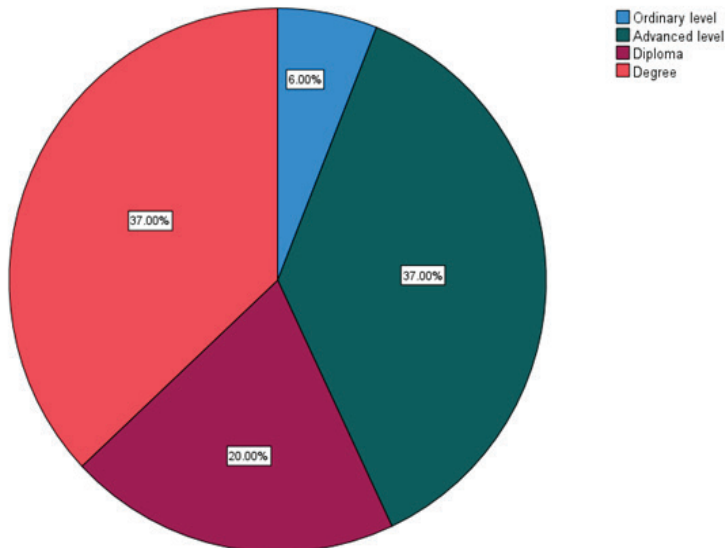


Figure 3: Education Level

Figure 3 reveals that 6% of the respondents had only passed their ordinary levels, 37% had passed their Advanced Levels, while diploma and degree holders accounted for 20% and 37% of the respondents respectively. The highest response rates were found among both Advanced Level and degree holders, which had the same rate. The lowest response rate, on the other hand, was from those who had only their ordinary level passes. Based on the available data, it can be shown that educated individuals are participating in this survey.

4.2.1.4 Occupation

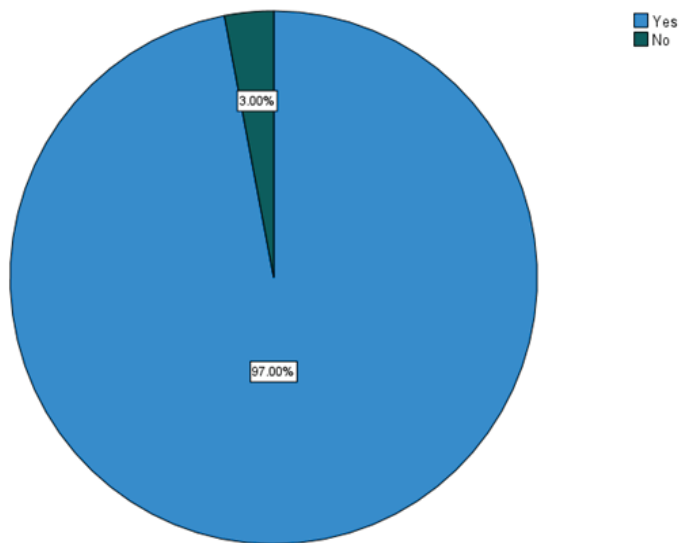


Figure 4: Occupation

According to the figure 4, 97% of the respondents are employed while the rest are unemployed. Percentage of employed respondents is 97% and 3% of respondents represent the people who are unemployed. Responses for the questionnaire were provided by employed people mostly.

