

Researching livelihoods and
services affected by conflict

Tracking change in livelihoods, service delivery and governance

Evidence from a 2012-2015 panel
survey in Sri Lanka

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About us



The **Secure Livelihoods Research Consortium (SLRC)** aims to generate a stronger evidence base on how people make a living, educate their children, deal with illness and access other basic services in conflict-affected situations (CAS). Providing better access to basic services, social protection and support to livelihoods matters for the human welfare of people affected by conflict, the achievement of development targets such as the Sustainable Development Goals (SDGs) and international efforts at peace- and state-building.

At the centre of SLRC's research are three core themes, developed over the course of an intensive one-year inception phase:

- State legitimacy: experiences, perceptions and expectations of the state and local governance in conflict-affected situations
- State capacity: building effective states that deliver services and social protection in conflict-affected situations;
- Livelihood trajectories and economic activity under conflict

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Acronyms and glossary



CEPA	Centre for Poverty Analysis, Sri Lanka	LKR	Sri Lankan Rupee
CSI	Coping Strategies Index	LTTE	Liberation Tigers of Tamil Eelam
DRC	Democratic Republic of Congo	MDGs	Millennium Development Goals
DS	Divisional Secretary	MFIs	Micro finance institutions
DSDs	Divisional Secretary divisions	MSI	Morris Score Index
ERD	European Report on Development	NGO	Non-governmental organisation
FCS	Food Consumption Score	NPC	Northern Provincial Council
FE	Fixed Effects Model	ODI	Overseas Development Institute, United Kingdom
FHH	Female-headed household	OECD	Organisation for Economic Co-operation and Development
GA	Government agent	PCs	Provincial councils
GDP	Gross domestic product	PTF	Presidential Task Force
GN	Grama niladhari	RDA	Road Development Authority
GND	Grama niladhari division	RE	Random Effects Model
HSZs	Northern high security zones	SDGs	Sustainable Development Goals
IDPs	Internally displaced persons	SEZ	Special economic zone
IMF	International Monetary Fund	SLMC	Sri Lanka Muslim Congress
INGO	International non-governmental organisation	SLRC	Secure Livelihoods Research Consortium
IPKF	Indian Peace Keeping Force	TNA	Tamil National Alliance
ITAK	Ilankai Thamil Arasu Katchi	WFP	World Food Programme
LAs	Local authorities		

Contents



Preface	vi	7.3	Summary of findings	52
Executive summary	vii	8	Conclusions and policy recommendations	53
Livelihood trajectories	vii	8.1	Ethnicity	53
Changing access to and satisfaction with services	viii	8.2	Geography	55
Changing perceptions of government	ix	8.3	Access to services and perceptions of government	57
1 Introduction	1	8.4	Gender	59
2 Background, objectives and analytical framework	2	8.5	Displacement	60
2.1 The Sri Lanka survey and SLRC's broader research programme	2		Appendix: a guide to the survey design	64
2.2 Objectives of the panel survey	3			
2.3 Analytical frameworks	3			
3 Methods	9			
3.1 Design process	9			
3.2 Data collection	11			
3.3 Sampling and weighting for non-response	12			
3.4 Analytical methods	13			
4 Geographic locations and changes in the survey context	15			
4.1 The broader political and economic context	15			
4.2 The survey locations	17			
4.3 The survey sample	18			
5 Livelihood trajectories	21			
5.1 Household food security	21			
5.2 Household wealth	29			
5.3 Summary of findings	33			
6 Access to and satisfaction with services	34			
6.1 Health	34			
6.2 Water	37			
6.3 Education	38			
6.4 Social protection	39			
6.5 Livelihood assistance	41			
6.6 Summary of findings	44			
7 Changing perceptions of government	46			
7.1 Perceptions of central government	46			
7.2 Perceptions of local government	50			

Tables, boxes and figures



Table 1: Composition of Coping Strategies Index, from survey instrument	4	Table 17: Average food insecurity by displacement period	27	Figure 4: Critical events that caused large-scale displacement	19
Table 2: Example of question added to survey instrument	10	Table 18: Changes in CSI by displacement period	27	Figure 5: Change in food insecurity (2012 - 2015)	21
Table 3: Attrition, by district and GND	12	Table 19: Average change in MSI, by quintile in wave 1	30	Figure 6: CSI score by wave, by average level of household education among adults at baseline	23
Table 4: Summary of outcome variables	14	Table 20: Household income by occupation in 2012/13 (war-affected north and east vs. the rest of country)	31	Figure 7: Mean CSI score, by gender of household head (both waves)	24
Table 5: Geographical and ethnic composition of the sample	18	Table 21: MSI in each wave, by reason for displacement	32	Figure 8: Types of shocks experienced in each wave	26
Table 6: Reason for displacement (as at wave 1)	19	Table 22: Change in journey time to nearest health clinic	35	Figure 9: CSI score over time, by duration of displacement	28
Table 7: Period of most recent displacement (as at wave 1)	19	Table 23: Changes in satisfaction with health service over time	35	Figure 10: CSI over time, by ethnicity	29
Table 8: Change in livelihood diversity from 2012 to 2015	19	Table 24: Switchers and stayers for receipt of <i>Samurdhi</i> , by district	39	Figure 11: Change in household wealth between waves (2012 - 2015)	29
Table 10: Change in exogenous vs. endogenous shocks between waves	20	Table 25: Change in receipt of credit loans between waves, by district	42	Figure 12: Distribution of difference in MSI between waves (capped at +/- 100)	29
Table 9: Sources of borrowing, by wave	20	Table 26: Change in perception of central government action between waves, by district	48	Figure 13: MSI over time, by average level of household education	31
Table 11: Average change in CSI between waves by quintile	22	Box 1: Hypotheses on changing livelihoods and wellbeing	5	Figure 14: MSI over time, by duration of displacement	32
Table 12: Average CSI, by district	22	Box 2: Hypotheses on changing access to and satisfaction with services	6	Figure 15: Mean change in MSI score, between waves, by gender of household head	33
Table 13: 'Are there specific threats faced by women and girls?' (weighted responses)	24	Box 3: Hypotheses on changing perceptions of government	8	Figure 16: Perceptions of central government's concerns, by wave	47
Table 14: 'Are there specific threats faced by women and girls?' (in wave 2, by DS division)	24	Figure 1: Central administrative hierarchy	7	Figure 17: Perceptions of central government's actions, by wave	47
Table 15: 'How safe do you feel in your neighbourhood?' (between waves)	25	Figure 2: Elected bodies with devolved authority	7	Figure 18: Perceptions of local government action, by wave	50
Table 16: Number of shocks (exogenous and endogenous) experienced between 2012 and 2015	25	Figure 3: Gender of respondents	18		

Preface



As a multi-year, cross-country research programme, one of the overarching aims of the SLRC is to contribute towards a better understanding of what processes of livelihood recovery and state-building look like following periods of conflict and how positive outcomes are achieved. Understanding socioeconomic change of this nature is possible only when appropriate evidence exists. This, in turn, requires the availability of reliable longitudinal data that are able to measure shifts, fluctuations and consistencies in the performance of a given unit of analysis (e.g., an individual, a household, an economy) against a set of outcome indicators between at least two points in time. With a six-year timeframe, SLRC is uniquely placed to contribute to understanding how change happens over time. To this end, the Consortium has conducted original panel surveys in five countries: the Democratic Republic of Congo (DRC), Nepal, Pakistan, Sri Lanka and Uganda. We are following a slightly different process in two other countries – Afghanistan and South Sudan – by working alongside planned or existing panel surveys.

Two waves of data collection have taken place between 2012 and 2015. Despite the difficult circumstances in which the survey teams worked – all of them either fragile or conflict-affected – they managed to find six out of every seven people that they sought to re-interview in 2015. Out of a total of 9,767 respondents interviewed in the first wave, a staggering 8,404 were re-interviewed in the second. The initial sample sizes were inflated to allow for attrition so that, even with some respondents not interviewed, the sample remains representative at a specific administrative/geographical level in each country at the time of the first wave and is statistically significant.

All told, the SLRC panel presents an opportunity to go beyond cross-sectional analysis, generating information about changes in the sample over time and the specific trajectories that individuals and their households have followed. More specifically, the surveys are designed to generate information about changes over time in:

- people's livelihoods (income-generating activities, asset portfolios, food security, constraining and enabling factors within the broader institutional and geographical context)
- their access to basic services (education, health, water), social protection and livelihoods assistance
- their relationships with governance processes and practices (participation in public meetings, experience with grievance mechanisms, perceptions of major political actors).

Undertaking a cross-country, comparative panel survey in difficult environments is far from a straightforward exercise. For purposes of transparency and clarity, we highlight two major limitations of our research below. The first was raised in the original baseline reports – namely that in producing standardised regression analyses that allow comparisons to be made across countries, we lose flexibility in the country-specific variables we can include. The trade-off between comparative and country analysis is even more pronounced after two waves of data are collected because we require consistency in the choice of model (particularly the choice between Random Effects and Fixed Effects models) across countries. Second, panel analysis requires substantial numbers of respondents who change their responses between rounds (for example, from a negative to a positive view of a particular government actor). In some cases, there has simply not been enough change to run a full analysis on these variables.

These limitations signal the complexities of panel data collection analysis. But, on the whole, they do relatively little to undermine the analytical contribution that the survey makes to our understanding of how livelihoods and wellbeing, access to and satisfaction with services, and perceptions of government actors change over time in fragile and conflict-affected situations.

Executive summary



Sri Lanka's 26-year civil war ended in 2009 with the military defeat of the Liberation Tigers of Tamil Eelam (LTTE). While the root causes of the protracted war are multiple and complex, the post-independence politics of a majority-led leadership and the local and global political economic situation laid the foundations for violent social and political dissent. The proliferation of militant groups in the north and east of Sri Lanka culminated into fully-fledged war in the early 1980s, with the LTTE emerging as a protagonist in the drawn-out conflict with the state. Intermittent conflict led to several waves of internal displacement, and the Indian Ocean tsunami of 2004 added to the number of internally displaced persons (IDPs) in war-affected regions of Sri Lanka. In line with the overarching aims of the SLRC, a panel survey of 1,377 households was conducted in Sri Lanka in 2012 and 2015 to collect longitudinal data on the socioeconomic changes amongst communities resettled after the war and their perceptions of local and central government.

Drawing upon analytical frameworks of state legitimacy, service delivery and sustainable livelihoods, the quantitative survey was conducted among people living in selected areas of three districts in the war-affected North and East Provinces of Sri Lanka, namely: Jaffna (north), Trincomalee (east) and Mannar (north west). The survey examined:

- changes in household livelihoods and wellbeing
- people's access to and experience of service delivery and livelihood support
- people's perceptions, expectations and experiences of the state and of local-level governance.

Supplementing the panel data with secondary data and a contextual analysis conducted during the second wave of the survey in 2015, this report describes how service delivery, livelihood recovery and the wellbeing of resettled communities are integrated into a wider set of economic

and political contestations that operate at the local, national and international level.

While active fighting did not occur between the two survey waves, militarisation of everyday life is evident, with the military having consolidated control over the war-affected areas. Among other significant macro-level changes is Sri Lanka's inclusion into the middle-income-country classification in 2012. Militarisation and the centralisation of power by the Rajapakse administration created a sense of stability, which in turn facilitated post-war reconstruction and development. In this context, the north and east of the country experienced rapid penetration by Colombo- or south-based banks, microfinance institutions, retailers and other businesses, which exposed war-affected areas to consumerism.

Of the 1,377 households surveyed in the first wave, 1,182 were reached again during the second wave (an attrition level of 14.1%). Although the sample was drawn from three districts – which were purposively selected to capture geographic variation in conflict and return, resettlement and recovery time – the data are not representative at the district level. They are representative, however, at both the *grama niladari* division (GND) (ward) level and village level.

Livelihood trajectories

We find that **food insecurity** has worsened for many households between 2012 and 2015. A move into public-sector employment between waves is a statistically significant factor associated with improved food security, whilst experiencing exogenous shocks between waves is associated with worse food insecurity. Timing of displacement is also significant, as those who are categorised as 'old' IDPs (displaced prior to 2000) faced greater food insecurity than those who had been displaced more recently ('new' IDPs). Female-

headed households (FHHs)¹ had significantly worse food insecurity than male-headed households (MHHS), and Sinhala² households were better off in comparison to Tamil³ households. Our wider contextual analysis suggests several key factors that could explain the worsened food insecurity among resettled communities, including: 1) high debt levels and the use of credit to buy food; 2) lack of access to productive resources (particularly land and water); 3) irregular income and dependence on in-kind contributions and gifts; 4) high food prices; and 5) a lack of social safety nets.

Counterintuitive next to the finding on worsening food insecurity, **asset ownership** has improved on average across the surveyed households between waves, with an increasing reliance on credit emerging alongside this. The increased credit offered by banks and microfinance institutions, as well as remittances received from relatives elsewhere in Sri Lanka or abroad, can be spent on household items and light vehicles that have become available in abundance in the north and east of Sri Lanka. Households that have grown in size between waves seem to have increased their asset ownership; however, FHHs face lower levels of asset ownership compared to other households. Experiencing exogenous shocks (such as floods and price hikes) between survey waves and no longer having economically active members in the household are associated with ownership of fewer assets over time. Receiving supplementary sources of income between waves such as the social protection transfer *Samurdhi* (a large, nationwide welfare programme targeting the poorest households), livelihood assistance and remittances, is, as expected, positively associated with changes in asset ownership.

Changing access to and satisfaction with services

While the state continued to provide **basic services** to affected communities throughout the war – and the LTTE encouraged this practice – service delivery was inconsistent and did not reach many IDPs. The survey results show that access to services has improved overall for many households between 2012 and 2015, and, when examining economic factors, we find that increased asset ownership between waves is positively associated with better access to healthcare, education and livelihood

assistance. On the other hand, loss of economically active members between waves means that households are less likely to receive the state-sponsored social protection measure, *Samurdhi*.

Historically unavailable in war-affected areas, we find an increase in coverage of the *Samurdhi* programme overall. Whilst Trincomalee had fairly high coverage in both waves, both Jaffna, and in particular Mannar, saw large increases in the number of households receiving *Samurdhi* by 2015. While economic hardship qualifies a household to receive *Samurdhi* in theory, every administrative unit has a quota, and unless existing recipients graduate from the programme then newly qualified households may not receive assistance for long periods of time.

Service delivery is also linked to a system characterised by political patronage, partisan politics and political manipulations within local governance. In such a clientelistic political system, households that do not have access to these networks are often at a disadvantage. The patron-client system of entitlements is also ethnicised, with Sinhala households more likely to receive livelihood assistance, and Muslim households relatively worse off with regards to access to water.

Compared to those headed by men, FHHs face difficulty in accessing many basic services, including healthcare, *Samurdhi* and livelihood assistance. The district where respondents live also plays a key role in access to services, with respondents from Trincomalee having relatively better access to healthcare, education and social protection compared to those from Jaffna and Mannar. While Trincomalee transitioned from LTTE to state control earlier than the other two districts, this alone may not explain why resettled communities in this district are better off with respect to service delivery. Rather, Trincomalee is a strategic location in the north and east for the central government to counter the Tamil nationalist dominance in Jaffna, and the post-war reality of the district is accentuated by the presence and visibility of the state, often through military means.

The survey also examined respondents' **satisfaction with services** and the factors that influenced changes in satisfaction between waves. Overall, respondents

1 In wave 1, we defined female-headed households as those households without a male adult income earner, whereas in wave 2 we asked respondents to directly indicate which household member was the household head. Since this is a self-identified measurement and likely to be influenced by the respondents' understanding of the head of the household, it is therefore likely to be an under-estimation of the true number of FHHs.

2 The largest, predominantly Buddhist, ethnic group in Sri Lanka.

3 Tamils comprise approximately one quarter of the Sri Lankan population, and are largely Hindu.

were more satisfied with basic services and *Samurdhi* between the survey waves and the difference was statistically significant. The key factors associated with changes in respondents' satisfaction with education relate to specific characteristics of the service, including the number of teachers, quality of teaching staff and class size. The most significant variables associated with greater satisfaction with healthcare between waves are also changes in satisfaction with certain aspects of the service, such as the number of qualified personnel, time spent by the doctor with the patient and the language of communication.

People's satisfaction with *Samurdhi* improved in instances where the households experienced endogenous shocks (i.e. a sudden health problem or a death of a family member) between the two waves. The *Samurdhi* transfer is only a nominal amount, however, so often serves as a buffer to protect households from falling into destitution. Recipients of *Samurdhi* in Jaffna and Trincomalee were also seen to have worse perceptions of the transfer than those in Mannar, with the decreasing satisfaction being shaped by expectations of recipients. For example, many of the resettled communities in Jaffna and Trincomalee have been receiving *Samurdhi* for a longer period than those in Mannar. Even though *Samurdhi* may have been the most important (if not the only) safety net initially, it may have declining marginal utility over time, as resettled communities anchor themselves in a location and their needs begin to change.

Changing perceptions of government

Sri Lanka experienced a change in regime with the presidential election in January 2015 and the general election in August 2015. The high level of support received by President Maithripala Sirisena in the north and east was a deciding factor in his victory, and is reflected in our data on perceptions of the central government. Indeed, **perceptions of the central government** improved between waves across all three districts. Given that the survey was conducted during the 'honeymoon period' of the current presidency, respondents may have been hopeful that the new government would usher in economic justice (a key

issue during the elections) for people in war-affected areas. However, while Mahinda Rajapakse's previous government was criticised for its model of development that led to further dispossession of war-affected communities and its failure to create safe and secure income-generating opportunities, President Sirisena's current government has so far failed to resolve this issue also.

In addition to lack of economic security, access to and experience of health services appear to be associated with people's perceptions about central government. Access to and experience of water and education, social protection, and livelihood assistance do not influence perceptions of central government, however, creating a hierarchy of service priorities among people living in war-affected areas.

People's **perceptions of local government** have a less clear pattern of change between waves, although there also appears to be an association with experience of health services. Further to this, efforts to consult the public on services emerges as an important factor that shapes their perceptions of the actions and concerns of local government. This finding may indicate that consultative processes nurture a sense of ownership in local processes of service delivery.

People's perceptions of both central and local government also varied across geographic locations, with respondents from Jaffna having more positive perceptions of both central and local government in comparison to Mannar. While successive governments have had contentious relations with Jaffna (considered the centre of Tamil nationalist politics and activism), the newly elected government introduced a few significant measures in response to demands of the Tamil political leadership, possibly renewing hope among the Jaffna polity that they now have a voice in central-government politics.

While the survey results offer a positive picture of recovery in general, the data strongly depicts an unevenness along ethnic, spatial, and gender dimensions.

1 Introduction



In 2012/13, the SLRC designed and implemented the first round of a panel survey in five conflict-affected countries: DRC, Nepal, Pakistan, Sri Lanka and Uganda. The survey generated cross-country data on livelihoods, access to and experience of basic services, exposure to shocks, coping strategies, and people's perceptions of governance.

In 2015, 1,182 of the original 1,377 respondents in the Sri Lanka sample were re-interviewed, providing a second wave of data for longitudinal analysis. The survey covered three districts in the war-affected northern and eastern provinces of Sri Lanka - Jaffna, Mannar and Trincomalee - and was administered from September to October in both survey waves.