4.2.1.5 Employed sector

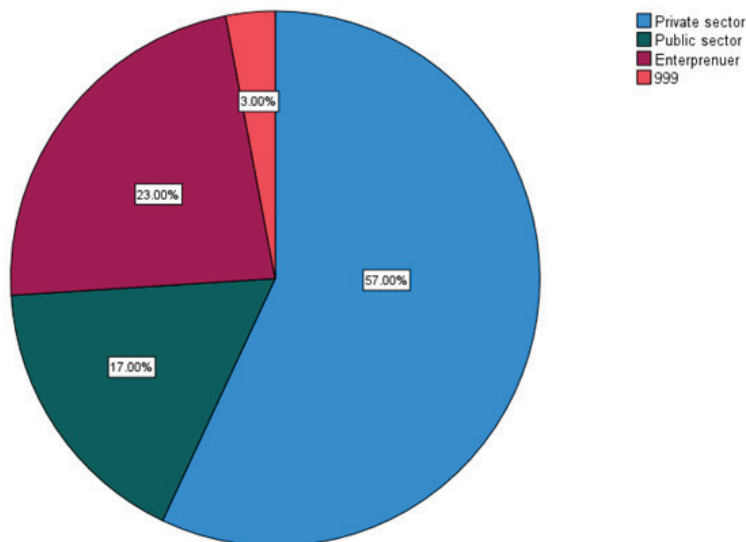


Figure 5: Occupied sector

As per figure 5, 97% of the respondents are employed; they represent 3 categories as private, public and entrepreneur respectively. 57% are employed in the private sector, 17% in the public sector and 23% in entrepreneur. Majority (57%) of respondents are employed in the private sector whilst minority (17%) is in public sector. 3% of respondents are unemployed.

4.2.1.6 People's opinion on whether foreign countries are responsible for Sri Lanka's economic crisis

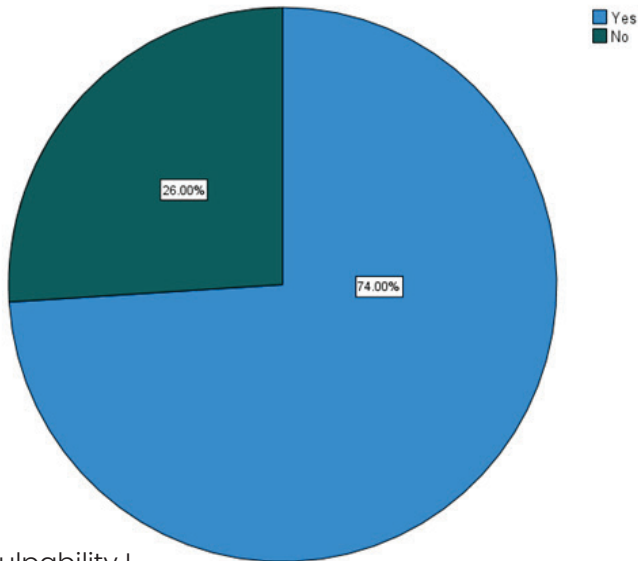


Figure 6: Culpability I

Figure 6 describes people's opinion on whether foreign countries are responsible for the Sri Lankan economic crisis or not. Accordingly, 74% of the respondents agree with the fact that "foreign countries are responsible for the Sri Lanka's economic crisis". The percentage of the respondents who disagree with the statement of is only 26%. Based on the above statement, it can be concluded that a significant majority of respondents are of the opinion that foreign countries are responsible for the Sri Lankan economic crisis.

3.2.1.7 People's opinion on the most responsible country for the Sri Lanka's economic crisis

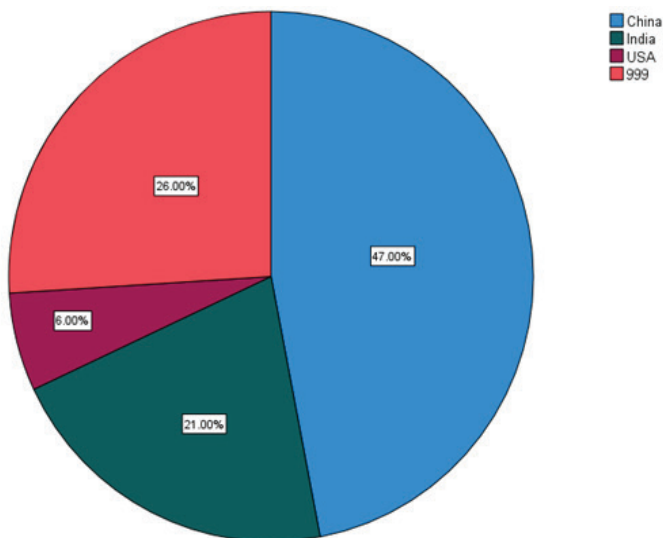


Figure 7: Culpability II

According to figure 7 respondents mentioned three foreign countries as responsible for Sri Lanka's economic crisis. Percentage of the respondents who stated that foreign countries responsible for the economic crisis in Sri Lanka are 47%, 21%, 6% is China, India and USA respectively. The majority of the responses state that China is responsible for SL's economic crisis whiles the minority as the USA. Based on the given information, it can be inferred that 26% of the respondents have no opinion or are unsure about whether foreign countries are responsible for the Sri Lankan economic crisis.

4.2.1.8 People's opinion on whether foreign countries assisted Sri Lanka during the economic crisis

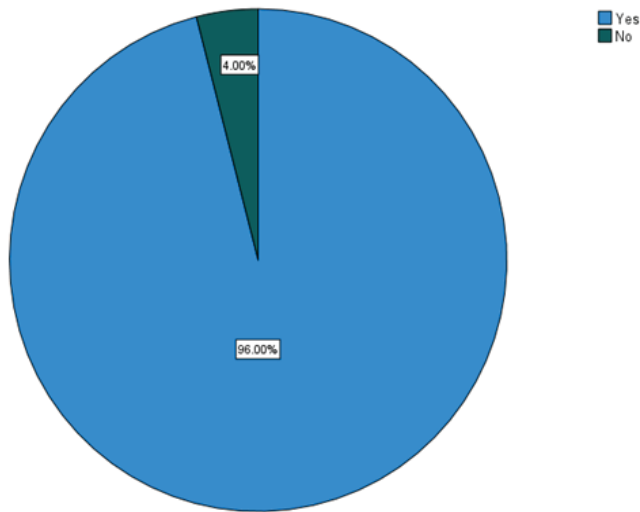


Figure 8: Assistance I

As per the figure 8, 96 % of respondents are of the viewpoint that there is assistance from foreign countries in the critical economic crisis in Sri Lanka while 4% of respondents state that there is no assistance from foreign countries during the economic crisis in Sri Lanka. However, according to the majority (96%) there is assistance from foreign aids.

4.2.1.9 The country which provided most assistance in foreign aid

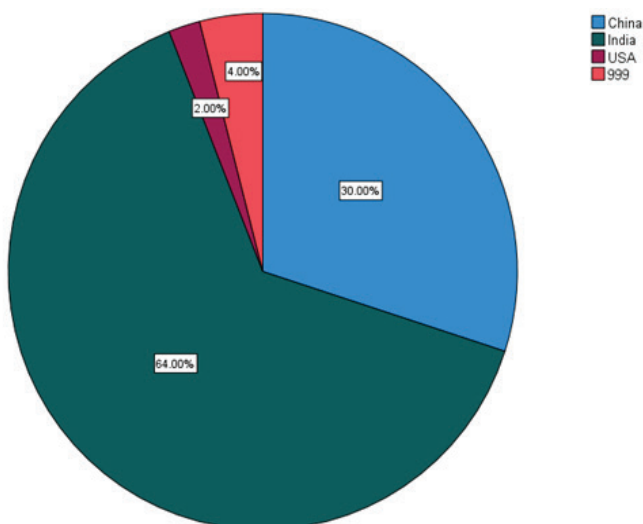


Figure 9: Assistance II

According to Figure 9, the majority of respondents (64%) believe that India provides the most foreign aid to Sri Lanka. Additionally, 30% of respondents believe China is the biggest contributor, while 2% believe it to be the USA. Only 4% of respondents believe that no foreign country is providing assistance during the current economic crisis in Sri Lanka.