There have been several key changes to the broader political economy of Sri Lanka between the two waves of the panel survey, as well as continuities in the post-war context. The continued militarisation of civilian life in the aftermath of the war, increasingly scarce funding from donors after Sri Lanka became a middle-income country, and the presidential and general elections in 2015 that led to regime change have had an impact on people's livelihoods and their perceptions of the state within the study localities. This paper presents the findings of the panel survey across the two waves in Sri Lanka, and informs - together with the four other country reports (Ferf *et al.*, 2016; Shahbaz *et al.*, 2017; Sturge *et al.*, 2017a; Marshak *et al.*, forthcoming) - the complete survey synthesis report (Sturge *et al.*, 2017b).

Section 2 provides the background to the survey, situating it in relation to the overarching themes of SLRC's research programme, outlining the objectives of the survey, and presenting the analytical frameworks used to guide analysis of the survey data. Section 3 presents the survey methodology for Sri Lanka in greater detail, discussing the specific sampling methods used and describing basic characteristics of the final sample. Section 4 describes some of the major contextual changes that have taken place in Sri Lanka between the first and second waves of data collection that may have a bearing on changing livelihoods and wellbeing, access to and satisfaction with services, and perceptions of government actors. Sections 5-7 constitute the analytical core of the paper, respectively exploring factors that influence livelihood status, those that influence people's access to and experience of services and social protection, and those that influence people's perceptions of governance. Finally, Section 8 concludes with preliminary policy implications and suggestions for additional research.

2 Background, objectives and analytical framework

2.1 The Sri Lanka survey and SLRC's broader research programme

The cross-country panel survey is of direct relevance to themes from SLRC's six-year global research programme:

- 1 *Legitimacy*. What are people's perceptions, expectations and experiences of the state and of local-level governance? How does the way services are delivered and livelihoods are supported affect people's views on the legitimacy of the state?
- 2 *Livelihood trajectories*. What do livelihood trajectories in conflict-affected situations tell us about the role of governments, aid agencies, markets and the private sector in enabling people to make a secure living?

2.1.1 Legitimacy: people's perceptions of governance and the role of service delivery

Establishing, building or strengthening state legitimacy are major elements of state-building. The Organisation for Economic Co-operation and Development (OECD) (2010: 3), for example, notes that, 'State legitimacy matters because it provides the basis for rule by consent rather than by coercion'. Indeed, a lack of state legitimacy is seen as a major contributor to state fragility because it undermines state authority. While the steps that donors can take to influence state legitimacy are few, they have an interest in developing a clearer understanding of what leads to legitimacy; what, if anything, can they do to strengthen state-society relations; and what might be the (unintended) positive and negative impacts of their programming on state legitimacy if they, for example, route development funding via bodies other than the formal organs of the state.

Literature reviews carried out during SLRC's inception year find very little evidence for the frequent assertion that improving access to services and social protection in conflict-affected situations contributes to state-building (see, in particular, Carpenter *et al.*, 2012). The relationship between delivering services and state-society relations remains poorly understood. Given the cited importance of legitimacy in state-building processes – as the *European Report on Development* (ERD, 2009: 93) notes, 'State-building efforts are bound to fail if, in strengthening institutional capacities, the legitimacy of the state is not restored' – it is both surprising and concerning that we have so little robust knowledge about what leads to state legitimacy.

Despite these gaps, state-building – encompassing both legitimacy and capacity – provides the organising framework for much international engagement in conflict-affected situations. In tackling this question, we are thus taking up the OECD’s (2010: 55) call for donors to ‘seek a much better understanding – through perception surveys, research and local networking – of local people’s perceptions and beliefs about what constitutes legitimate political authority and acceptable behaviour’.

2.1.2 Livelihood trajectories: tracking change and identifying determinants

Literature reviews carried out during SLRC’s inception year identify a key evidence gap in empirical and longitudinal research on livelihoods in conflict-affected situations. Although good in-depth case studies can sometimes be found on livelihood strategies in particular contexts, these are usually just snapshots and may be limited in capturing the causes of livelihood trajectories in dynamic environments. Qualitative case study approaches are also insufficiently linked to quantitative survey data, and there is a significant gap in any comparative analysis of the effectiveness and impact of interventions to support livelihoods (see, in particular, Mallett and Slater, 2012). There is some evaluation and academic literature that examines the impact of particular projects or programmes, but very little that looks at the overall significance of aid in people’s livelihoods and compares the impact of different approaches. SLRC’s research programme aims to fill some of these gaps by building a picture of how people make a living in particular contexts, and tracking how this changes over time.

2.2 Objectives of the panel survey

Regarding the first theme on *legitimacy*, our approach documents and analyses people’s views of governance in conflict-affected situations. It should be emphasised that we are interested here not just in the state, but also in a wider collection of governance actors. As such, we consider people’s perceptions of both local and central government as well as of other forms of public authority. A cross-country panel survey incorporating perception-based questions enables this, allowing us to investigate difficult-to-measure, subjective issues such as trust and satisfaction, and providing both a comparative snapshot and a longitudinal perspective.

SLRC is undertaking rigorous, longitudinal livelihoods research on the theme of *livelihood trajectories*. Our aim is to build a picture of how people make a living in

particular contexts, track how this changes over time and shed light on what causes change. We want to know whether people are recovering or starting to build stronger and more secure livelihoods, are stuck in poverty or are sliding into destitution, and how the broader political, economic and security environment affects this. Implementing a panel survey that captures both the dynamics and the determinants of people’s livelihoods enables this.

2.3 Analytical frameworks

Three basic analytical frameworks emerged from the survey design process, outlined below (and in greater depth in the synthesis paper (Mallett *et al.*, 2015)).

2.3.1 Livelihood and wellbeing trajectories

Livelihoods and wellbeing are broad concepts and cannot be meaningfully captured by a single indicator. We have chosen to measure it in two different ways, by looking at:

- food security (using the Coping Strategies Index (CSI) and Food Consumption Score (FCS))
- household asset ownership (as a proxy for wealth)

A recent analysis of five food security indicators using 21 representative data sets spanning ten countries has shown that the CSI and FCS are orthogonal to each other, meaning that they both capture different aspects of food security and are hence ideal to consider together (Vaitla *et al.*, 2015).

The CSI is a tool for measuring current food access and quantity: the higher the coping index, the worse-off the household (Maxwell and Caldwell, 2008). Five coping strategies and their relative severity (see Table 1) have been identified to be generally internationally applicable and can be seen as proxies for food insecurity. The overall score of the CSI for each household is calculated by multiplying the number of times in the past month that each coping strategy was used by the severity of that strategy, and summing the products. The final index score is a weighted sum reflecting the frequency and severity of the cumulative behaviours of households over the course of the previous 30 days.

The FCS is a measure of dietary diversity, based on food groups consumed, with more nutrient-dense food groups weighted more heavily (Vaitla *et al.*, 2015). It is used as an additional measure of food security in other countries that conducted the panel survey. However, in the case of Sri

Lanka, the FCS was found to not add value to the results provided by the CSI.

It should be noted that food security is difficult and complicated to estimate, and that the CSI has limitations. We should be mindful that the index specifically identifies households' behaviour in adopting coping strategies for food insecurity, rather than measuring food insecurity itself.

The second outcome indicator, household wealth, is proxied by the assets owned by the household using the Morris Score Index (MSI) (Morris *et al.*, 1999). The MSI is a weighted asset indicator that weights each durable asset owned by the household by the share of households owning that asset. This essentially means that households are considered better-off when they own assets that are not owned by most households in the sample. The MSI includes all productive, household and livestock assets, and included different assets in the different countries surveyed by the SLRC. The index has been shown to be a good proxy of household expenditure in rural Africa (*ibid.*), and has been used in many other settings too, for example in transition countries like Albania (Hagen-Zanker and Azzarri, 2010).

Of course, it is also likely that relationships may exist between asset ownership and food insecurity, our respective proxies for livelihood status and wellbeing. For example, while Tschirley and Weber (1994) find that, in previously war-affected parts of Mozambique, landholdings constituted a key determinant of a

household's calorie consumption, across the border in southern Zimbabwe, Scoones (1995) reports strong correlations between wealth rankings and livestock ownership, farm asset holdings and crop harvests. Further afield, Takasaki *et al.* (2001) observe strong associations between levels of household wealth and the kinds of livelihood activities engaged in by households in rural Peru.

In the baseline synthesis report, Mallett *et al.* (2015) argue that changes in a number of different factors can explain changes in livelihood status. These include changes in:

- 1 *Household factors*: demographic characteristics of the household, religion/ethnicity of the household and education⁴ and migration characteristics.
- 2 *Contextual factors*: location, the occurrence of conflict and perceptions of safety in the neighbourhood and in travel (i.e. moving to work), as well as other indicators of livelihood opportunities/constraints.
- 3 *Shocks experienced by a household*: natural hazards and economic shocks, as well as crime and conflict.
- 4 *Differential access to basic services, social protection and livelihood assistance, and the quality of these services/transfers.*

The aim of the quantitative analysis is to estimate if, and to what extent, the above factors determine household assets and food insecurity, following the hypotheses shown in Box 1.

Table 1: Composition of Coping Strategies Index, from survey instrument

In the past 30 days, if there have been times when you did not have enough food or money to buy food, how often has your household had to:

Only one response allowed:

- 1 *Never*
- 2 *Rarely (once or twice in the past 30 days)*
- 3 *Sometimes (three to ten times in the past 30 days)*
- 4 *Often (more than ten times in the past 30 days)*
- 5 *Always (every day)*

a. Rely on less preferred and less expensive foods?

b. Borrow food, or rely on help from a friend or relative?

c. Limit portion size at mealtimes?

d. Restrict consumption by adults in order for small children to eat?

e. Reduce number of meals eaten in a day?

⁴ When examining the relationship between our outcome variables and household members' education, we use the modal level of education in the household, to avoid being biased by extremes. The four categories are: no education (base category), primary education, secondary education and tertiary/professional level. This helped us to obtain a better understanding of the education of the household as a whole.

Box 1: Hypotheses on changing livelihoods and wellbeing

- H1 Households with better-educated members at baseline improve livelihood and wellbeing outcomes at a faster rate.
- H2 Households that are or have been displaced have worse livelihood and wellbeing outcomes over time, and this relationship varies with reason for, and duration of, displacement.
- H3 Households that have recently (between the baseline and the second wave) experienced living in (perceived) unsafe locations have a lower rate of improvement in livelihood and wellbeing outcomes.
- H4.1 Households that have recently (between the baseline and the second wave) experienced a greater number of shocks have a lower rate of improvement in livelihood and wellbeing outcomes.
- H4.2 Households that have recently (between the baseline and the second wave) experienced exogenous and endogenous shocks have different rates of improvement in livelihood and wellbeing outcomes.
- H5.1 Households with greater access to basic services at baseline have higher rates of improvement in livelihood and wellbeing outcomes.
- H5.2 Households with greater access to social protection and livelihood assistance at baseline have higher rates of improvement in livelihood and wellbeing outcomes.
- H6 Female-headed households have lower rates of improvement in livelihood and wellbeing outcomes.
- H7 Households that are wealthier have better wellbeing outcomes over time.
- H8 Households that increase the diversity of their livelihood portfolios between the baseline and the second wave have better wellbeing outcomes over time.

2.3.2 Access to and experience of services, social protection and livelihoods assistance

We are interested in which factors determine access to and experience of services. Because the survey covered a large range of services, we have made use of simple proxies for access. In the case of health, education and water, we considered return journey times (in minutes) to health centres or hospitals, primary schools and water sources. Respondents were asked about the distance to the boys' and girls' school separately (to account for the possibility of boys and girls using different schools). The average (mean) distance was used where appropriate. For social protection and livelihood assistance, we asked whether households had received any form of support in the past year.

Sri Lanka has a long history of providing social-welfare programmes. In the 1940s, state-welfare provision mostly targeted specific groups facing misfortune, such as an adverse socio-economic event like the death of a breadwinner or incapacity or disability. In

1978, the *Janasaviya* poverty-reduction programme was introduced, followed by *Samurdhi* in 1994, which continues to operate as a safety net aimed at the poorest who may not benefit adequately from planned growth and privatisation initiatives. Both of these programmes acknowledge that the poor are 'empowerable' but require a 'safety net' to overcome poverty (Godamunne, 2016a: 7). The strategies employed in these programmes are based on the idea that the poor can engage in profitable economic activities but need a temporary safety net that will be removed after the recipients become self-reliant entrepreneurs (Lakshman, 1998, cited in Godamunne 2016a; 7). The current *Samurdhi* or 'Prosperity' programme comprises welfare, rural development and micro-finance components that include food stamps, social insurance and financing to help overcome poverty. The focus of these programmes has been on 'empowering' the poor and providing a safety net to overcome poverty (ibid.). For the purposes of this paper, we consider specifically whether households received any support from the *Samurdhi* programme in the year prior to the survey.

Variations in access to services can be explained by a number of different factors, including:

- 1 *Individual and household characteristics* (as discussed above).
- 2 *Contextual factors* (as discussed above).
- 3 *Shocks experienced by the household* (as discussed above).
- 4 *Implementation and performance of basic services, social protection and livelihood assistance.*

Implementation and performance (e.g. regularity of provision, who provides the service etc.) may affect access to basic services, social protection and livelihood assistance

We measure experience in terms of overall satisfaction with the service provided (health and education), whether clean water is being provided and the perceived impact of social protection. Although we measured people's experience of livelihoods assistance, the data was inadequate to test the relevant hypotheses. Mallett *et al.*, 2015 argue that a number of different factors can explain variations in the experience of services, including all of the factors listed above. We expect that distance to basic services is likely to affect experience of services.

The aim of the quantitative analysis is to estimate if and to what extent the changes in the above factors determine changes in the main outcomes (access/use and satisfaction with the service/transfer) following the hypotheses in Box 2.

2.3.3 People's perceptions of governance and the role of service delivery

Analysis of people's perceptions of governance is more complicated. We propose that perceptions of governance are determined, as before, by individual and household characteristics, context and the shocks that they have experienced. We used two main indicators to capture these perceptions: 'To what extent do you feel that the decisions of those in power at the local/central government reflect your own priorities?' and 'Do you agree with the following statement: the local/central government is concerned about my views and opinions?'

We explore governance at both central and local levels, and then look specifically at the explanatory roles of 1) access to basic services, social protection and livelihood assistance; 2) experience of using these; and 3) implementation and performance of these.

The administrative landscape of Sri Lanka is dualistic in nature. It is a system of deconcentrated government with secretariats at the district and divisional level that are agents of the central state, coupled with devolved government in the form of the Provincial Councils (PCs) and Local Authorities (LAs). Both tiers are involved in service delivery and planning, occasionally leading to coordination gaps and/or duplication of services. Figure 1 presents the way in which the administrative arm of the central government is organised.

Box 2: Hypotheses on changing access to and satisfaction with services

- H9 Wealthier and more educated households at the baseline have better access to basic services and social protection and livelihood assistance over time.
- H10 Households that are or have been displaced have worse access to, and experience of, basic services, social protection and livelihood assistance over time and this relationship varies with reason for, -and duration of, displacement.
- H11 Households that have recently (between the baseline and the second wave) experienced living in (perceived) unsafe locations have worse access to, and experience of, basic services, social protection and livelihood assistance over time.
- H12 Female-headed households have worse access to, and experience of, basic services, social protection and livelihood assistance over time.
- H13 Respondents that perceive an improvement in the implementation of a transfer (social protection and/or livelihood) are more likely to show an improvement in their general satisfaction with the transfer in general.
- H14 Households that have perceived an improvement in basic services are more likely to show an improvement in their satisfaction with those services.