4.2.1.10 People opinion on importance of working in cooperation with foreign countries to assist in Sri Lanka's economic crisis

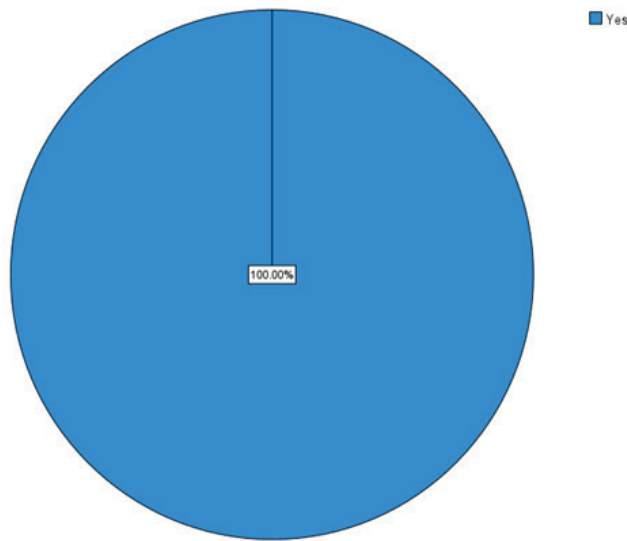


Figure 10: Cooperation I

Figure 10 reveals that all respondents (100%) agree with the statement, "Sri Lanka should work in cooperation with foreign countries to solve the economic crisis of the country." The unanimous agreement among respondents is a clear indication of their collective perspective on the matter.

4.2.1.11 The country that Sri Lanka should work in cooperation

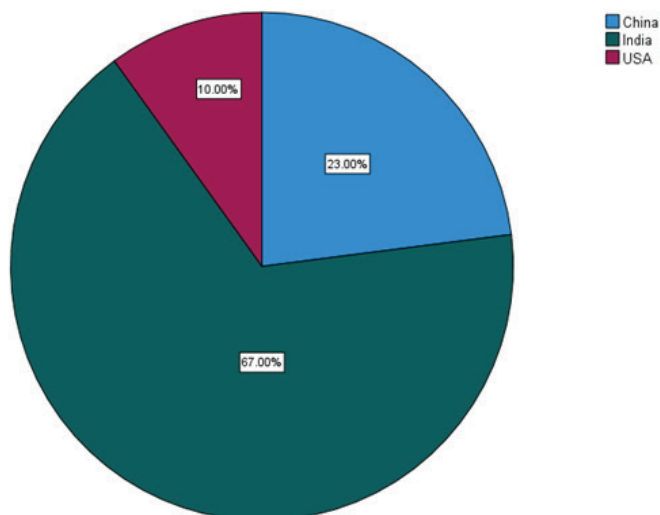


Figure 11: Cooperation II

Figure 11 illustrates the opinions of respondents regarding the ideal country for Sri Lanka to collaborate with in order to overcome the economic crisis. Among the respondents, 67% suggested that Sri Lanka should work in cooperation with India, while 23% indicated China and 10% think the United States of America as their preferred choice. It is evident that a majority of respondents believe that India would be the most suitable country for collaboration, while the minority expressed their preference for the United States.

It's worth noting that although respondents expressed varying preferences, they all acknowledged the significance of working in cooperation with other countries to effectively address Sri Lanka's current economic crisis. This suggests a general consensus among respondents on the importance of international collaboration in finding a solution to the country's economic challenges.

4.2.1.12 Which field should be given priority for growth in cooperation with foreign countries?

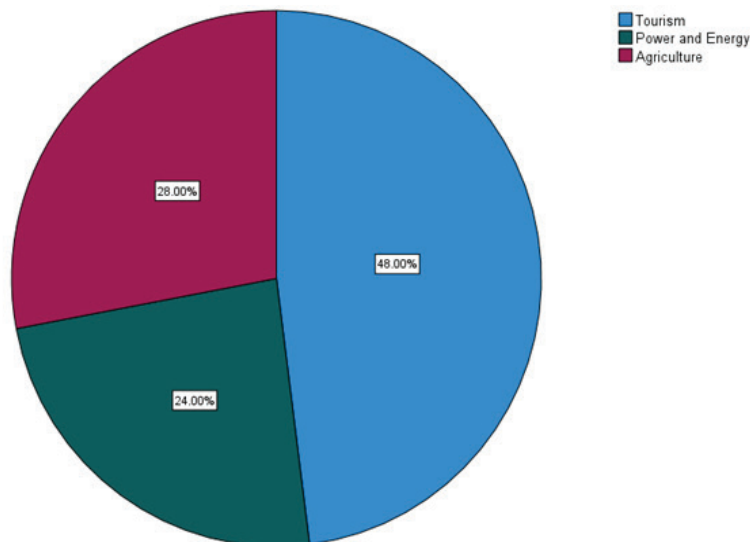


Figure 12: Cooperation III

According to Figure 12, respondents identified three industries as important areas for cooperation: tourism (48%), power and energy (28%), and agriculture (24%). The majority of respondents (48%) believe that the tourism industry is the most important sector to work with, as Sri Lanka is known for its natural beauty and promoting tourism can aid in solving the economic crisis. A smaller percentage of respondents (24%) believe that agriculture is the key industry for cooperation.

4.2.1.13 Sri Lankan's trust on foreign countries

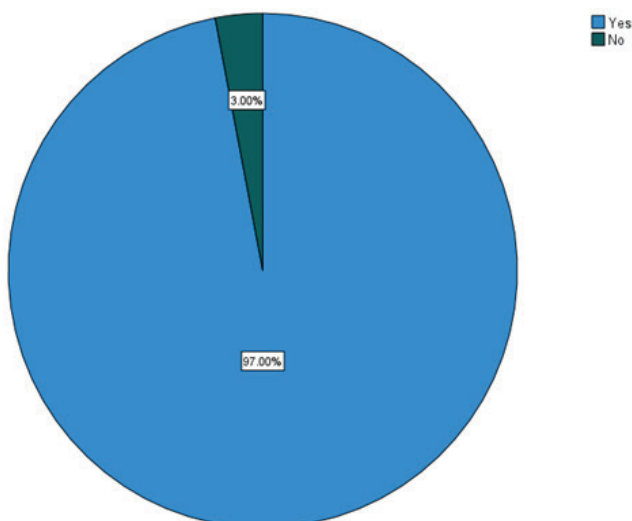


Figure 13: Trust I

Figure 13 reveals the respondents' perception of whether Sri Lanka can depend on foreign countries to assist in overcoming the current economic crisis. A significant majority of 97% of the respondents expressed confidence in the ability of foreign countries to aid Sri Lanka in moving away from the economic crisis. However, a small percentage of 3% held a different perspective, indicating skepticism about relying on foreign countries for assistance. This finding suggests that most respondents are open to the idea of international collaboration to address the economic challenges faced by Sri Lanka.