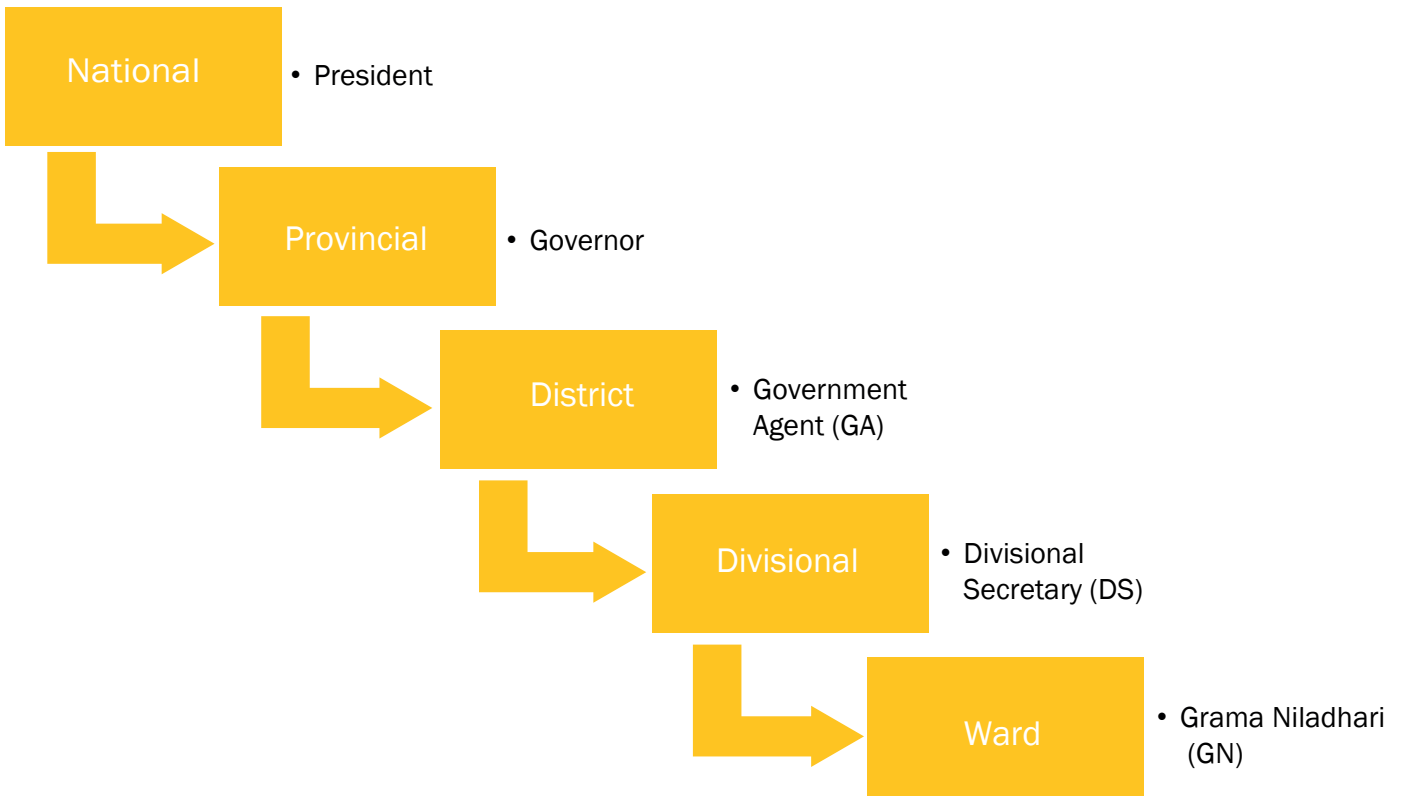


Figure 1: Central administrative hierarchy

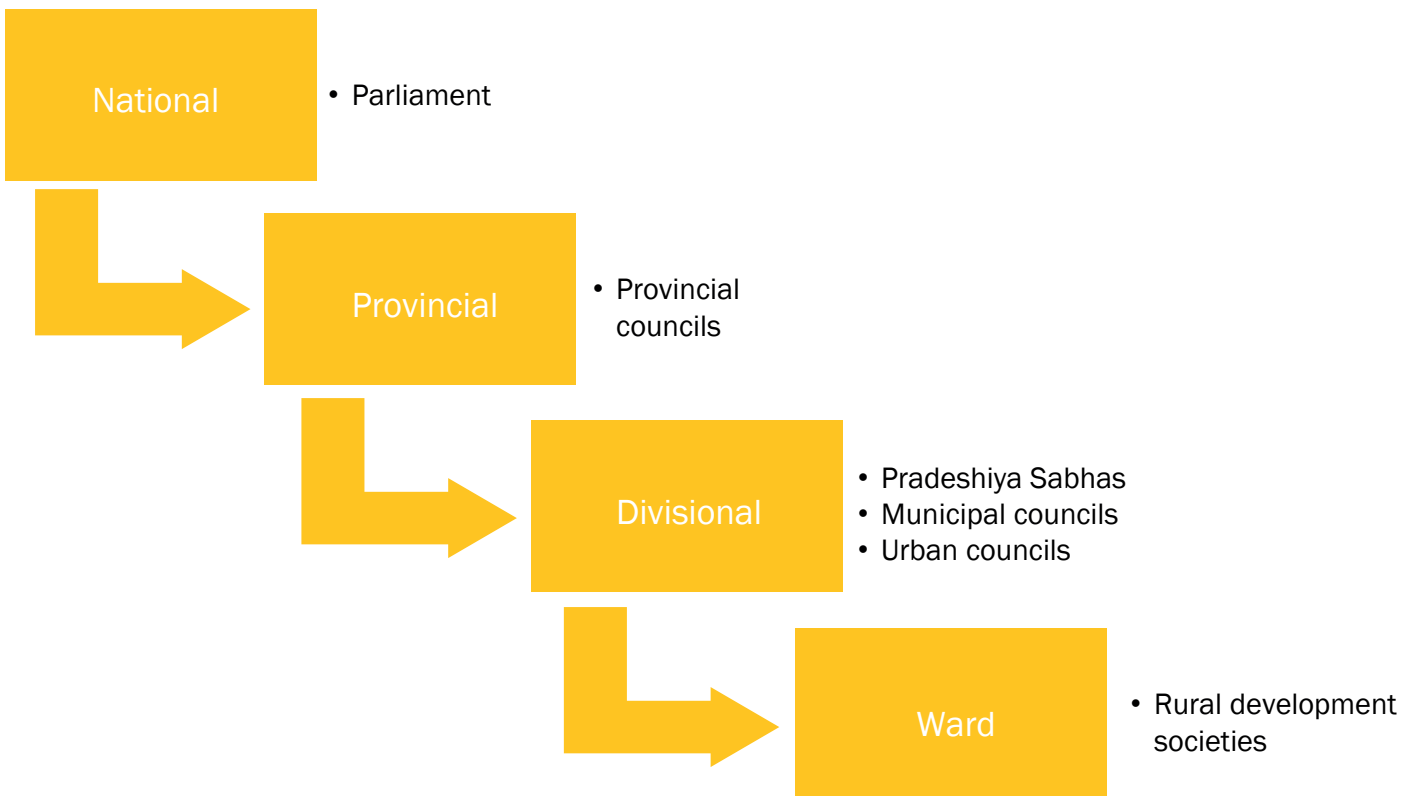


Figure 2: Elected bodies with devolved authority

In asking respondents about local government, we referred to the Divisional Secretariat (DS). The DS is divided into: the administrative division, social service, planning, land, accounts, registration and pensions. The following services are provided by the DS: civil registrations, the issuing of licenses and certificates, land registry, the provision of social services (*Samurdhi* and other social protection schemes, elderly and child welfare, widows/widowers and orphans pensions, health, education), issuing tenders, and implementing development projects.

The survey tested changes in people's perceptions of local government over time. For over a century, local government bodies in Sri Lanka have been commonly accepted as the structure responsible for the administration of public health, roads and public utility services. Supervision of local government is devolved to the provincial government under the Sri Lankan Constitution. The provinces of Sri Lanka attained legal status in 1987 with the 13th Amendment to the 1978 Constitution. As of 2011, there are 9 provinces, 25 districts and 335 local authorities. The institutional structure is illustrated in Figure 2.

Although local-level government is a key feature of the decentralisation process of Sri Lanka, their smooth functioning and relevance are impeded by the state's reluctance to devolve power.

We propose that changes in the following factors may determine changes in people's perceptions of governance over time (see also Box 3):

- 1 *Individual and household characteristics* (as discussed above).
- 2 *Contextual factors* (as discussed above).
- 3 *Shocks experienced by the household* (as discussed above).
- 4 *Access to basic services, social protection and livelihood assistance.*
- 5 *Experience of using basic services, social protection and livelihood assistance.*
- 6 *Implementation and performance of basic services, social protection and livelihood assistance.*

Box 3: Hypotheses on changing perceptions of government

- H15 The gender, education level and ethnicity of respondents shape changes in their perceptions of the government.
- H16 Respondents living in households that have recently (between the baseline and the second wave) experienced living in (perceived) unsafe locations, or who have recently experienced a shock or been displaced have worsening perceptions of the government over time.
- H17 Respondents living in households that have better access to basic services, social protection or livelihood assistance at the baseline have improved perceptions of the government over time.
- H18 Respondents that have an improved experience in accessing basic services, social protection or livelihood assistance at the baseline have improved perceptions of the government over time.
- H19 Respondents that have increased their use of grievance mechanisms (in the context of service provision) have improved perceptions of the government over time.
- H20 Respondents that increased their level of civic participation have improved perceptions of the government over time.

3 Methods



Cross-sectional surveys provide a snapshot of a situation at a particular point in time. Longitudinal surveys provide information on changes and trajectories over time. The SLRC survey is a panel survey, which is a particular type of longitudinal survey where the same individuals are followed over a succession of survey rounds, in our case two waves in 2012 and 2015. An advantage of panel surveys is that they allow for the direct study of change within a household or an individual, as well as cohort or macro-level changes. They can also allow for causal inference to be made rather than relying only on correlations.⁵

However, panel surveys present their own set of methodological challenges. Attrition, meaning dropout from the sample, is perhaps the most major threat, as is non-response to some of the questions within a survey. But others exist too. In this section, we discuss these challenges and disclose how we dealt with them. The section is split into four parts, focusing respectively on: design; data collection; sampling and weighting; and analysis.

3.1 Design process

The first wave of the SLRC survey took place in 2012. A summary of the sample selection method and the choice of households and respondents is set out in the Appendix, whilst full details on the methods can be found in the SLRC process paper and baseline synthesis report (SLRC, 2015; Mallett *et al.*, 2015). The survey was designed partly with the objective of looking for similarities and differences across the five survey countries. This meant that consistency was a key consideration throughout the survey process. The same principle also guided our approach to the second wave, where we tried to stay as true to wave one as possible. Nonetheless, we still faced a number of methodological challenges the second time around, which are described in detail in this section.

3.1.1 Deciding who to track

The SLRC survey incorporates livelihood and perception components, which involve different units of analysis: while the ideal unit of analysis for the livelihoods survey is at the household level (e.g. how much land does *your household* own?), for the perception survey it is

⁵ In order to prove a causal relationship one would need data from an experiment (such as a Randomised Control Trial) or a quasi-experiment (for example, where comparison groups can be matched on baseline or 'pre-treatment' characteristics, after the fact).

at the individual level (e.g. do *you* agree that the local government cares about your opinion?). When conducting the survey, both types of questions were put to one respondent from every household. A ‘respondent’ in a household was any adult who was part of the household and was willing to respond to the questionnaire.

In the baseline analysis, roughly half of the analysis focused on household-level indicators and the other half on individual-level data. There was a deliberate attempt to balance both levels of indicators as together they would provide a more nuanced picture of recovery. In planning for the second wave, a key question was whether to re-interview the exact same respondent as in wave 1 or whether it would be sufficient to interview anyone else from that original household. It is much harder to find the exact same individuals than it is to find *anyone* from their household, three years later. We therefore expected high attrition rates, partly as a result of labour migration and displacement due to natural disasters and insecurity. However, to interview someone other than the respondent would mean we would not have a panel dataset for the important individual-level characteristics (for example, satisfaction with services; perceptions of government). Even the reliability of household-level indicators could be jeopardised by interviewing a different respondent, since responses to household-level questions, for example about food insecurity or asset ownership, are rarely what we might call objective (Bardasi *et al.*, 2010; Coates *et al.*, 2010; Demombynes, 2013). After extensive deliberation and consultation, we concluded that our research questions would be best answered by tracking the exact same respondent within households. In this way, we can be more certain that any changes over time are ‘true’ changes rather than the result of surveying a respondent with a different perspective.

3.1.2 Changes to the survey instrument

The SLRC panel survey instrument was designed to generate data on a wide range of topics, including livelihoods, access to and experience of basic services, civic engagement and perceptions of government. Details on the construction of the survey instrument and the choice of questions can be found in the baseline synthesis paper (Mallett *et al.*, 2015), while justification for questions specific to the Sri Lanka survey instrument can be found in the Sri Lanka baseline report (Mayadunne *et al.*, 2014).

Doing a panel survey implies asking the same questions so that changes can be measured over time. Some adaptations were made to the survey instrument in each country between waves. These were of three types: (1) the addition of questions to capture changes in context or circumstances; (2) the removal of redundant questions; (3) rewording of existing questions. The latter changes were made because, despite having piloted the survey instrument prior to running wave 1, the subsequent fieldwork and analysis suggested that some questions captured inaccurate information or were culturally inappropriate. As such, improving the question but only being able to measure it for wave 2 was considered of greater value than being simply unable to use the data. Table 2 shows an example of the first type of question added to the Sri Lanka survey instrument. The purpose of this particular addition was to help identify which changes in access to the health centre are due to a switch in health centre, as opposed to a road improvement or some other explanation. However, such changes and additions were quite exceptional: more than 90% of the original survey instrument remained unchanged.

Table 2: Example of question added to survey instrument

I.2	Is this the same health centre or clinic that you were using three years ago? Yes =1 (go to I.4) No =2
I.3	Why did you switch to this health centre? Previous one no longer exists =1 This one is closer =2 This one is cheaper =3 This one has better service quality =4 This one is newly built = 5 Other (specify) =6

Finally, we should note that, in the second wave instrument, modules and questions were sequenced in the same order. We felt this was important because ordering can affect the way in which people report against particular questions (van de Walle and van Ryzin, 2011). Thus, maintaining the original sequencing was another step we took to ensure that the research design itself – or rather changes to the design – is not what is driving changes in the variables.

3.1.3 Timing of survey

The baseline survey was conducted between mid-September and the end of October 2012. In 2015, the fieldwork commenced a week earlier, and was conducted in two phases, the first of which covered the whole of Trincomalee between 12 and 19 September, and the second of which covered Mannar and Jaffna between 30 September and 7 October. Some additional days of fieldwork were carried out in November to locate tracking cases.

By using a larger team, we were able to complete the fieldwork over a shorter period of time in wave 2 to fit between the general elections (late- August) and the monsoons (late- October). The monsoons cause flooding in many of the survey locations, hence the data needed to be collected before the areas became inaccessible. One inconsistency in the timing of the surveys between waves was that the festival of Eid al-Adha fell in the middle of the fieldwork in wave 2, whereas in 2012 it fell after fieldwork had concluded. The majority of Muslims in the sample are located in Trincomalee, which was still surveyed before Eid, so there is only a low risk of bias from this change.

3.2 Data collection

A team of 24 enumerators had been employed to carry out the interviews in 2012, whilst in 2015 we employed a team of 30. Preparation for the data collection consisted of a five-day training to familiarise enumerators with the objective of the survey, the content of the survey instrument, and the use of electronic tablets for administration. The survey instrument was programmed to run on the application droidSURVEY (designed by Harvest Your Data),⁶ which allows data to be collected

while offline and then uploaded via internet connection to their server. Before going to the field, it was unclear how the tablets would fare given the patchy Internet connection at some of our sites. In the end, there were very few problems with the performance of the tablets and, in fact, they carried some major advantages. For example, data could be uploaded in the field and checked in real time by the Sri Lanka SLRC team in Colombo. Feedback was then given back to the survey team on enumeration quality, discrepancies in household ID numbers between waves and other inconsistencies, which greatly improved data quality. The use of tablets also removed the need for data entry, thus minimising the chances of human error creeping into the final dataset.⁷

One of the main challenges we faced with second-wave data collection was the likelihood of attrition – the loss of at least some of our original sample population for any reason. Attrition poses a threat to the internal validity of a panel survey, so there is a need to keep it as low as possible. To this end, we were able to use some useful information collected in the baseline survey to track down respondents (i.e. address, phone number, the household roster in order to describe the household to others living in the same community, and their global positioning system (GPS) coordinates). GPS coordinates were also plotted on a map, in advance of fieldwork, in order to locate respondents and organise the data collection.

Furthermore, to get a sense of how much attrition to expect, a pre-fieldwork test was conducted over two stages in all three districts. The first stage involved telephone tracking using the available phone numbers from the baseline, from which we were able to track down 44% of respondents (431 out of 972 whose phone numbers we had). For the second stage, a small team of enumerators attempted to establish their whereabouts by visiting the sample locations in person within a period of a few days. The two stages combined enabled us to track 96% of the sample (1,328 out of 1,377, including those unavailable for the second wave of the survey either because they had moved, were not interested in being surveyed again, or were now deceased). The attrition rates were considerably reduced by using these multiple techniques for tracking.

⁶ <https://www.harvestyourdata.com/>

⁷ This is not to say that tablets are 'fool-proof' in terms of minimising the chance of human error. In our case, however, we can claim that errors were reduced by the fact that incoming data was monitored in 'real time', so we could rule out the possibility that an error had been introduced during transcription and also try to resolve the error while the case was still fresh in the enumerator's mind.

The sample size in 2012 was calculated to equal 120% of what would be needed in order to achieve statistical significance at the study and village level and representativeness at the village level. This meant that in the second wave it would be necessary to find approximately 83% of the original respondents in order to maintain statistical power at those levels (an attrition rate of 17%). Based on the experience of the pre-test, the supervisors sent lists of the respondents in advance to the *Grama niladhari* (GN) (village head) who they worked with in the field to track respondents and check their availability.

The GNs' local knowledge of the communities was very useful in both finding the households and gaining their trust when requesting interviews. By the time the enumerators went to the survey locations, the residents were already informed about the survey by the GNs. After the first few days of fieldwork, a small section of the field team began simultaneously tracking missing respondents. Ideally, when not all missing respondents can be intensively tracked due to resource constraints, a random selection is drawn to be tracked, so as to minimise the risk of bias from convenience sampling. However, in practice there was no alternative but to track those clustered in the most accessible locations.

3.3 Sampling and weighting for non-response

At the baseline, there were 1,376 completed surveys or responses (one additional respondent was sampled but the survey was incomplete). In the second wave, we were

able to complete 1,181 surveys (again, one additional respondent was found but did not consent to be interviewed). Overall, attrition was 14% and non-random, i.e. those who were not interviewed in the second wave shared certain characteristics, and therefore could bias the results. As Table 3 illustrates, attrition level differed by Grama Niladhari division, which is the level at which the sample is representative. This is partly because it was not possible to randomise the tracking of respondents who had moved house between waves.

Tests were run to determine whether any observed characteristics from wave 1 could predict attrition in wave 2. The most likely to drop out of the sample were women who were unmarried at baseline (most likely due to marriage), respondents from households that had an internal migrant at baseline, and respondents from households with neither very few nor very many livelihood activities (these two indicators suggest labour migration). Those most likely to remain in the sample were older respondents, those living in rural locations, those who had lived in their village since birth, and those whose baseline occupation was paid employment or housework.

To minimise attrition bias, non-response weighting adjustments are used in the wave-2 analysis. In any given dataset, there is a design weight, given to all units (in this case respondents) at baseline. In our case, the design weight is equal to 1 for all respondents at baseline. This is because at the village level all respondents had, in theory, an equal selection probability, and although our data can be aggregated at higher levels (e.g. region), we do not

Table 3: Attrition, by district and GND

District	Wave 1	Wave 2	Attrition (%)	GND	Wave 1	Wave 2	Attrition (%)
Mannar	455	401	11.9	Arippu west/east	81	73	9.9
				Karadikuli	85	71	16.5
				Paliyaru	208	180	13.5
				Vidalathivue west	81	77	4.9
Jaffna	462	394	14.7	Illavalai northwest	149	130	12.8
				Mallakam centre	168	142	15.5
				Chempiyanpattu north	71	59	16.9
				Maruthankerny	74	63	14.9
Trincomalee	460	386	16.1	Pulmodai	63	57	9.5
				Velloor	42	37	11.9
				Abayapura	191	152	20.4
				Murugapuri	163	140	14.1
Total	1,377	1,181	14.1				

claim that conclusions made above the village level are representative. In finding that attrition from our sample at follow-up is non-random, it is necessary to adjust the design weight to restore the proportions of the original sample (Kish, 1990; Brick and Kalton, 1996).

Using wave 1 data, a probit regression was run with the outcome variable 'response in wave 2' (respondent in wave 2=1, non-respondent at wave 2=0) and including a list of covariates that proved at least partly to explain non-response in wave 2 (see list above). This technique, known as 'response propensity weight adjustment', replaces the unknown probability of response with an estimate, which is a function of observed or known characteristics about the respondent (Kalton and Flores-Cervantes, 2003, Särndal and Lundström, 2005, Brick, 2013). Following the probit regression, the probability of response is calculated for each individual. Then the inverse of the probability is taken, which becomes non-response adjustment. The final weight for each wave is calculated by multiplying the design weight and the non-response adjustment.

Non-respondents in wave 2 end up with a weight of 0 and all those remaining in the sample have a weight greater than 1. Put differently, this means that those remaining in the sample take on greater emphasis, the more similar they are to those who have dropped out.

3.4 Analytical methods

The complexity of the dataset can pose a serious challenge when it comes to analysis. There are now up to two observations for each respondent, and it is likely that their responses to some questions will be correlated over time. Even if we control for everything that we can observe about that individual, there are still likely to be unmeasured individual factors that have an influence on an individual's outcomes over time. To put it in different terms, when a respondent answers whether or not they believe that the government cares about their opinion, their answer will be based on their personal beliefs, opinions, preferences, expectations, lived experience, personality and mood. Some of these we can attempt to capture (for example, we can control for the fact that people displaced by conflict are likely to have had a different experience to those who remained, and this may also affect our variables of interest), but most of these factors remain unobserved.

When it comes to modelling such a relationship, there are ways of addressing this bias. One approach is to assume

that the individual-level effects are 'randomly' distributed across individuals and uncorrelated with everything else in the model. This is known as the Random Effects model (RE). This assumption is rather strong, as it requires us to believe that when we have controlled for all observable characteristics of a respondent, any differences between them are more or less the result of random chance. In other words, we would have to accept that there is nothing else about the respondents themselves, besides what we have measured, that explain outcomes in any of the variables.