4.2.1.14 Which foreign country can be trusted to obtain foreign aid

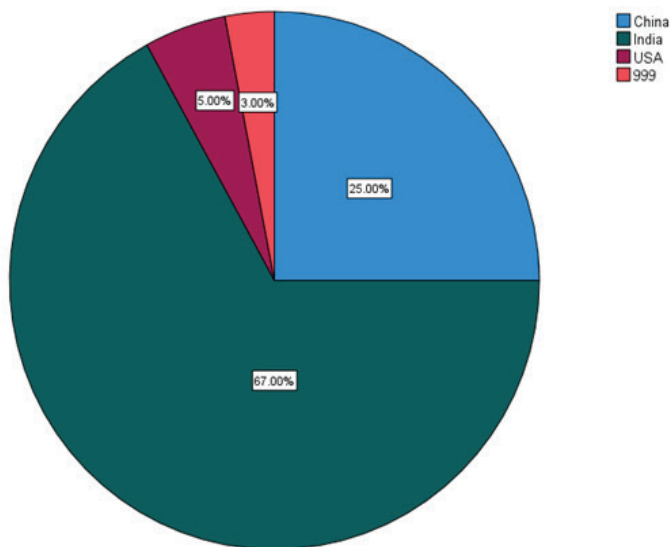


Figure 14: Trust II

In Figure 14, you can see the opinions of the respondents regarding three countries that could potentially assist Sri Lanka, namely China, India, and the USA. According to the survey, 25% of the respondents mentioned China, 67% mentioned India, and only 5% mentioned the USA. Furthermore, Figure 13 revealed that a mere 3% of the respondents expressed distrust towards all foreign countries for help.

The majority of respondents (67%) expressed their trust in India as the country Sri Lanka can rely on for international assistance. However, a minority of respondents stated that the USA is the trustworthy country for Sri Lanka to seek help from.

These findings suggest that while India enjoys a higher level of trust among the respondents while the USA is perceived as a less reliable option for international assistance in the context of Sri Lanka's economic crisis.

4.2.1.15 Sri Lankan people's satisfaction on foreign aid

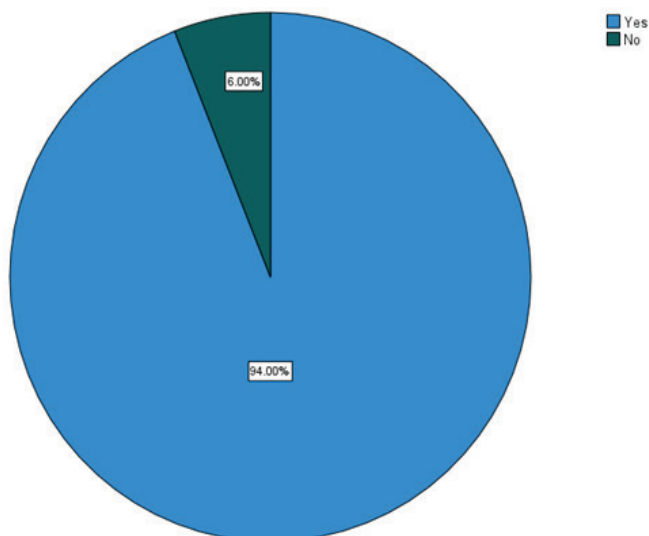


Figure 15: SL people's perception I

Figure 15 reveals that a significant majority of respondents, specifically 94%, expressed satisfaction with the foreign aid that Sri Lanka receives from other countries. Conversely, 6% of the respondents indicated dissatisfaction with the foreign aid provided. These findings highlight a generally positive sentiment among the respondents regarding the assistance received by Sri Lanka from foreign nations.