An alternative model, the Fixed Effects model (FE) rejects this assumption, and assumes that there is a correlation between the individual-level effects and the regressors. When the individual-level effects are correlated with some of the regressors, the bias can be reduced by treating them as parameters in the model or, in other words, by controlling for every individual in the sample. A drawback of the FE model is that it cannot estimate the effect of time-invariant variables. This is because when 'controlling for' the unobserved differences between individuals, the model can only estimate within-individual effects. These rely on there being a change between waves 1 and 2 for a given outcome variable. When there is no change in the outcome, there is no comparison observation against which to estimate the effect that a change would have.

Ultimately, the FE model was chosen since it is designed '[s]ubstantively... to study the causes of changes within a person [or entity]' (Kohler and Kreuter, 2009: 245, emphasis ours), which is the focus of our research rather than the study of macro-level processes. It is also highly doubtful that we can make the assumption inherent in the RE model that all personal differences between individuals can be accounted for by the control variables.

Those who look at FE and RE models with the same set of regressors, side-by-side, will note that although the coefficients usually remain almost identical in terms of size and direction of effect, there are always more statistically significant results in the RE model. This is because the standard errors of the coefficients are larger in the FE regression, and these are used in the test for significance. Though it may be tempting to choose a model that provides the most significant results, in our case we cannot ignore the possibility of omitted variable bias in the RE models. Deciding on the FE model still leaves us with the problem of how to estimate the effect of time-invariant factors, such as gender of respondent or displacement in a conflict prior to baseline (and these are some of our most important variables of interest). In

the end, it was decided that the RE model would be run alongside the FE model, but used only to estimate the effect of time-invariant variables.

3.4.1 Outline of analysis

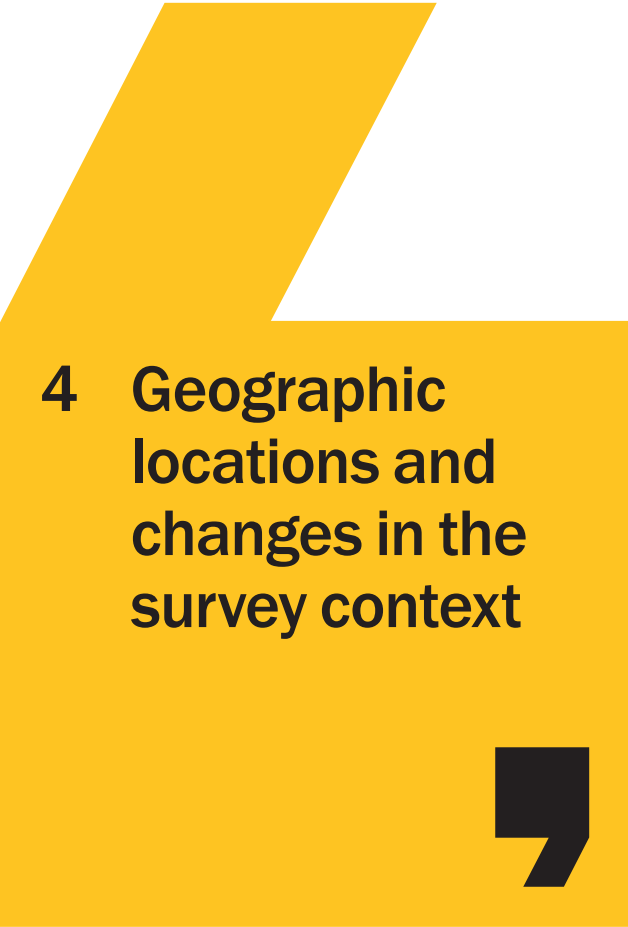
In addition to the regressions, extensive descriptive statistics were produced and drawn on in the analysis, which show, for all variables of interest, the cross-sectional mean or distribution in both waves and the

number of ‘switchers and stayers’ between waves. This terminology (ours) refers to the differentiation between respondents who kept their answer to a given question the same between waves and those who switched their answer. Switching is often further disaggregated into an ‘upward’ or ‘downward’ switch, or similar. The outcome variables of interest are broadly the same as in the baseline analysis (Mayadunne, 2014) and are shown below.

Table 4: Summary of outcome variables

	Topic	Outcome variable	Explanation/exact indicator
1.	Livelihoods and wellbeing	Coping Strategies Index (CSI)	Index captures the level of household food insecurity (see Maxwell and Caldwell, 2008).
2		Morris Index (MSI)	An index measuring household asset wealth (see Morris <i>et al.</i> , 1999).
3	Access to basic services	Access to health centre	Journey time (in minutes) to reach the health centre that the respondent typically uses.
4		Access to school (boys/ girls)	Journey time (in minutes) to reach the primary school that children attend.
5		Access to principal water source	Time (in minutes) taken for a return journey to the household’s main source of drinking water.
6		Access to social protection	Has anyone in the household received a transfer from the <i>Samurdhi</i> social protection programme in the past year? (yes/ no)
7		Access to livelihood assistance	Has anyone in the household received a livelihood assistance transfer in the past year? (yes/ no)
8	Experience of basic services	Satisfaction with health centre	Overall satisfaction with the health centre (satisfied/ not satisfied).
9		Satisfaction with school (boys/ girls)	Overall satisfaction with the school (satisfied/ not satisfied).
10		Perception of water quality	Is your drinking water clean and safe? (yes/ no)
11		Satisfaction with social protection	Did the <i>Samurdhi</i> transfer have a positive impact on your livelihood?
12	Perceptions of government	Perception of local government actors	Do you agree with the statement: The local government is concerned about my views and opinions? (yes/no)
			Do you agree with the statement: Local government decisions reflect my priorities (yes/no)
13		Perception of central government actors	Do you agree with the statement: The central government is concerned about my views and opinions? (yes/no)
			Do you agree with the statement: Central government decisions reflect my priorities (yes/no)

4 Geographic locations and changes in the survey context



In parallel to the survey, the study teams conducted qualitative interviews with key informants in the three districts to understand relevant changes in the political, economic and social landscape. Officials from the District and Divisional Secretariats shared their views on changes in education, health, electricity, roads, water and sanitation, and the livelihoods of the people living in their respective administrative units.

This contextual analysis was conducted in order to better understand the data gathered in the second wave of the survey. However, the quality of the information provided within each location varied due to the availability of data, the willingness of government officials to share their views with SLRC researchers, and the employment tenure of the informant. While some administrative agencies shared District Statistical Handbooks, which include information on selected socio-economic indicators, other district officials (such as those in Jaffna), denied access to their statistical records. This hesitance to share information about the local context may be attributed to a lack of trust in research organisations and researchers from the south of the country.

4.1 The broader political and economic context

There were several key changes – as well as continuities – within the broader political economy of Sri Lanka that occurred during the two survey waves, which may have impacted people's livelihoods and their perceptions of the state in the localities that are the subject of this study.

First, the authoritarian regime led by former President Mahinda Rajapakse advocated rapid economic development in the post-2009 period, as it was understood to be the panacea for reconciliation and durable peace for a nation recovering from a 26-year violent conflict (Uyangoda, 2012; Marcelline and Uyangoda, 2013; Sarvananthan 2014, 1). This rhetoric has been bolstered by a strong emphasis on establishing tangible hardware to improve infrastructure, job creation and targets focused on several identified service industries (Department of National Planning, 2010). Despite the change of government ushered in by the decisive presidential election on 8 January 2015 and the many refreshing policy proposals presented by the current

President Maithripala Sirisena's election manifesto,⁸ the country's current policy direction indicates that the vision of development popularised by the Mahinda Chinthana⁹ is a *fait accompli*. While gross domestic product (GDP) per capita appears to trend on the positive side (increasing from US\$3,300 in 2012 to US\$3,600 in 2015), regional disparities in household income are clearly visible. National average monthly household income in 2012 was 45,878 Sri Lankan Rupees (LKR); yet the average monthly household income in Jaffna and Mannar was LKR 35,000 in 2012, and LKR 28,000 in Mannar (Department of Census and Statistics, 2013). The national unemployment rate increased slightly from 3.9% in 2012 to 4.2% in 2014, with the three districts having varied average unemployment rates: Jaffna's was significantly higher than the national average in 2014 (5.6%); Mannar was lower (2.9%); and Trincomalee almost matched the national average (4.3%).

While lower unemployment rates (such as those in Mannar) may indicate improving job prospects, this figure does not reveal information about the *quality* of employment. Indeed, a recent survey (Sarvanathan, 2016) finds that the Northern Province, including Jaffna district, is lagging behind not only in terms of the quantity of employment created (especially in relatively higher paid jobs), but also in the quality of new employment created.

Second, integral to the development strategy designed and popularised by the Rajapakse government was militarisation of civilian life – a powerful tactic in a context of post-war reconstruction and development. After the victory over the LTTE and other paramilitary groups in 2009, the Sri Lankan military not only became the single largest armed actor in the North,¹⁰ but the most celebrated institution in the eyes of the Sinhala majority. In October 2013, the Sri Lankan government raised military spending to a record US\$2.2 billion, a 26% increase from the previous year (*EyeSriLanka*, 2014). This increased spending – which has remained consistent in the post-war period – took place amidst an acute fiscal crisis where spending on education and health remained very low, and corresponds with an increase in the size of

the army as a significant proportion of the total defence budget goes towards paying salaries to military personnel (Kadirgamar, 2013). In 2014, it was recorded that there was one military personnel to 8.7 civilians in the Northern Province, where the population is barely above one million (International Crisis Group, 2014).

Reports from district officials in the north emphasise the dominant role played by military personnel during the selection of beneficiaries of development projects (quoted in Saparamadu and Lall, 2014). It is reported that final beneficiary lists had to be shared with the relevant military representative in a given war-affected area, who had considerable power over approval or rejection of beneficiaries. Any opposition to this process by government administrative officials sometimes resulted in them being 'exposed to the risk of either being branded pro-LTTE or simply being transferred, or in other cases, forced to comply' (*Colombo Telegraph*, 2012; also cited in Saparamadu and Lall, 2014: 21). The military were also involved in the tourism and agriculture sectors, with activities ranging from running cafes,¹¹ to guided tours of war monuments in the north, to establishing a Directorate of Agriculture and Livestock (Sri Lanka Army, 2013). This commercial activity is a direct result of militarisation in the north and the subsequent diversification of the military's portfolio into the hospitality industry, retail and farming. Though the government approved the release of 1,000 acres of military-occupied land back to civilians in northern 'high security zones' (HSZs), they have ruled out the withdrawal of troops from the north and east of the country.

Third, Sri Lanka's post-war recovery coincides with the country's graduation from a low-income country to a lower-middle-income emerging market. Sri Lanka, which has been a 'donor darling' for decades, received generous flows of foreign development aid that cushioned its ever-widening budget deficit (due to siphoning of resources for large-scale investments) (Coomaraswamy, 2016). However, with the shift to lower-middle-income country status, foreign development aid has been replaced with loans with fewer concessions, as well as commercial

⁸ President Maithripala Sirisena's 2015 presidential campaign was premised on restoring principles of democratic governance, equality and peace. In Chapter 2 of his manifesto – 'A Development Economy' - President Sirisena cautions against 'the pursuit of infinite development in a finite world' by 'the few that manipulate the country's economy' (Sirisena, 2015: 20). He proceeds to state that as a consequence of pursuing infinite growth, 'small, medium and large-scale projects launched recently in our country with the aim of achieving miracles have brought the country to a serious economic catastrophe' (ibid.). He subsequently promises voters that he will re-assess all mega development initiatives undertaken by the previous government and will reset development priorities in a way that economic growth is equally shared by all citizens (ibid.).

⁹ The ten-year national development strategy.

¹⁰ The Hindu (2012) reported that 16 out of 19 divisions of the Sri Lankan Army were deployed in the Northern Province (Subramanian 2012).

¹¹ *Api wenuwen api*: ('we for ourselves') cafes are commercial ventures of the Ministry of Defence and are now located in most places in Sri Lanka. The concept of *Api wenuwen api* began as a housing construction programme for Armed Forces personnel (Ministry of Defence, 015).

borrowing (ibid.): the share of non-concessional and commercial borrowing increased to 50.5% of total external debt in 2012, from a share of 7.2% in 2006 (Weerakoon, 2013). The country's finances are currently under heavy scrutiny after Fitch downgraded Sri Lanka's sovereign rating to a B+ from a BB-, spurred by a ballooning fiscal deficit, rising foreign debt and sluggish growth prospects (*Colombo Gazette*, 2016). In March 2016, the International Monetary Fund (IMF) approved a loan of US\$1.5 billion to boost foreign-exchange reserves and avert a balance-of-payments crisis. The loan conditions include revising taxes to increase government revenue and spending cuts, which are already in effect. Recent increases in indirect taxes are likely to negatively impact those on the bottom rungs of income distribution, and spending cuts in education, health and welfare (if implemented) may worsen their already fragile situation.

There are two guiding principles of the current business climate in Sri Lanka. One is that the country should adopt an export-oriented approach towards developing the economy, and the other is that all must be left to the private sector. Exports, such as garments, tea and migrant labour, are crucial to balance the foreign trade account, cover part of the massive deficit and create employment – and the private sector is efficient and can raise capital. However, the focus on exports and the primacy allotted to the private sector have also led to labour-market reforms that may make employment more casual and increasingly precarious (Kidder and Raworth, 2004; Quinlan *et al.*, 2001). Among risks such as increased vulnerability to international currency fluctuations, the over reliance on the export orientation model also gives priority to big business. As a result, there is a possibility that products that earn profits for capital will be given more attention, as opposed to products that fulfil people's needs. This is a particular concern in terms of food insecurity as Sri Lanka is secure only in rice and marine products.

4.2 The survey locations

The survey was conducted in three districts within the conflict-affected north and east of Sri Lanka.

Mannar

The survey was conducted in two Divisional Secretary divisions (DSDs) in Mannar – Manthai West and Musali – and the GNDs surveyed within these DSDs are all rural locations. Manthai West has 36 GNDs, and Musali has 20 GNDs. At the time of the second wave, 6,632 families

lived in Manthai West and 6,663 families resided in Musali. The residents in both areas comprise conflict-affected, displaced and resettled people as Mannar was a hotbed of violence during the war. Prior to 2009, the LTTE and the Sri Lankan military alternately controlled these two areas. The majority of residents in Manthai West are Tamil, whereas the majority in Musali are Muslim.

Jaffna

The survey was conducted in two areas in Jaffna – Tellipalai and Maruthankerny. One GND (in Tellipalai) is classified as urban and the other three GNDs are all rural, so 36% of the Jaffna sample lived in a rural location. Tellipalai belongs to the Valikamam North Divisional Secretariat, which is located in the northern part of the Jaffna peninsula. It recorded very high displacement rates during the war, and is home to the large HSZ of Palaly. At the time of the second wave, 1,313 families resided in Tellipalai. The most recent statistics for Maruthankerny (for 2012) indicate that 4,799 families resided in the area; however, there are certain parts of this region in which resettlement is still not allowed, either because they have not been cleared of landmines or they are still occupied by the military as HSZs. Maruthankerny was affected by the war, as well as the tsunami in 2004. Both survey locations have over 95% Tamil residents.

Trincomalee

The survey was conducted in two areas in Trincomalee – Trincomalee Town and Gravets region, and Kuchchaveli. Trincomalee Town and Gravets is a large urban area consisting of 42 GNDs, while Kuchchaveli is a rural locale with 24 GNDs. Since the majority of the sample lived in Trincomalee Town and Gravets, 77% of the Trincomalee sample lived in urban locations. At the time of the second wave, 24,685 families resided in Trincomalee Town and Gravets, whereas 10,074 families lived in Kuchchaveli. Nearly 60% of the population in Trincomalee Town and Gravets are Tamil, 25% are Sinhalese, and 15% are Muslim. The majority of residents in Kuchchaveli are Muslim (around two-thirds of the population) and the rest are Tamil. Trincomalee also has a HSZ that initially spread across 11 GNDs, displacing over 4,000 families (Fonseka and Raheem, 2009). Although the HSZ has reduced in size in the post-war years and some IDPs have returned to the area, the establishment of a 'special economic zone' (SEZ) in Sampur remains a contested issue, as it has prevented over 6,000 IDPs from returning to this area (ibid). The government established a transit camp

in Pulmoddai (in Kuchchaveli DSD) for returning IDPs from uncleared areas, as well as for returning refugees who had travelled to India (UNHCR, 2009; *ColomboPage*, 2009).

4.3 The survey sample

In this sub-section we provide information on some basic characteristics of our survey sample.

Of the 1,377 households surveyed in the first wave, 1,182 were reached again during the second wave (an attrition level of 14.1%). As Figure 3 illustrates, the survey has a greater representation of female respondents (62.5% at baseline) than male (37.5%).

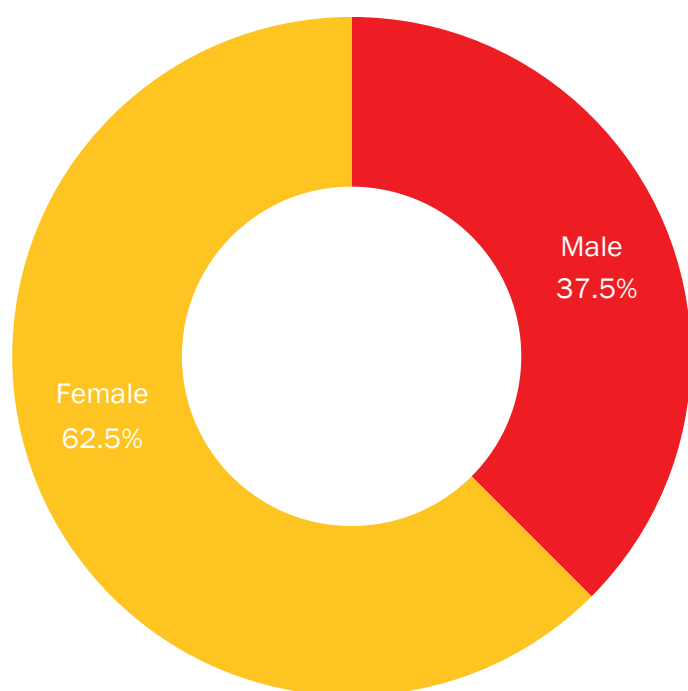


Figure 3: Gender of respondents

Due to the interest among both local policy-makers and international and national non-governmental actors in the hardship and violence faced by female-headed households (FHHs), the second wave of the survey included a new question on household headship. In 2015, 15.41% of respondent households were headed by women, with the highest proportion of FHHs (17.8%) in the DSD of Maruthankerny, in Jaffna.

Table 5 presents the geographical and ethnic make-up of the sample, showing that, while the sample is split evenly across the three focus districts, the majority (66.35%) of households surveyed were Tamil.