3.2.1.16 Which country's aid are Sri Lankan people most satisfied with?

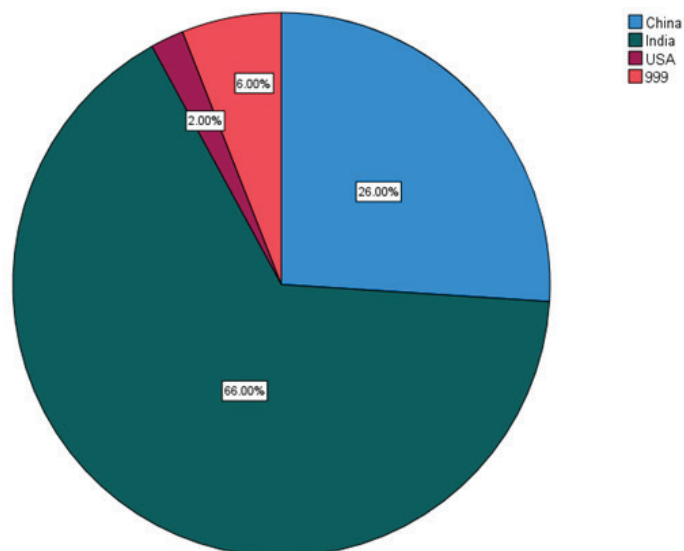


Figure 16: SL people's perception II

Figure 16 illustrates the countries that have provided aid that is most appreciated by Sri Lankans. According to the survey, 66% of Sri Lankans expressed the highest satisfaction with the aid provided by India, followed by 26% from China and 2% from the USA. However, 6% of respondents stated that people in Sri Lanka are not satisfied with the aids that are received from foreign countries. Overall, the survey indicates that Sri Lankan people have a higher level of satisfaction with the aid provided by India compared to other countries.

4.3 Bivariate analysis

The Bivariate analysis includes the Correlation analysis and the Chi square test, which is used to investigate any relationship between each of the independent variable (foreign aid) and the dependent variable (Sri Lankan people's perception).

4.3.1 Correlation analysis

Correlation analysis explains the relationship amongst the independent (foreign aid) variable and dependent variable (Sri Lankans' perception). Under the independent variable there are four factors which help to describe it as Culpability, assistance, cooperation and trust.

		Correlations				
		SL's perception	Culpability	Assistance	Cooperation	Trust
SL's perception	Pearson Correlation	1	-.125**	.378**	.170**	.203**
	Sig. (2-tailed)		.001	.000	.000	.000
	N	1000	740	1000	1000	1000
**. Correlation is significant at the 0.01 level (2-tailed).						

Table 1: Correlation analysis

Relationship of the independent variables (foreign aid) with the dependent variable (Sri Lankans' perception) was tested with the correlation analysis. All Correlation Coefficients are significant at 1% level (table 1). There are positive relationships of assistance, cooperation and trust with the Sri Lankan people's perception. The relationship between Culpability and Sri Lankan people's perception is negative.

3.3.2 Chi square test

This is primarily a nonparametric test and specially used in nominal data & ordinal data. Chi square test is used primarily to find out the significance difference between expected and observed frequency of the supplied data.

If the value of p (significance) is less than 0.05 then the result rejects the null hypothesis and accepts the alternative hypothesis. It indicates that there is significance connection between those two variables.

If the value is more than 0.05, then the result accepts the null hypothesis and rejects the alternative hypothesis. It indicates that there is no significant connection between two variables.

Testing hypothesis

4.3.3 Culpability

This factor describes the attribution of blame or responsibility for something wrong. In this case, it focuses on checking the foreign countries' irresponsibility for Sri Lanka's economic crisis.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	33.689a	6	.000
Likelihood Ratio	45.301	6	.000
Linear-by-Linear Association	11.514	1	.001
N of Valid Cases	740		
a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 1.62.			

Table 2: Culpability

The hypothesis 1 was:

H0 - There is no effect of culpability on Sri Lanka's perception

H1 - There is an effect of culpability on Sri Lankan people's perception

Therefore, according to the results of the test ($p=0.00$), alternative hypothesis is accepted since ($p<0.05$). Hence the data supports the hypothesis that there is an association of culpability with the Sri Lanka's perception. It means foreign countries responsible for the Sri Lankan economic crisis.

4.3.4 Cooperation

In this factor, it describes the acting together or compliance for something. Through this it shows whether Sri Lanka should work in cooperation with foreign countries or not for find a solution to the current economic crisis of Sri Lanka.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	942.502a	6	.000
Likelihood Ratio	947.449	6	.000
Linear-by-Linear Association	28.716	1	.000
N of Valid Cases	1000		
a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 2.00.			

Table 3: Cooperation

The hypothesis 2 was:

H0 - There is no effect of cooperation on Sri Lanka's perception

H1 - There is an effect of cooperation on Sri Lankan people's perception

Therefore, according to the results of the tests ($p=0.00$), alternative hypothesis is accepted since ($p<0.05$). Hence the data supports the hypothesis that there is an association of cooperation with Sri Lanka's perception. It means Sri Lanka should work in cooperation with foreign countries.

4.3.5 Trust

Firm belief towards someone or something is described by this factor. It shows whether Sri Lanka could keep the trust on foreign countries or not and if it is possible which country is more trustworthy towards Sri Lanka.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1333.154a	9	.000
Likelihood Ratio	1139.646	9	.000
Linear-by-Linear Association	41.154	1	.000
N of Valid Cases	1000		

a. 4 cells (25.0%) have expected count less than 5. The minimum expected count is .60.

Table 4: Trust

The hypothesis 1 was:

H0 - There is no effect of trust on Sri Lanka's perception

H1 - There is an effect of trust on Sri Lankan people's perception

Therefore, according to the results of the tests ($p=0.00$), alternative hypothesis is accepted since ($p<0.05$). Hence the data supports the hypothesis, that there is an association of trust with Sri Lankan's perception. It means Sri Lanka could keep trust on foreign countries.

4.3.6 Assistance

In the factor assistance, it describes the action of help towards any task or job by doing a part of the work. Through this it examines whether foreign countries offer their assistance or the help Sri Lanka in this critical economic crisis or not. In other words, it shows the country who gives most foreign aids.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1928.574 ^a	9	.000
Likelihood Ratio	1144.236	9	.000
Linear-by-Linear Association	142.650	1	.000
N of Valid Cases	1000		
a. 4 cells (25.0%) have expected count less than 5. The minimum expected count is .40.			

Table 5: Assistance

The hypothesis 4 was:

H0 - There is no effect of assistance on Sri Lanka's perception

H1 - There is an effect of assistance on Sri Lankan people's perception

Therefore, according to the results of the tests ($p=0.00$), alternative hypothesis is accepted since ($p<0.05$). Hence the data supports the hypothesis that there is an association of assistance with Sri Lanka's perception. It means foreign countries assist in helping in this Sri Lanka's economic crisis.

4.3.7 Findings

After conducting research on the relationship between foreign aid and Sri Lankan perception, the following findings were identified:

- It was indicated that the most of the respondents represented the age group of 35-45 years.
- The majority of respondents were advanced level passed (37%) and degree holders (37%).
- The 97% of respondents are employed and the majority are from the private sector.
- The 74% of respondents indicate that foreign countries are responsible for the current economic crisis that Sri Lanka faces and 47% stated that China is the country responsible for the economic crisis.
- 96% from all the respondents indicate that foreign countries assisted in providing foreign aid to Sri Lanka and India is the country who assisted most towards Sri Lanka.
- All the respondents (100%) agreed with the statement that Sri Lanka should work in cooperation with foreign countries. Tourism sector was mentioned as the industry that should be developed.
- 97% respondents indicate that Sri Lanka have trust on foreign countries for assistance and 67% stated as India being the country that Sri Lanka can trust.
- 94% is satisfied with the help Sri Lanka receives from foreign countries and 66% stated that India is the most helpful country.

- In hypothesis testing it proved that all the factors (culpability, assistance, cooperation and trust under independent variable (foreign aid) have significant relationships with the dependent variable (Sri Lankans' perception).
- In correlation analysis culpability has a negative relationship with Sri Lanka's perception. When the foreign countries' responsibility for the Sri Lanka's economic crisis goes high, Sri Lankans' perception towards foreign countries goes down.
- In correlation analysis all the other factors of independent variable, assistance, cooperation and trust have positive relationships with the dependent variable (Sri Lankans' perception). In other words when effect of all the factors, trust, assistance and cooperation goes high Sri Lankans' perception towards foreign countries also goes high.

5. Summary

The data analysis mainly revolved around the collected sample. Firstly, the author presented and analyzed the basic information regarding the study's sample. Secondly, descriptive statistics were used to analyze the data, considering all variables as having positive responses. Finally, correlation analysis and chi-square tests were conducted to determine the relationship between the dependent variable (Sri Lankan's perception) and independent variable (foreign aid).

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