Table 5: Geographical and ethnic composition of the sample

Ethnic group	% household share by location		
	Mannar	Jaffna	Trincomalee
Sinhala/Mixed	0	0	49
Sri Lankan/Indian Tamil	82	100	18
Sri Lankan Muslim	18	0	33
Total	100	100	100
<i>Distribution by location</i>	33.1	33.6	33.4

The recent history of internal displacement is marked by a few critical events related to the civil war and natural disasters of monumental nature, like the tsunami. Figure 4 illustrates a timeline of key events that have led to mass displacement of people in the surveyed regions. Jayathilaka and Amirthalingam (2015) note that the number of refugees that fled from war-affected areas to other countries increased from 300,000 in 2000 to 1.2 million in 2008. While internal displacement was high during all four Eelam wars, a key event that led to large-scale displacement is the intervention of the Indian Peace Keeping Force (IPKF) and its failure to manage the conflict. The war resumed after the exit of IPKF in 1990, when violence spread to several areas in the northeast and displaced nearly a million people within a very short period of time (Internal Displacement Monitoring Centre, 2007). Over 90% of people living in the Eastern Province were also displaced during this period, and further displacement occurred in 1995 and 2000 after the failed peace talks between the LTTE and the government. During this period, battles between the Sri Lankan military and the LTTE displaced thousands in the Vanni area (*ibid.*). Following the violent defection of LTTE's Eastern Commander Karuna in 2004, the country experienced the tsunami that led to massive displacement, especially in the Eastern Province. Mahinda Rajapakse was elected President in 2005, and his victory was based on an electoral promise to put an end to the long civil war. Heavy fighting between the armed forces and the LTTE took place soon after Mr. Rajapakse's election, however, and displacement increased further in 2006 during the ground offensive launched by the military in the east. The final stages of the war (April 2008 to May 2009) also generated thousands of IDPs in the north.

Displacement levels are high throughout the sample (approximately 94% of the entire sample population have been displaced at some point in time) and across all surveyed locations, as nearly all of the communities were uprooted during the three-decade war. A few households

were recorded as displaced between waves, but this is likely to be a result of enumerator error. Table 6 illustrates the number and percentage of households displaced by certain events (they were able to give multiple reasons for displacement) – it clearly shows that almost all had been displaced at one point due to the war, whilst nearly 30% were also displaced due to the 2004 tsunami.

Table 6: Reason for displacement (as at wave 1)

Reason for displacement	Frequency	% households
War	1,236	95.59
Tsunami	369	28.54
Floods/other natural disasters	21	2.00
Other	7	0.54

Table 7 shows the period of households' most recent displacement; there is a distribution across all the different time periods with a small number being displaced after 2009. We make use of these differences in timing of displacement in our later analysis to explore whether there is variation in the time it takes for respondents to recover from displacement.

Table 7: Period of most recent displacement (as at wave 1)

Period of most recent displacement	Frequency	% households
Pre-1990	173	13.54
1990-2000	314	24.57
2001-2005	211	16.51
2006-2009	554	43.35
After 2009	26	2.03
Total	1278	100

Livelihood diversity, which was already low at 1.3 income-generating activities per household during the first wave, slightly decreased to 1.2 in the second wave. Table 8 presents the changes in livelihood diversity between the two waves, and shows that more than a quarter of the sample participated in fewer livelihood activities by wave 2.

Table 8: Change in livelihood diversity from 2012 to 2015

Change in livelihood diversity	Frequency	% households
No change	616	52.20
Lower	324	27.46
Higher	240	20.34
Total	1,180	100

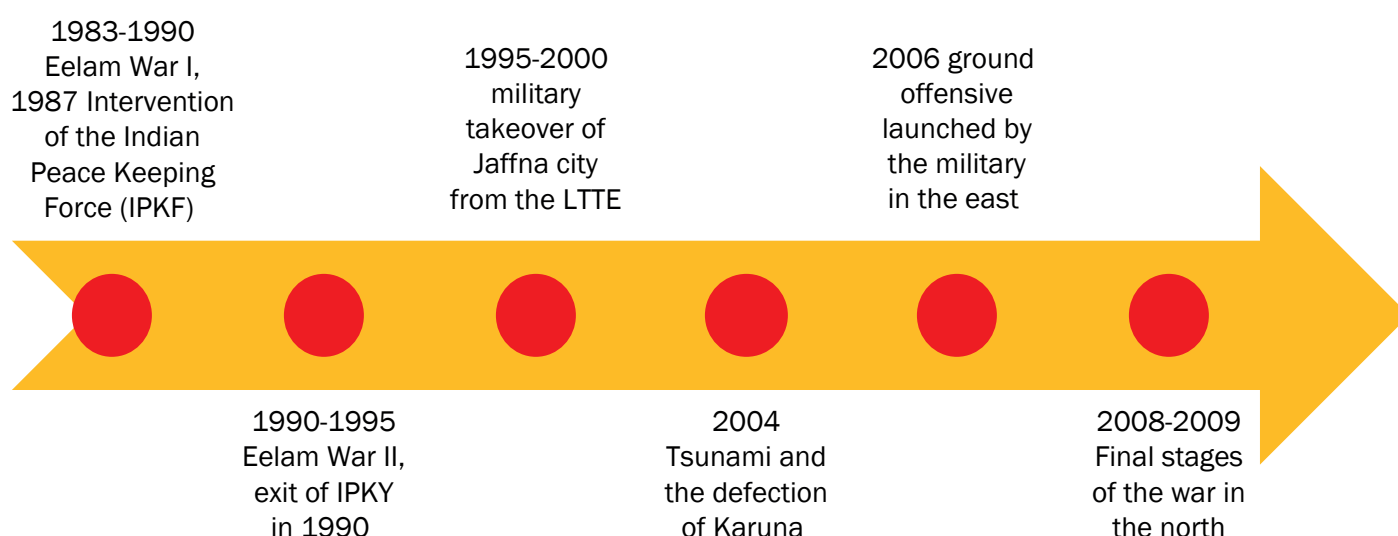


Figure 4: Critical events that caused large-scale displacement

Livelihood patterns and economic status of the sampled population needs to be situated in the broader economic context of the north and east, that is marked by a rapid opening-up of the northern market to southern businesses (financial institutions in particular). Much-anticipated job creation vis-à-vis infrastructure development and the proliferation of southern businesses to the north has been slow (Sarvananthan, 2014), whereas aggregate consumption has increased since the end of the war. The increased availability of consumer goods coincides with the proliferation of banks, and consequently sudden access to various forms of credit. Many commentators have suggested that this may be due to a combination of pent-up demand for credit, exposure to consumerist lifestyles as advertised by the marketing campaigns of southern businesses, and poor management of finances (Sarvananthan, 2013; Wijedasa, 2014; Jayatilaka *et al.* 2015). This may explain the increased debt level in households.

A substantial number of households in both waves answered that they currently owed money to someone (69% in wave 1 and 70% in wave 2). Table 9 presents the numerous sources of borrowing, showing the especially high reliance on formal and informal lenders.

Table 9: Sources of borrowing, by wave

To whom do you owe money?	Wave 1 (% households)	Wave 2 (% households)
Formal lender/bank	53.10	62.30
Informal lender	19.45	22.94
Family/friends	31.86	31.76
Landlord/employer	10.94	10.44
Savings group	3.89	4.70

This high dependency on loans can also be seen in asset ownership. When asked which assets they owned, we also asked in the second wave whether they paid for the asset using credit or not. For petrol-powered machinery and vehicles, refrigerators and fishing equipment (including multiday boats, engines, gill nets (<2.5”) and other nets), over 40% of households that owned them declared that they bought them with loans or some form of credit. These issues are explored further in section 5.

Finally – similarly to the first wave – inflation/price hikes, floods, and sudden and long-term health problems emerged as the most common shocks to respondents. Among these, the occurrence of a sudden health problem increased significantly (7.6% respondents in 2012 vs. 33.1% in 2015), while inflation/price hikes are the most common external shock (71%) reported by respondents. The second most common form of exogenous shock is floods, which was experienced by 39.6% of respondents in 2012 and 39.3% in 2015. We also found an increase in reports of loss of work/employment between waves, from only 2.8% in 2012 to 11.2% of respondents reporting that they had lost a job between 2012 and 2015. When we categorise the shocks into exogenous (i.e. covariate shocks experienced across the community) and endogenous (i.e. idiosyncratic shocks experienced within a household, such as a sudden or long-term health problem, death in the family, fire, loss of job, and loss or theft of assets or land), we observe a high percentage of respondents who experienced exogenous shocks in both waves, and a large increase in the percentage who had experienced endogenous shocks by the second wave (see Table 10).

Table 10: Change in exogenous vs. endogenous shocks between waves

Type of shock	Wave 1		Wave 2	
	Frequency	% households	Frequency	% households
Exogenous	1090	79.2	1095	79.6
Endogenous	438	31.8	802	58.3
Other	2	0.1	26	1.9

5 Livelihood trajectories

In this section, we explore changes in household food security and wealth, and draw on the results of regression analyses to suggest which factors appear to be associated with these changes.

5.1 Household food security

It is important to remember that the coping strategies index (CSI) acts as a proxy for food security, in that it measures the number and intensity of the coping strategies used by households for dealing with food insecurity. For example, when we describe an increase in food insecurity (as measured by CSI scores, where an increase in CSI score represents a worse position), this actually represents more frequent or more intense use of coping strategies for food insecurity.

Survey results indicate that **average food insecurity for the sample as measured by the CSI is significantly worse in the second wave (6.5) than in the first wave (5.4)** (where CSI scores range between 0 and 32). This increase is driven by the majority of households either becoming worse off (48%) or not changing at all between waves (16%), whilst 36% of the sample actually improved their food security between waves with a lower CSI. This is illustrated in Figure 5, where the solid lines represent the distribution of the sample, and the dashed lines represent the average score in each wave (both of which) have shifted to the right, and therefore indicate worse food security by 2015).

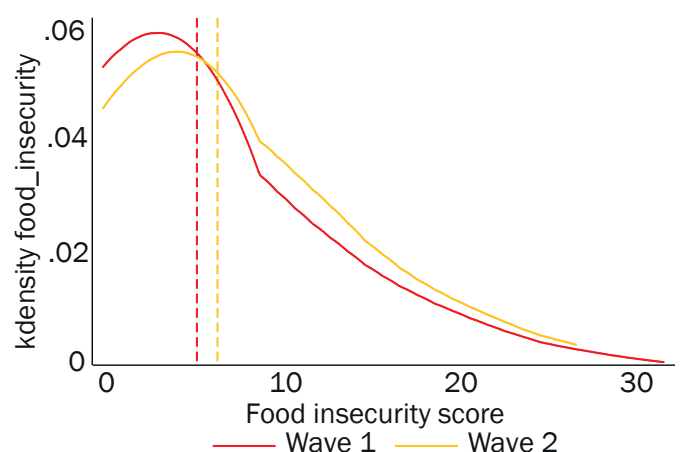


Figure 5: Change in food insecurity (2012 - 2015)

This pattern is reinforced in Table 11, which displays the average change in CSI by quintile from the first wave. Those who were worse off at the baseline (those in the 5th quintile of the CSI distribution) experienced the greatest change, improving their food security situation by an average decrease in CSI score of 8.4. However,

the average decrease in the 4th quintile is a minimal improvement, and the top three quintiles experienced a worsening situation between waves with an average increase in their CSI score.

Table 11: Average change in CSI between waves by quintile

CSI quintile	Mean change in points	Frequency
1 (lowest insecurity/best off)	5.4	401
2	5.5	69
3	3.5	237
4	-0.9	233
5 (highest insecurity/worst off)	-8.4	217

There are significant differences in food security among the three districts, as shown in Table 12. Whilst both Jaffna and Trincomalee had lower levels of food insecurity in 2012, by the second wave average food insecurity marginally increased in Trincomalee from 5.0 to 5.3, and increased from a low of 4.3 to 6.2 in Jaffna. Mannar started from a worse position in the first wave with an average food insecurity score of 6.8, which increased to 8.1 by the second wave in 2015.

Table 12: Average CSI, by district

CSI	Mannar	Jaffna	Trincomalee
Wave 1	6.8	4.3	5.0
Wave 2	8.1	6.2	5.3

These geographical differences in food security can be largely explained by variations in average household income, as households with lower incomes are more likely to have to employ coping strategies. As mentioned earlier, all three districts fare below the national average household income of LKR 45,878 per month. The Western Province, containing Colombo, makes a disproportionately high contribution to the country's GDP, skewing the national average by nearly 40%. While the disproportionately lower average household incomes in war-affected areas plummet further in rural areas within each district. For instance, a government official in Trincomalee Town and Gravets DSD revealed that while 20% of the households in the DS are officially considered to be poor (in 42 urban and rural GNDs), border villages have poverty rates as high as 40%. According to the same official, the average income in rural GNDs is around LKR 10,000, which is much lower than the district average (key informant interview, Trincomalee Town and Gravets DSD, 2015).

5.1.1 Regression analysis to explain food insecurity

The regression results measuring changes in food insecurity between waves – including the coefficients of the variables, directions of influence and levels of statistical significance – are given in Table 1 in Annex 1. Of the nine hypotheses that were tested by the regression analysis, the null hypothesis was rejected for three. As expected, households' experience of more recent displacement (H2) and experience of shocks (H4) have statistically significant associations with food security, with the former having a negative association with food insecurity and the latter having a positive association. Drawing on the random effects (RE) regression, the experience of food security among FHHs (H6) is significantly worse in comparison to those headed by men. Contrary to our expectation, there is no statistical evidence to confirm that households with better educated members at baseline have better food security (H1). Nor are there statistically significant links between households' perceptions of safety (H3), their experience of exogenous shocks, access to social protection (H5.1) and livelihood assistance (H5.2), ownership of assets (H7) or diversity of livelihoods (H8).

Education

A factor that is generally associated with employment opportunities – level of education (as measured by modal level of education in the household at baseline) – does not appear to have a significant relationship with food security, according to the RE model. On average, most household members had completed primary education and a large part of secondary school. However, a closer look at the data appears to show some differences between households with different modal levels of education at the baseline, as seen in Figure 6 below. Households where the modal level of education is primary or none were most food insecure in 2012; whereas households with a modal level of education as tertiary were the least food insecure in 2012. These discrepancies diverge between waves, as households with primary and secondary education levels experience an increase in CSI score, whereas households with a tertiary modal level of education experienced a decline in their CSI and therefore become less food insecure.

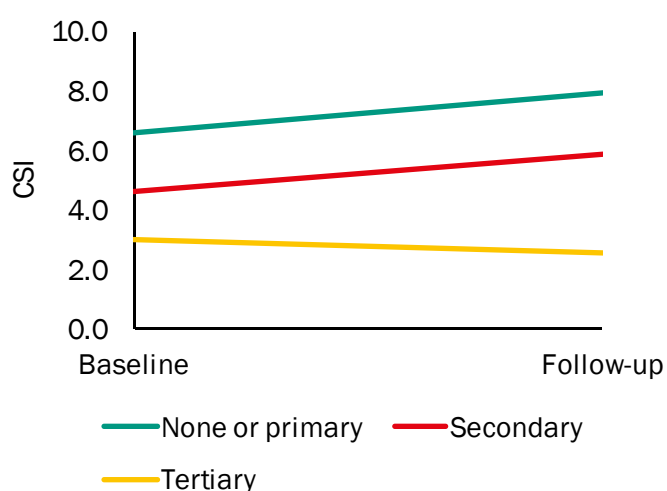


Figure 6: CSI score by wave, by average level of household education among adults at baseline

Wealth and sources of income and employment

Recent research on the use of remittances in the north and east of Sri Lanka reveals that a large proportion of funds received by a family member or a relative (living in a different part of Sri Lanka or abroad) is utilised to meet day-to-day consumption needs (Sanjeevanie, 2009). Yet, contrary to this popular perception, **wealth of a household (measured by the Morris Score Index, MSI) and receipt of local or foreign remittances do not appear to have a significant link with food security** for our sample households. Although descriptive statistics show that increases in food insecurity (i.e. higher CSI scores) are lower for households that had more diverse livelihood portfolios, this change is not statistically significant in the regression results.

Moreover, **we do not find a significant relationship between the type of employment engaged in** (e.g. casual labour, the public or private sector, or their own business) food security. The crucial benefits offered by public-sector employment such as pensions and health insurance seem not to have led to significant differences in food security for the sample, nor have the other employment opportunities available.

Loss of assets in the war, including household and agricultural land, render it difficult for those affected to continue earning their traditional livelihoods. Though the government has attempted to create employment opportunities in the north by implementing infrastructure projects, most of the private firms that are involved in construction employ workers from the south instead (Sarvananthan, 2014). In addition, while private enterprises such as garment factories, hotels and resorts

have recently set up operations in war-affected areas – with some making efforts to recruit workers locally – only a handful of businesses have managed to recruit and retain local workers. A study of post-war tourism development in Passikudah (Eastern Province) finds that hotel management are reluctant to hire locals based on their lack of skills in the hospitality industry, while some locals refuse to work in hotels as a form of resistance against Sinhala-owned businesses that have occupied their lands in the post-war period (Gunasekara *et al.*, 2016).

The survey also examined other sources of income from social protection transfers and livelihoods assistance. Contradicting hypothesis number 5.2, greater access to *Samurdhi* – i.e. receiving *Samurdhi* in the second wave when not receiving it previously – does not appear to be a determinant of food insecurity. Similarly, receiving livelihoods assistance, when not receiving it previously also does not seem to have a significant association with changes in food security.

Female-headed households

FHHs are significantly more food insecure in 2015 in comparison to households that are headed by males, as shown in the regression results. According to the RE model, food insecurity of FHHs is 0.78 points higher than MHHs, which is equivalent to a 15% increase in CSI score between waves. This pattern can even be seen in the descriptive statistics where, as Figure 7 illustrates, FHHs have higher levels of average food insecurity by CSI score, regardless of geographic location. The vulnerabilities of FHHs in war-affected regions has become salient in the post-2009 period. While FHHs are not a new phenomenon in Sri Lanka, the realities and grievances of women in the north and east have not been part of the standard development discourse or practice until recently. Recent research and local reports from non-governmental organisations (NGOs) indicate that FHHs – estimated at 40,000 in the north – face difficulties accessing income-generating opportunities from post-war economic reconstruction efforts (*IRIN News*, 2013). Another recent study confirms that economic survival is the foremost concern for FHHs: the lack of opportunities for steady and decent employment and the rising costs of living have made survival quite difficult for FHHs (Vasudevan, 2013).

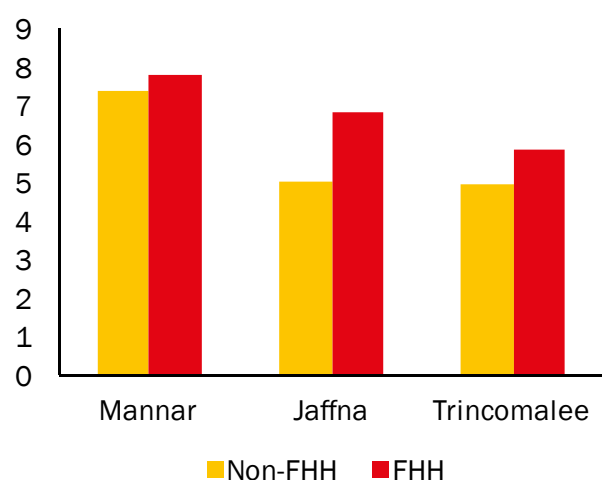


Figure 7: Mean CSI score, by gender of household head (both waves)

Reflecting long-standing social norms on women's work outside the home, discrimination against women in both formal and informal labour markets has resulted in a concentration of women in low-skilled, low-paid, informal-sector jobs (i.e. shop assistants, cleaners, *beedi* (hand-rolled cigarettes) rollers and other daily-wage work). This trend is pervasive across the country, and even when factors like age, work experience, place of residence and education are kept constant, women are consistently paid less than men (Arun and Borooah, 2011). While it is true that women have stepped outside of traditional roles during and after the civil war, entrenched gendered norms remain unchanged. In this environment, men are automatically given preference for jobs as they are considered to be the bread winners. Ruwanpura (2008: 330) argues 'their occupations reveal the extent to which gendered structures are embedded in a larger political economy that continues to reinforce a distinction between productive and non-productive labour spheres ... [and] women's overwhelming engagements in the informal economic sector reflect the lack of viable economic opportunities in a political economy marked by war, economic deprivation, and recurring political instability'. The observation here is that wars may disrupt rooted gender roles temporarily (i.e. women venture outside the home to earn an income in the absence of an important household breadwinner, and women join the LTTE, etc.). Whilst these changes indicate incremental progress in changing entrenched gender roles, they do not necessarily dismantle social norms and enable the economic empowerment of women. Indeed, the concentration of women in unsafe jobs is indicative of the continuity of gender norms during the war to post-war transition.

Perceptions of the safety of women and girls

Perceptions of safety and threats faced by women and girls have worsened between the two waves (Table 13), and we find a significant increase between waves in the number of respondents who felt that there were specific threats to the safety of women and girls. There are two explanations for this pattern. First, the survey locations (similar to most areas in the north and east) are heavily militarised by a primarily Sinhala army – a frightening presence for many Tamils, given the many alleged human rights violations of rape and sexual assault in war-affected localities (Minority Rights Group International, 2013). Second, the resettlement process has brought about a shift in social relations as the community composition has changed from being exclusively Tamil to a relatively more diverse group (ibid.). The lack of trust in the 'other' ethnicities may worsen perceived threats to physical security, given the history of violence between different groups.

Table 13: 'Are there specific threats faced by women and girls?' (weighted responses)

	Wave 1		Wave 2	
	Frequency	% households	Frequency	% households
No	1,316	97.55	1,228	90.55
Yes	33	2.45	128	9.45
Total	1,349	100	1,356	100

Note: The difference in the proportion answering yes and no between the waves is statistically significant at the 1% level.

A breakdown of the responses by DS division reveal that people living in relatively more urban locations perceive that the safety of women and girls is at threat and has worsened over time (see Table 14).

Table 14: 'Are there specific threats faced by women and girls?' (in wave 2, by DS division)

DS division	No (% households)	Yes (% households)
Musali	97.23	2.77
Manthai West	87.36	12.64
Tellippalai	93.87	6.13
Maruthankerney	88.2	11.80
Kuchchaveli	93.4	6.60
Trincomalee Town and Gravets	87.12	12.88
Total	90.55	9.45

Note: Urban areas are in red.

The survey also asked how safe respondents felt in their neighbourhood overall and, as Table 15 demonstrates, this too appears to have worsened. Though 21% of the sample reported feeling more safe in 2015, 32% reported feeling less safe. Interviews with local officials revealed that crimes such as theft, rape and sexual assault increased between waves, thus contributing to heightened levels of insecurity among the people.

Table 15: 'How safe do you feel in your neighbourhood?' (between waves)

Change in perception of safety between waves	Frequency	% households
No change	552	46.82
More safe	249	21.12
Less safe	378	32.06
Total	1,179	100

Even though the perceived safety of the neighbourhood worsened over time, the regression analysis indicates that there is no clear link between changes in perceptions of safety in the neighbourhood and changes in food security.

Experience of shocks

A key finding of the FE regression model is the **strong link between the experience of shocks and food insecurity**. When a household experienced one more shock between waves than they had previously, we find that their CSI score also increased (i.e. they became more insecure). Comparing the size of the coefficient against the average level of food insecurity in wave 1 suggests a rise of roughly 20% in CSI scores with each extra shock that they experience.

Disaggregating by type of shock, however, we find that when the shock is endogenous to the household, it has the opposite relationship, namely, that food insecurity scores decrease. What this implies is that shocks originating outside the household (exogenous shocks) that might affect a number of people in the surrounding area are also accompanied by food scarcity.

Table 16 indicates a significant increase in the average total number of shocks (both exogenous and endogenous shocks) experienced by households between waves, with over 50% of respondents experiencing additional shocks by the second wave. Reinforcing the regression

results, Table 16 further demonstrates that those who experienced additional shocks by wave 2 also experienced a dramatic increase in their food insecurity score.

Table 16: Number of shocks (exogenous and endogenous) experienced between 2012 and 2015

Change in number of total shocks	Frequency	% households	Difference in CSI (mean)
No change	263	22.27	0.74
Fewer shocks	316	26.76	-0.43
More shocks	602	50.97	2.18
Total	1,181	100	

Types of shocks experienced

Figure 8 indicates that the overall decline in food security between waves may be attributed to a combination of factors: 1) adverse climate conditions such as floods and droughts throughout the country that affected farming and food production, and 2) increases in food prices. Between 2010 and 2015, there were droughts before and during the main cultivation season – *Yala* – which severely affected paddy cultivation and farming of other food crops (Agalawatte *et al.*, 2015).

In general terms, the weather pattern between 2010 and 2015 was dominated by drought conditions followed by floods. The impact of the drought was such that 25% of the 2014 *Maha* season's harvest¹² (nearly 4 metric tonnes of rice) was wiped out in a 10-month drought followed by flooding (*Daily FT*, 2015). Rice imports, which are typically very low, increased over 20 times in 2014 and, as a result, the price of some rice varieties also increased, with 40% hikes compared to 2013 (*ibid.*). Indeed, the prices of most everyday food items increased considerably between 2012 and 2015 (Department of Census and Statistics, 2012, 2015). The price of ingredients for a typical Sri Lankan meal common to all ethnic groups, such as coconut, onion and cooking oil, increased substantially: the price of coconuts increased by 47%; locally produced onion prices increased by 92%; and cooking oil increased by 21%. Pulses and grains commonly eaten as breakfast foods, such as chickpeas, moong beans and cowpea, increased by an average of 20%; vegetables such as brinjals, pumpkin, ash plantains and green beans increased by 50%; and chicken increased by 30%, eggs by 9% and dried fish by 9%. The

¹² The 'north-east' monsoon season approximately between September and March.

only food items that decreased in price between waves were sugar (down by 12%), wheat flour (down 6%) and bread (down 5%) (ibid.).

Additional exogenous shocks

While the RE regressions show that food insecurity is higher in Mannar, the relationship is not statistically significant and there may be several explanations as to why this area is faring worse. For example, there are issues of water scarcity and quality in in Mannar. Soon after the war ended in 2009, there was a large-scale government-sponsored initiative to provide water to the district. However, when construction began and workers started excavating the ground to lay pipes, they found a mass grave in Thiruketheeswaram, which led to a criminal investigation (on-going) and halted the water project. As a result, Mannar’s issues regarding water remain unresolved to date. During drought months (typically June to September), water is supplied by bowsers (water tankers) to all the GNDs.

Interviews with government officials in the Divisional Secretariat in Manthai West and Musali in Mannar revealed that the two main forms of livelihoods for people living in these areas are paddy farming and fishing- both of

which are currently not lucrative due to changing weather patterns as well as outdated practices. The availability of land and water appears to be the biggest challenges for people who engage in agriculture in Mannar. In 2006, the Forest Department of Sri Lanka declared that all land with bushes and vegetation over three metres was forest land, and hence conservation land. Given that Manthai West and Musali were abandoned for 25-30 years due to the war, parts of the land that was cultivated now belongs to the Forest Department. For example, Pambatti and Madhu – two areas in Manthai West that used to be cultivations with three big tanks to irrigate the farms – are now forest reserves. As this decision by the Forest Department reduced the amount of land that could be distributed to people to cultivate (Mannar also has high rates of landless farmers, who are dependent on the state’s provision of land for cultivation), the District Secretariat has proposed that some of the declared forest land be cleared for farming. However, this proposition has been challenged by an environmental NGO, which has resulted in a sour court battle.

Another factor that affects agriculture in Mannar is human-elephant conflict. In some of the areas in Manthai West, elephants come to villages and destroy

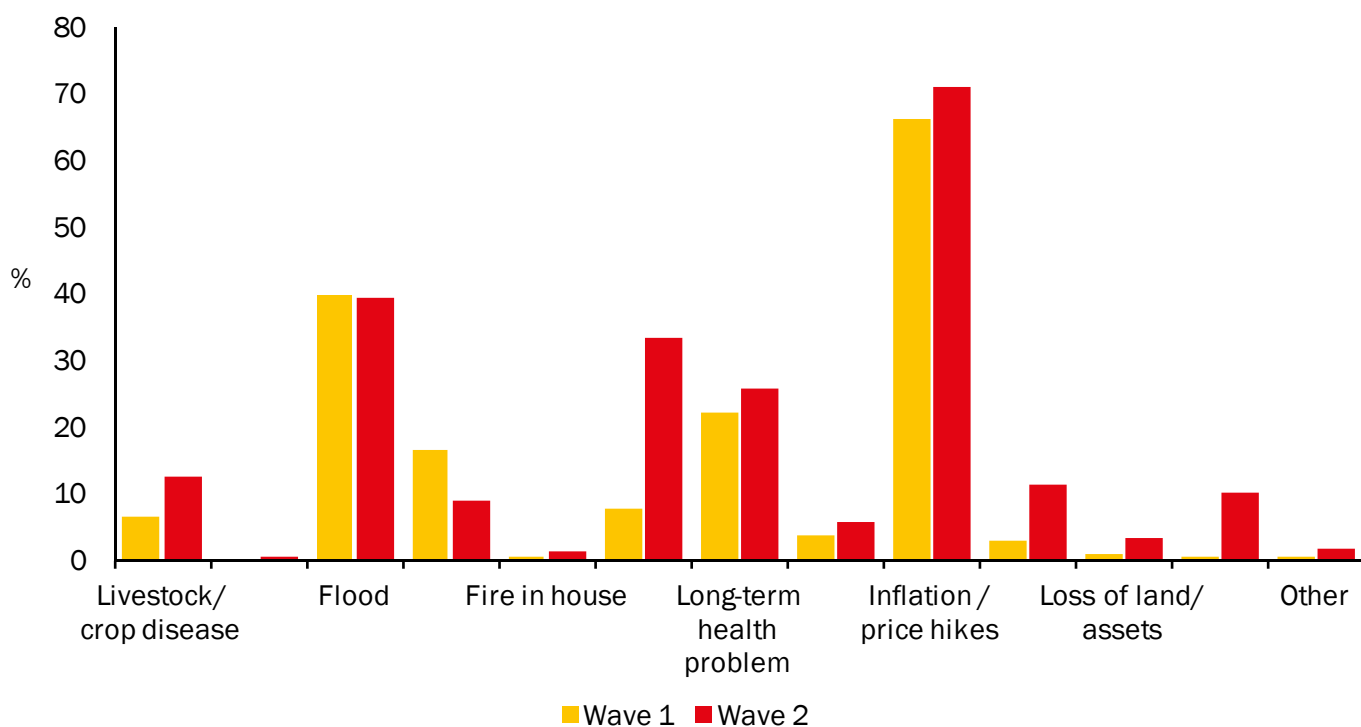


Figure 8: Types of shocks experienced in each wave

fields and crops. Plans to install an electric fence to ward off elephants are currently on hold due to the high maintenance cost.

Debt

The FE regression also indicates that **households that took on a debt between waves also experienced a rise in food insecurity**, with the difference roughly equivalent to a 21% increase on average baseline food insecurity upon going into debt (which is fairly substantial), **but the regression does not establish a causal relationship**.

Although there may be cases whereby households entered into debt to purchase food in times of food insecurity, we find that the level of indebtedness across our sample has risen overall and attribute this to a trend in our sample areas of purchasing household goods on credit. As outlined further in section 6 on household assets, ownership of white goods such as refrigerators and fans, as well as televisions and computers, rose between waves, with a substantial proportion of these often purchased on credit (53% in the case of refrigerators). Previous studies (World Food Programme, 2012; Romeshun *et al.*, 2014) find that households cope with increasing indebtedness by compensating in terms of the quantity, quality and frequency of meals.

Displacement

The RE regression results reveal that **displacement history is a strong predictor of household food insecurity**, with households that were displaced after 2001 displaying lower food insecurity in comparison to those who were displaced before 2001. According to the regression, if a household was displaced after 2009, then their food insecurity (as measured by the CSI) is 1.78 points lower than a household displaced prior to 1990. A household displaced between 2006 and 2009 has a CSI 0.91 points lower than those displaced prior to 1990; and

households displaced between 2001 and 2005 have a CSI score of 0.99 points lower than those displaced prior to 1990. There is no significant difference in CSI score for those displaced between 1990 and 2000 relative to those displaced before 1990.

Looking at the descriptive results, Table 17 presents the average household CSI score in each wave by period of most recent displacement, and indicates that only those households that were displaced between 2001 and 2005, and after 2009, improved average food insecurity over time.

Table 17: Average food insecurity by displacement period

Most recent displacement	CSI (wave 1)	CSI (wave 2)
Pre-1990	4.4	6.7
1990-2000	4.8	6.6
2001-2005	6.4	5.5
2006-2009	5.8	6.8
2009 onwards	6.9	4.9

This finding is reinforced when we examine the proportion of those whose food insecurity improved (lower CSI), worsened (higher CSI) or didn't change by period of most recent displacement (see Table 18). We see that those displaced after 2001 have a larger proportion of households that improved their food insecurity by wave 2 (a lower CSI) than households that were most recently displaced prior to 2001. The average change in food insecurity score is worse for those displaced earliest, as those displaced prior to 1990 experienced an increase in CSI of 2.2 points compared to an increase of 1.8 points for those displaced between 1990 and 2000 (see Table 1 in Annex 2).

Table 18: Changes in CSI by displacement period

Most recent displacement	Change in CSI			Total
	No change (% households)	Lower (better) (% households)	Higher (worse) (% households)	
Pre-1990	19.01	31.69	49.3	100
1990-2000	19.78	30.97	49.25	100
2001-2005	11.48	48.63	39.89	100
2006-2009	13.47	35.79	50.74	100
After 2009	22.22	55.56	22.22	100
Total	15.56	36.56	47.88	100

Figure 9 illustrates that households that were displaced for a longer period of time have increased food insecurity between the two waves. Those displaced for less than 1 month or never displaced experienced better food security (lower CSI score) between 2012 and 2015.

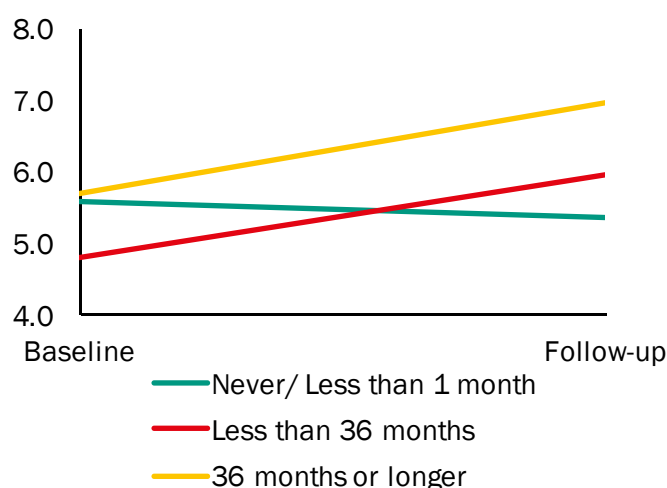


Figure 9: CSI score over time, by duration of displacement

From these findings, it can be argued that **households display worse food insecurity due to protracted displacement and its adverse consequences**. Indeed, a study conducted by the World Bank in Europe and Central Asia finds that individuals displaced for more than ten years suffered prolonged deprivation and limited access to essential services, which in turn increased vulnerabilities and had long-term impacts on socio-economic security. Raheem (2013) points out that the Government of Sri Lanka re-classified IDPs as 'old' or 'new' IDPs in 2008, at which time anyone displaced prior to April 2008 was categorised as an 'old IDP', as were those in closed welfare centres or campus run by the government. According to 2012 estimates (ibid.: 24), there were 9,847 households that were considered 'old IDPs' in Jaffna, and it has been found that a significant proportion of these were displaced as a result of military occupation of civilian lands. An estimated 18% of the land in the Jaffna peninsula has been converted into high security zones (HSZ) by successive governments, and civilians have had to evacuate their homes and hand over the land to the military. Trincomalee had 1,256 families categorised as 'old' IDPs in 2012, mainly due to the occupation of lands in Sampur, which was acquired by the government first as a HSZ and later as a SEZ. By 2012, 157 families in Mannar were identified as 'old' IDPs (ibid.: 25). The government that came into power in August 2015 released a significant proportion of this

land, however, and resettlement of IDPs has already commenced in these areas.

Raheem (2013) argues that the lack of public information and references to the concerns of 'old' IDPs has led to differential treatment between the two categories being built into the design, planning, funding and implementation of rehabilitation policies. In fact, the Presidential Task Force (PTF), the key institution overseeing the post-war relief efforts, considered only those displaced after April 2008 as IDPs (the 'new' IDPs), rendering the 'old' IDPs absent from the humanitarian agenda. As a result, the standard resettlement package (offered to only 'new' IDPs) was not offered to people who were displaced prior to 2008. The package for the former was based on costs of food from the mid-1990s, and for the latter it was based on calorific content and was funded and implemented by the World Food Programme (WFP). Such differential treatment has led to Muslim IDPs from the north and those displaced by the Jaffna HSZ receiving less food rations per family unit in comparison to those who were more recently displaced (ibid.: 31). Similarly, the provision of a LSR 25,000 grant to establish temporary shelter was only for 'new' IDPs. The absence of 'old' IDPs in the official resettlement policy led to protracted IDPs not qualifying for resettlement, especially in locations like Musali (one area covered by the SLRC survey). The trend in worse food insecurity among groups that can be considered 'old' IDPs thus tells us that the state's categorisation of 'old' and 'new' IDPs and the INGO/NGO compliance with this policy is problematic. Raheem (2013) suggests that the interests of IDPs would be better served by shifting to a policy of providing assistance based on needs and vulnerability, rather than the categorisation that currently exists.

Ethnicity and food security

Controlling for location, rural/urban setting and displacement history, being of Sinhala ethnicity emerges as an important characteristic that is associated with lower food insecurity scores in the RE model. In comparison to Tamil households, Sinhala households have a lower food insecurity score by 1.63 points (and are therefore more food secure). This difference is large, as it represents 30% of the overall average CSI in wave 1. Muslim households were found to have no significant differences in food insecurity scores relative to Tamil households. The lower food insecurity scores among Sinhala respondents may be explained by the fact that all sampled Sinhala households were located in Trincomalee, which returned to civilian control in 1990; whereas Jaffna (where 95% of the population is Tamil)

returned to civilian control in 1996, and Mannar (where both Muslim and Tamil households reside) continued to experience intense periods of conflict up until 2009.

Figure 10 confirms this trend, showing increasing food insecurity scores amongst Tamil and Muslim households over time, but a decline in food insecurity scores amongst Sinhala households.

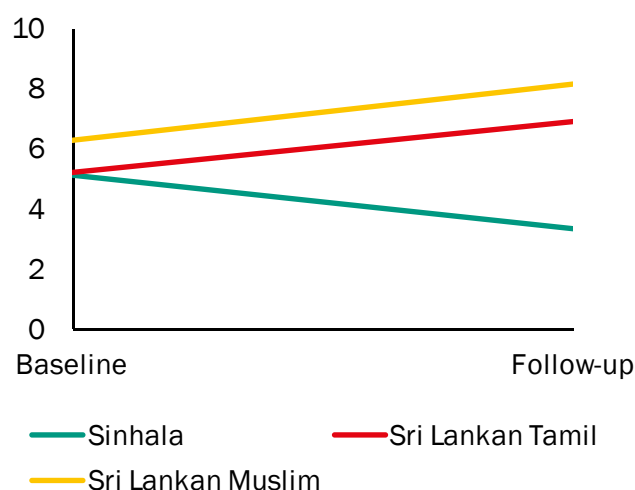


Figure 10: CSI over time, by ethnicity

When both location and ethnicity are considered, the survey results reveal that the most food-insecure households in the sample were from Mannar, where all respondents are either Tamil or Muslim. Similarly, Abayapura – the GND in Trincomalee that reports the lowest food insecurity – is an urban area with a majority of Sinhala residents, which is consistent with the regression findings. This raises a question for future research as to whether the decrease in food insecurity scores amongst Sinhalese households is a function of the economic, political and social privilege that this ethnic group generally garners over Tamils and Muslims.

5.2 Household wealth

In order to calculate Morris Index (MSI) scores, we asked households about their ownership of household assets (e.g. TV, refrigerator, fan, mobile phone, computer) and livelihood assets (e.g. livestock, tools, machinery, nets, etc.). The survey results indicate that average household wealth, as measured by the MSI, increased from 2012 to 2015. The difference in average MSI between the two waves – around 9 points (21.13 in 2012 to 30.62 in 2015) – is statistically significant (at the 1% significance level), suggesting that households have accumulated more assets over time (see Figure 11).

The distribution of change in the MSI score is fairly concentrated to the left, as to be expected for a wealth measure (see Figure 12 for illustration); however, two-thirds of the sample households either increased or decreased ownership of assets by greater than 5 points (see Table 2 in Annex 2), and 50% either increased or decreased their assets by more than 10 points (see Table 3 in Annex 2). This change is more pronounced if we look at percentages, as 90% of the sample either increased or decreased their MSI by more than 10% (see Table 4 in Annex 2), and 61% of the sample experienced a change of more than 50% (see Table 5 in Annex 2).

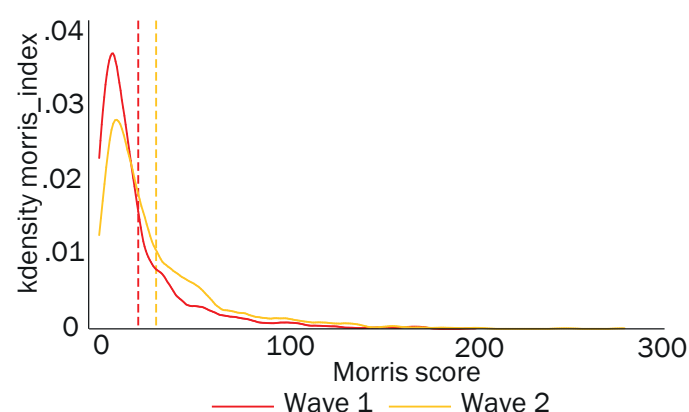


Figure 11: Change in household wealth between waves (2012 - 2015)

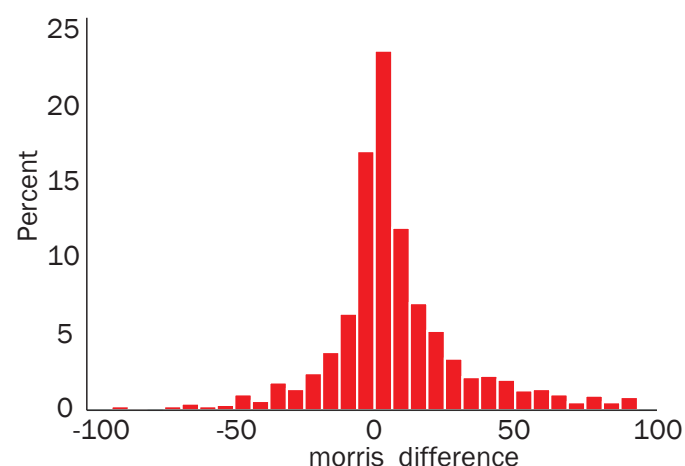


Figure 12: Distribution of difference in MSI between waves (capped at +/- 100)

Overall, two-thirds of surveyed households acquired more assets between waves, while nearly one-third lost assets and therefore worsened their MSI score. When the households are classified into quintiles based on their MSI during the first wave of the survey, it appears that those households that were worst off in 2012 (1st and 2nd quintiles of MSI) experienced the greatest change –

an increase in MSI – between 2012 and 2015 (see Table 19).

Table 19: Average change in MSI, by quintile in wave 1

MSI quintile in wave 1	Mean change in MSI by wave 2	Frequency.
1 (lowest MSI/worst off)	15.7	244
2	16.0	237
3	12.7	235
4	9.3	226
5 (highest MSI/best off)	-6.2	239

A disaggregated look at MSI indicates that Jaffna district has the highest average MSI in both waves (36.97 in 2015), while Trincomalee shows the largest positive change in MSI between the two waves (17.6 in 2012 and 28.0 in 2015). Mannar district has the lowest average MSI in wave 2 (26.9 in 2015, 4 points below the sample average of 30.61) though the MSI score improved significantly from 2012. It is important to note that rural households have higher average MSI scores (33.02) in comparison to urban households (26.66), and rural households also experienced a larger increase (11.30 points) in comparison to urban households (6.48 points). Though this is contrary to the expectation that rural households own fewer assets, it is possible that this difference is due to ownership by rural households of agricultural and/or fishing related assets such as livestock, which this survey specifically probed for.

A partial explanation for the increased asset base of those affected by war may be the opening up of the long-insulated northern market to businesses from the south of Sri Lanka. During the overall study period, there has been a notable increase in the availability of consumer goods (i.e. household and kitchen appliances, motorbikes, etc.) that were previously not enjoyed by people living in war-affected regions (Gunasekara *et al.*, 2015). Aggressive marketing campaigns by retailers offering consumer goods on credit (i.e. instalment plans, hire purchase) has lured individuals into a consumerist lifestyle in which they pay for products with savings and remittances (*ibid.*). The increased presence of financial institutions (as discussed earlier) and competition among these corporations have resulted in a relaxation of loan terms and special loan schemes (i.e. for weddings), which are often used by individuals to purchase items for dowries and wedding jewellery. The fact that Jaffna

has the highest average MSI in both waves and saw the greatest increase in MSI demonstrates the effect of the increased availability of consumer goods in the district.

5.2.1 Regression analysis to explain asset ownership

The regression results – including the coefficients of the variables, directions of influence and levels of statistical significance – are given in Table 2 in Annex 2. When analysing the data from the RE regression results, households in Jaffna have around 30% higher MSI scores compared to Mannar, and those in Trincomalee have around 21% higher MSI scores. Out of the nine hypotheses that were tested, the null hypothesis was rejected for three. Though the same predictors of food insecurity were used for household ownership of assets, two of the hypotheses – H4) the link between the number of shocks and household ownership of assets, and H7) the link between food insecurity and household ownership of assets (to which there was no support in the regression analysis of food insecurity), were dropped from the regression analysis of household ownership of assets. Households' experience of economic shocks (H4), receiving livelihood assistance (H5.2), and migration and remittances have statistically significant links with household ownership of assets. Female-headed households own significantly fewer assets in comparison to households headed by men (H6). Education levels of household members (H1), the experience of displacement (H2), perceptions about safety (H3) and livelihood diversity (H8) do not have statistically significant links with household ownership of assets.

Household size and age of household members
Household size appears to have a significant positive association with asset purchases. With each additional household member, the MSI asset score increases by 22% between 2012 and 2015, which is consistent with general assumption that household wealth is contingent upon the number of income earners and, of course, that larger households require more assets. This association diminishes as the household size increases (as seen by the small negative coefficient on household size squared), which is also consistent with economies of scale i.e. doubling the number of household members does not double the number of assets. **The average age of the household also has a significant association with MSI:** for each additional year in average age of a household,

the asset score improved by 4% compared to the household's MSI score in 2012.¹³

Education and employment

The level of education of household members does not appear to have a link with asset ownership between waves. Conventional wisdom suggests that increases in levels of education should contribute to household asset ownership vis-à-vis productive employment. As Figure 13 illustrates, household ownership of assets varies with the average level of education of its members, where households with tertiary education start at a higher level of MSI on average. However, the rate at which households increased their assets between waves is similar regardless of the level of education.

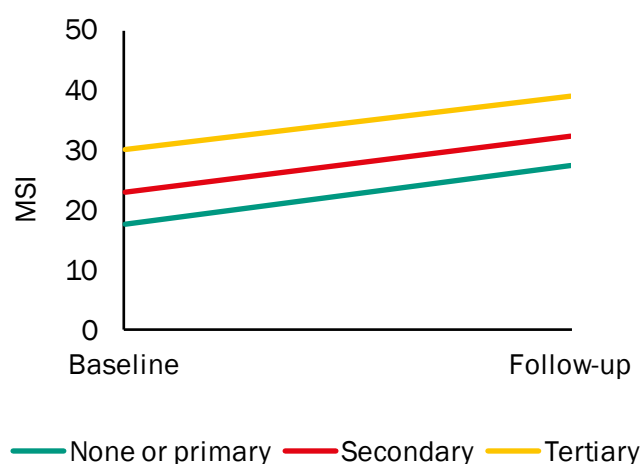


Figure 13: MSI over time, by average level of household education

The regression analysis does not find a link between livelihood diversity and wealth. This is understandable, as livelihood diversity has not changed much between the waves, likely due to the lack of employment opportunities in these areas. However, a closer look at the descriptive data (breaking the sample down by those who experienced either a decrease, increase or no change in number of livelihood activities) suggests that households that had more diverse livelihoods between 2012 and 2015 also had the highest increase in their asset score between waves (a change of 11.9 points). This is to be expected, as formal employment is scarce in war-affected areas, and people resort to multiple casual jobs to earn an income and purchase assets for the household (this is evident in household incomes, as illustrated in Table 20).

Displacement and shocks

As Figure 14 illustrates, **households that were displaced for the longest period of time (36 months or longer) have the highest increase in MSI score. However, the pattern is not consistent** as those who were never displaced or displaced for less than one month had the next largest increase in MSI score.

The regression model only looks at the duration of displacement, which as previously argued, relates to the reasons for displacement. Contrary to the hypotheses, the RE regression results indicate that displacement timing does not appear to have a clear relationship with asset ownership.

Table 20: Household income by occupation in 2012/13 (war-affected north and east vs. the rest of country)

	Government employee	Semi-government employee	Private-sector employee	Employer	Own account worker	Contributing family worker	Total (LKR)
Total income (LKR): war-affected districts	28,722	23,476	17,415	44,311	26,504	2,743	21,901
Total income (LKR): rest of country	35,190	28,060	19,593	97,921	28,945	1,800	24,717
Difference (rest of country - N&E)	6,469	4,584	2,178	53,610	2,441	(943)	2,816

Source: Department of Census and Statistics (2015).

¹³ Sensitivity analysis reveals that the statistical significance of this result is sensitive to the specification of the analytical model.

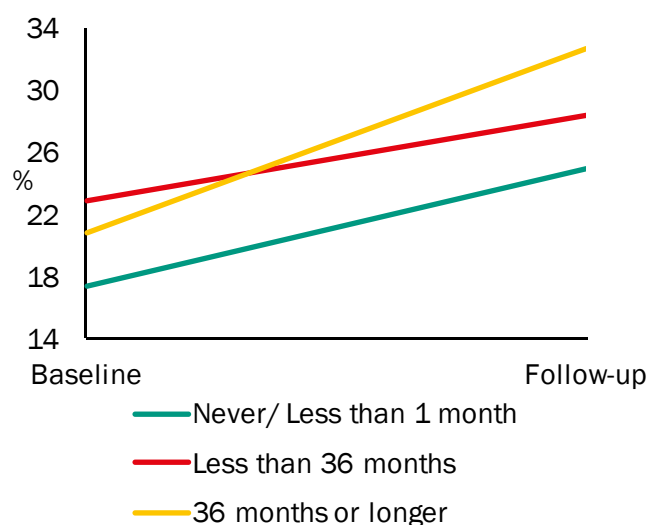


Figure 14: MSI over time, by duration of displacement

However, it is possible that the statistical model in this case has not captured the full effect of the reasons for displacement and the effect of multiple displacements on asset ownership. As Table 21 presents, the greatest change in MSI was experienced by those displaced due to the tsunami, and those displaced due to both the war and the tsunami, who appear to have rapidly increased asset ownership between the two waves.

Table 21: MSI in each wave, by reason for displacement

Reason for displacement	Mean MSI score	
	Wave 1	Wave 2
Only war	23.05	32.09
Only tsunami	16.47	25.55
Only floods	11.24	14.27
Only other	10.33	10.74
War and tsunami	16.92	28.87

Most post-tsunami relief efforts were geared towards donating assets that households lost in the disaster. During our interviews with key local government officials who served during the aftermath of the tsunami, we found that there was a small parallel economy related to disaster relief.

‘They received everything that needed for free; they got free houses, boats, nets and a slew of other equipment. They were flooded with resources needed for their livelihoods. People who received these resources even took advantage of this. For example, they would lie to NGOs that they didn’t receive boats; when they got new boats and equipment, they would sell the goods. There were lots of people that made a business out of relief interventions.’ – local government official, Eastern Province, 25 January 2015.

A rise in the reporting of inflation (at the Divisional Secretariat level) is associated with a rise in asset wealth. Although this could be described as an economic shock, inflation is usually a gradual process and, in this case, it does not appear to have put households under financial strain. The experience of other endogenous and exogenous shocks to the household did not show statistically significant links with changes in MSI.

Livelihoods assistance

Households that began to receive livelihoods assistance between waves increased their MSI score by 20% by 2015 and this is statistically significant. This is perhaps expected, as many livelihood programmes are likely to have distributed assets such as agricultural tools or fishing nets. Receiving social protection, specifically the *Samurdhi* transfer, is not significantly associated with a change in MSI.

Apart from formal sources of assistance such as livelihoods support, the data confirms the general view within development thinking that **receiving remittances has a positive association with asset purchases of a household.** Households that received remittances in the second wave that hadn’t in the first wave increased their MSI score by 17% by 2015.

Female-headed households

FHHs own fewer assets compared to households that are headed by men, with FHHs having an MSI score that is 10% lower than MHHs.

Figure 15 depicts the very low change in asset ownership for FHHs compared with the change experienced by MHHs and the overall change in the sample.

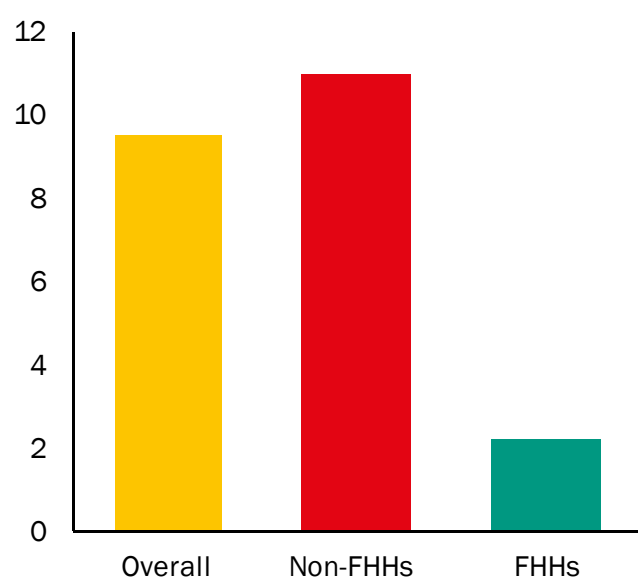


Figure 15: Mean change in MSI score, between waves, by gender of household head

5.3 Summary of findings

The survey findings present contrasting trends in food security and asset ownership. While asset ownership has improved on average between waves across the surveyed households, food security has worsened for many households. As discussed above, and confirmed by an assessment by the World Food Programme (2012), food insecurity among people living in war-affected areas is associated with: 1) high debt levels and the use of credit to buy food; 2) barriers to engagement in income-generating activities (i.e. uncleared land, a lack of productive and liquid assets); 3) inconsistent income and dependence on in-kind contributions and gifts; 4) limited access to land; 5) loss of employment; 6) high food prices; and 7) disability among household members – all of which restrict households from earning sufficient money to fulfil daily needs.

While the increase in asset ownership amongst our survey households is counterintuitive alongside the previous finding of worsened food insecurity, this trend may be explained by the increased availability of credit for consumption in the north and receipt of remittances (either from within the country or from abroad). Previous studies (WFP, 2012; Romeshun *et al.*, 2014) find that households cope with increasing indebtedness by compensating in the quantity, quality and frequency of their meals. With meagre income and lack of opportunities for safe and secure livelihoods, the little income that households receive is spent on debt repayment. The rapid proliferation of retailers advertising household appliances that were previously not available to these communities appears to have encouraged a consumerist lifestyle in which household items are purchased on credit. It is plausible, therefore, that people in war-affected areas are being conditioned to change their priorities of household needs through advertising. This may explain why household assets increase while food insecurity worsens over time, and why moving into debt is linked to households becoming less food secure.

With respect to time-invariant characteristics, our analysis indicates that FHHs have worse food insecurity and less ownership of assets compared with MHHs. This finding is in line with recent studies that argue the greater impact of war on FHHs, and the differential recovery outcomes of male- and female-headed households (Vasudevan, 2013; Godamunne, 2016b). These studies find evidence that FHHs ‘face a range of economic, physical, socio-cultural, and psycho-social vulnerabilities, differentiated by variables of ethnicity, religion and age’ (Vasudevan, 2013). Indeed, it appears that FHHs are caught between the ‘sinhalised’ national-security agenda and the norms of ‘traditional’ Tamil culture, both of which intensify the vulnerabilities that they face (*ibid.*). An example that emerges from Vasudevan’s study, is that ‘appropriate moral and social conduct of women’ which was previously controlled by the LTTE, has been taken over by various forms of control and marginalisation imposed by the fusion of state-led domination and Tamil culture (*ibid.*).

6 Access to and satisfaction with services

In this section, we consider people's access to and experience of a range of basic services, including health, education, water, public transport, social protection and livelihood support.

6.1 Health

Access to healthcare – as measured by the journey time to reach the nearest clinic – significantly decreased between 2012 and 2015. In 2012, the average time to the nearest clinic was 44 minutes, while in 2015 this reduced to 29 minutes. When disaggregating by location, we see that journey time to the nearest clinic decreased significantly in two of the three districts. As Table 22 presents, respondents from Mannar experienced the greatest decrease in journey time, followed by Jaffna district. The journey time to the nearest clinic in Trincomalee did not change drastically, due to already short journey times in 2012 (relative to the other districts). As expected, urban areas had greater access to health services in comparison to rural locations across both waves. The average journey time in urban GNDs was 22 minutes in 2015, whereas it was 33 minutes for rural locations in 2015. Having said this, respondents in rural areas reported a large reduction in journey time from 56 minutes in 2012 to 33 minutes in 2015, so there was still a marked improvement in these GNDs.

For households that experienced a change in journey time between 2012 and 2015, 56% reported a reduction in time, whereas 26% reported an increase in travel time to the nearest clinic. The analysis was performed again, excluding households that reduced their journey time in 2015 by only 5 minutes or less, so that we would exclude those data that were more susceptible to recall error. Despite this, 48% of households still reported a reduction in journey time (of greater than 5 minutes) to the nearest clinic.

This reduction in journey time can likely be attributed to the establishment of new health care facilities in all three districts and the reconstruction of roads (interviews with officials from Divisional Secretariats in the surveyed locations, September-November 2015). When respondents who had reported that they used a different health clinic than in 2012 were asked the reasons for switching to a different facility in 2015, 37% reported that a new facility had been built between the two waves of the survey. A large proportion of respondents (45%) had used the nearest health care facility within 30 days prior to the survey in both waves, with no significant difference

between the numbers of visits to the nearest health care facility between the two waves.

Overall satisfaction¹⁴ with the nearest health facility was mostly positive in 2015, with 75% of respondents stating that they were satisfied with the service. Nearly half of the respondents were generally satisfied with the health service during both waves. While 27% switched from dissatisfied to satisfied during waves, it is also important to note that a fair proportion (13%) reported their discontent with the health services in both waves and 12% went from being satisfied in wave 1 to dissatisfied in wave 2. As indicated by Table 23, on average, respondents became less satisfied with the number of personnel in the nearest health care facility –looking at switchers, although 19% became satisfied between waves, 22% switched from being satisfied to being dissatisfied. However, in all other aspects of the health service – such as the availability of medicines, waiting time, accessibility, time spent with the doctor, and

the language of communication – respondents became more satisfied over time. Again, this is consistent when we examine switchers, as the percentage switching from dissatisfied to satisfied is greater than those switching from satisfied to dissatisfied in all other aspects of healthcare (see Tables 6-11 in Annex 2).

When asked whether respondents made informal payments in order to access health facilities, an overwhelming majority reported not, with only 2% reporting in the second wave that they paid informal fees (down from 6% in the first wave). The notion of ‘informal payments’ is slightly redundant in the Sri Lankan context, compared to other SLRC survey countries, as healthcare at state-run health facilities is provided universally free of charge. In fact, it is quite rare for patients to ‘bribe’ or offer informal payments to doctors, nurses, attendants or other hospital staff, although families of patients that require long-term care at a hospital may offer tips in the form of money or via other non-monetary favours. Any

Table 22: Change in journey time to nearest health clinic

District	Avg. journey time in 2012 (mins)	Avg. journey time in 2015 (mins)	Decrease in avg. journey time (mins)
Mannar	73.95	41.02	32.93
Jaffna	33.47	22.41	11.06
Trincomalee	24.75	22.45	2.30
Overall	43.90	28.91	14.99

Table 23: Changes in satisfaction with health service over time

Aspect of health service		Wave 1 (% household)	Wave 2 (% household)
Number of personnel	Dissatisfied	32.2	35.6
	Satisfied	67.8	64.4
Availability of medicines	Dissatisfied	39.5	31
	Satisfied	60.5	69
Waiting time	Dissatisfied	63.4	57.2
	Satisfied	36.6	42.8
Accessibility (journey time in mins)	Dissatisfied	47.5	33.7
	Satisfied	52.5	66.3
Time spent with doctor	Dissatisfied	36.0	17.7
	Satisfied	64.0	82.3
Language of communication	Dissatisfied	20.9	8.9
	Satisfied	79.1	91.1

¹⁴ Respondents were given five options that were categorised into a binary of satisfied (very satisfied and satisfied) and dissatisfied (very dissatisfied, dissatisfied and indifferent).

payments that are incurred by health service users are mostly formal – for example, a patient may be asked by hospital staff to have a lab test done at a private hospital if the state-run hospital/clinic does not offer that service. Similarly, if certain medicine is not available in the state-run clinic, the patients may be asked to buy it from a private dispensary. These payments cannot be classified as ‘informal’, however, as they are formal commercial transactions between two parties. Official fees (meaning out-of-pocket payments for treatment), on the other hand, seem to have increased slightly between waves, with the percentage of respondents reporting that they had paid official fees to access health services increasing from 11% in 2012 to 15% in 2015.

6.1.1 Regression analysis to explain changes in access to health services

The regression results – including the coefficients of the variables, directions of association and levels of statistical significance – are given in Table 3 in Annex 1.

Wealth, education and other household characteristics

Household asset ownership appears to have a significant and positive link with access to health services; an increase in MSI score by 20% results in a shorter journey time of 1.1 minutes. Similarly, households that received remittances in 2015 but did not receive them previously had a journey time 9.6 minutes shorter than they did in 2012.¹⁵ These relationships could be attributed to the purchase of light vehicles (motor bikes and three-wheelers) by households with more assets and those who receive remittances. Households in which at least one household member began to engage in casual labour between 2012 and 2015 also saw a reduction in their travel time to the nearest health clinic by 11.5 minutes. Similarly, households in which at least one member started their own business between waves also saw a reduction in their journey time to the nearest health clinic by 10.4 minutes. This link between changes in household livelihoods (casual labour and own business) and access to health care is plausible in the context of the three districts, where self-employment and casual labour are the dominant means of earning an income. Contrary to hypothesis H9, more educated households do not appear to have significantly better access to health services. Drawing on the RE regression, the level of education of members in a household does not appear to have a significant link with access to health care.

Displacement and safety

Drawing on the RE regression, those who were displaced between 1990 and 2000, and between 2001 and 2005, appear to have shorter journey times to their local health facility than those displaced prior to 1990.

Better access to health services by households displaced during 2006-2009 and post-2009 may be largely due to post-tsunami reconstruction efforts that re-built hospitals and clinics that were destroyed in the disaster, as well as newly rebuilt roads in the post-2009 period. Contrary to hypothesis H11, **changes in perceptions of safety do not appear to have a significant association with changes in access to health care.**

Differences across districts

The most notable explanatory factor in the regressions for differences in access to health care is the district in which households lived, with the results being highly significant. Drawing on the RE results, those living in Jaffna experienced a journey time 29 minutes shorter than households in Mannar, while those in Trincomalee district had journey times 38 minutes shorter than those in Mannar. This can be explained by the different time periods in which Jaffna, Trincomalee and Mannar returned to civilian control – Mannar was the last district to begin reconstruction, therefore it is to be expected that this area lags behind the other two districts in rebuilding health infrastructure. Another factor that runs parallel to the recovery process is proliferation of private health services in the war-affected areas. Given that Jaffna and Trincomalee are more populous and have higher average incomes, private health providers may consider these districts to be of a greater priority than Mannar, which is less populous and has lower average household incomes. A third reason that may explain the better-off positions of Trincomalee and Jaffna is state- and local-government patronage, given that the two districts are strategic electoral hubs that garner a lot of attention from politicians of all stripes.

Other factors that are linked to access to health care

Female-headed households have worse access to health services over time in comparison to MHHs.

Drawing on the RE regression, the journey time of FHHs to the nearest health facility is 8 minutes longer than those headed by men. **Muslims in the sample also appear to have a longer journey time (by 8 minutes) to the nearest health facility in comparison to Tamils,** which are not

¹⁵ Sensitivity analysis finds that the results for remittances, casual labour, own business, and Muslim ethnicity are sensitive to model specification.

significantly different to Sinhala households with regards to journey time (also based on RE findings).

6.1.2 Regression analysis to explain satisfaction with health services

The regression results – including the coefficients of the variables, directions of influence and levels of statistical significance – are given in Table 4 in Annex 1.

Household wealth appears to be strongly linked to positive perceptions about health services,¹⁶ as improvements in ownership of assets and the receipt of remittances appear to have an association with increased satisfaction with health services over time.

Respondents who were unaware of community meetings about health in 2012 had diminished satisfaction with health services over time if they were aware of such meetings in 2015. During the survey, respondents often vocalised ‘meeting fatigue’ as a result of increased (international) NGO activity in the surveyed areas.

Drawing on the RE regression, **Sinhala and Muslim respondents had more negative perceptions regarding health services relative to Tamil respondents**, and this difference is statistically significant. This may relate to geographical variations in conflict intensity and the possible impacts this has on people’s expectations of service provision. In the less afflicted areas of Trincomalee (where the entire Sinhalese population and most of the Muslim population were sampled), people’s expectations of what the state should be doing may already be high compared with those in our samples from Jaffna and Mannar (who may now be experiencing the positive outcomes of a peace dividend). Interviews with officials in Divisional Secretariats revealed that the need for health services was contingent upon the extent to which health facilities were destroyed in a given area, and the current needs of the population. Given that areas such as Trincomalee Town and Gravets have a longer history of civilian administration, it follows that hospitals and other health facilities were built before they were re-established in areas like Manthai West in Mannar. Households that were relocated between 2012 and 2015 reported that their satisfaction with health services increased over time. This could be because many of the

state-led and INGO/NGO-led post-war reconstruction projects have established new health clinics in close proximity to new settlements.

6.2 Water

Between 2012 and 2015, over half of the respondents experienced shorter travel times to their nearest water source, despite the majority also reporting that they used the same water source as in 2012. Those who started using a different water source reported that they did so because it was a newly built one or within closer proximity to their home.

People’s satisfaction with the water source was measured by their responses to the survey question on the cleanliness and safety of the water that they consumed. Perceptions of cleanliness and safety of water was very high in both waves (93% in 2012 and 96% in 2015), with a third of respondents reporting that they used a better water source in the second wave.

6.2.1 Regression analysis to explain changes in people’s access to water and their perceptions about water services

The regression looking at changes in access to water is reported in Table 5 in Annex 1. The survey results indicate that household journey time to fetch water decreased between waves if households switched to paying for drinking water or using a privately-owned source compared to water supplied by the government.¹⁷ These findings are consistent with the perception that access to water is better if one pays for it, and also that private entities/individuals provide better access to water.

Households located in rural areas had a longer average journey time to access water in comparison to those in urban areas, with respondents from Jaffna and Trincomalee having significantly shorter journey times compared to respondents from Mannar. This is confirmed by the scarcity of water in Mannar, where nearly 60% of respondents from there reported that they accessed water from a bowser¹⁸ in 2012.

The scarcity of water in Musali and Kuchchaveli (where the majority of respondents were Muslim) explains why **Muslim ethnicity** is linked to worse access to water in

¹⁶ The results for household wealth (MSI) and awareness of a community meeting are sensitive to model specification.

¹⁷ The result for switching to a private/personal water source was found to be sensitive to model specification.

¹⁸ A mobile water tanker

the regression model. Respondents who were **displaced between 2006 and 2009** primarily due to the final stages of the war seem to have shorter journey times to the nearest water source. This group of IDPs, also identified as ‘new IDPs’ by the state and aid agencies, were given priority in resettlement initiatives (discussed previously in the food insecurity section), which explains their relatively better access to water.

The regression looking at changes in satisfaction with water is reported in Table 6 in Annex 1. A higher proportion of dependents in a household that had experienced **recent water shortages** is associated with lower satisfaction with water services over time.¹⁹ Drawing on the RE regression, perceptions of whether the water is clean and safe are better by **female respondents** than male respondents, while households that had **relocated between the survey waves** had worsen perceptions compared to other households.

Additionally, respondents who reported a **drought in the past three years or a water shortage in the past month** were significantly less likely to be satisfied with water quality. Respondents who **perceived their neighbourhood as safe** were more likely to be satisfied with water quality.

6.3 Education

Between 2012 and 2015 the average journey time to primary school decreased significantly from 25 minutes to 16 minutes. In 2012, only 321 respondents out of the total surveyed population answered the question on journey time to primary school, while 524 respondents answered this question in 2015. As only those households with children of primary-school age answered questions on education, this increase in responses possibly indicates growth in the population, change in household composition, and also a relative stability of residence after resettlement.

Interviews with officials from the Divisional Secretariats revealed that facilities for primary education were reinstated after the end of the war with the assistance of the government, local and foreign NGOs, private enterprises (as corporate social responsibility projects) and individuals. However, the mere reconstruction of physical structures does not automatically guarantee ‘access’ to primary education. Divisional Secretariat officials also shared that poverty often leads to school

dropouts, even at the primary level. Lack of money to buy school uniforms and other essential items, and the lack of a transport service to bring students to and from primary school appear to prevent students from gaining primary education.

6.3.1 Regression analysis of changes in access to education and perceptions of education services

Access to education was measured by the journey time to the primary school that children in the household used (reported in Table 7, Annex 1). Perceptions of education service were measured by asking respondents about their overall satisfaction with the primary school (reported in Table 8, Annex 1).

Access to education

Among household characteristics, increases in **household ownership of assets is associated with a shorter journey time to primary school** between waves.²⁰ This finding indicates that a household’s economic circumstance is an important factor driving access to education. For example, people may have bought vehicles such as three-wheelers and/or motorbikes, which make the journey to and from primary school efficient over time.

Those who **relocated between survey waves** had longer journey times to primary school relative to other households, according to the RE regression. Additionally, **respondents from Trincomalee** reported significantly shorter journey times to primary school in comparison to respondents from Mannar district, whereas Jaffna was not significantly different to Mannar in this respect (also based on RE findings). Although Trincomalee is better off, we find **some variability within the district** if we examine this using descriptive statistics. If we compare the average journey time for Kuchchaveli and Trincomalee Town and Gravets, we see that households in the former had an average journey time of 21 minutes (where there were 27 primary schools covering 23 GNDs) and only 13 minutes in the latter DSD (where there were as many as 44 primary schools). Divisional Secretariat officials confidently shared in interviews that access to schools is easier in urban areas in comparison to rural areas. In areas such as Thennamaravadi there is no school for children to attend: here, boys and girls either do not go to school at all or travel to Mullaitivu district to attend primary school. This account reveals that there is

¹⁹ The results for dependency ratio, safety in the neighbourhood, a water shortage and drought were sensitive to model specification.

²⁰ The level of statistical significance for this result was found to be sensitive to model specification.

significant variation within the district of Trincomalee in terms of access to primary school, owing to uneven state investments in education. Furthermore, these border areas remain neglected within reconstruction efforts initiated by the government and supported by foreign and local NGOs. Referring back to the RE regression results, rural residents had a longer journey time to primary school in comparison to those from urban areas, which is consistent with the variation found within Trincomalee and reports from Divisional Secretariat officials.

Satisfaction with education

The survey asked about overall satisfaction with education as well as satisfaction with specific aspects of the service. The regression results shown in Table 8, Annex 1 suggest that **the most significant factors that determined respondents' overall satisfaction with education were changes in the number of teachers, the quality of teaching staff and the class size.** Regression analysis to explain respondents' overall satisfaction with the education service over time indicates that those who **increased their assets between waves** had slightly diminished satisfaction with the education service by 2015.²¹

Drawing on the RE regression, **respondents from Trincomalee** were more likely to feel satisfied with education services than those from Mannar (those from Jaffna are not significantly different than those from Mannar). **Households displaced in any period after 1990** were less satisfied with education than those displaced pre-1990, although this difference was only statistically significant for certain groups. Surprisingly, the **respondent's level of education** is not associated with satisfaction with education services.

6.4 Social protection

The number of households where at least one member was a beneficiary increased between waves for all but one form of social protection, namely the fishers' insurance scheme, which essentially remained unchanged with a reduction of only 0.2% of households. The biggest increase was in the number of *Samurdhi* recipients, where 27% of households reported not receiving this particular social protection transfer in 2012 but received it in 2015. We believe this change is largely due to the fact that *Samurdhi* coverage extended to war-affected areas only after 2009, and thus households within our sample districts were better targeted. As Table 24 shows, however, changes in receipt of *Samurdhi* varies by district. There is little change in beneficiaries in Trincomalee compared with the other two districts, as a large proportion (39%) were already receiving *Samurdhi* in the first wave and continued to do so in the second wave. Mannar saw the largest increase in beneficiaries, with 50% switching from not receiving the transfer in 2012 to receiving it in 2015. Jaffna has the highest proportion not receiving *Samurdhi* in either wave (66%), but 24% still switched from not receiving it in 2012 to receiving it in 2015.

As mentioned previously, *Samurdhi* is the largest social protection programme in the country and its coverage has increased in the north and east has increased, which is why it is the focus of our analysis of social protection.

Launched in 1995, the programme was implemented in 18 districts with the broad objectives of promoting social stability and alleviating poverty; and integrating youth, women and disadvantaged groups into economic and social development activities.

Table 24: Switchers and stayers for receipt of *Samurdhi*, by district

Receipt of <i>Samurdhi</i> between waves	Mannar (% households)	Jaffna (% households)	Trincomalee (% households)	Overall (% households)
Always no	48.25	65.65	44.01	52.68
Always yes	1.25	7.38	39.32	15.72
From no to yes	50.25	23.66	7.29	27.36
From yes to no	0.25	3.31	9.38	4.25
Total	100	100	100	100

²¹ This result was found to be sensitive to model specification.

Samurdhi is a central-government initiative with an administrative structure that involves coordination at a national level (through agencies such as the *Samurdhi* Authority of Sri Lanka), district level and divisional level (through district secretariats). At the grassroots, the programme is implemented through *Samurdhi* managers (at the zonal level) and *Samurdhi* officers (at a village level). The main objective of the grant is to raise the nutritional standards of beneficiaries, by providing consumption support for partial relief so that beneficiaries can maintain their calorie requirements. Providing a total consumption grant would require an overwhelming budget, which would be prohibitive in other ways. As the grant allows an average household to meet their consumption needs for three days of the week, it can be considered sufficient to 'uplift the nutritional standards of the *Samurdhi* families' (Gunatilaka, 1997).

Termination of the *Samurdhi* grant is determined by income-related factors. For example, households are no longer eligible when household income exceeds LKR. 5,000 and remains as such for over six months, or when a household member finds employment, they are no longer eligible for *Samurdhi*. 46% of Sri Lanka's population receive income transfers through *Samurdhi* (Kulamannage, 2007), however, only 23% of this population were recognised as poor, and the author found that a significant proportion of the poor were left behind by the *Samurdhi* programme at that time (ibid.). This evidence suggests poor targeting is a key problem within the *Samurdhi* programme, as it covers a high proportion of the population yet has high inclusion and exclusion errors. A further problem is that the eligibility of beneficiaries has often been determined through political affiliations (Gunatilaka, 1997).

Among those who received *Samurdhi* in 2012 and 2015, 57% reported that they always received the right amount in both waves, whereas only 7% said they never received the right amount in either wave (see Table 12 in Annex 2). Whilst 15% felt that *Samurdhi* provided some assistance in both the first and second wave, 54% thought that the transfer was too small to make a difference to household finances in the first wave but then changed their perceptions to become more positive in the second wave (see Table 13 in Annex 2).

6.4.1 Regression analysis of changes in access to and experience of *Samurdhi* services

We measure access to *Samurdhi* by receipt of a transfer within the year prior to each survey wave (Table 9, Annex 1). Among household characteristics, **increases in household size and the age of household members mean that a household is significantly more likely to receive a *Samurdhi* transfer in 2015 compared to 2012.**²² Though the transfer amount increases in proportion to the number of household members, it is capped at LKR 3,500 per family per month, therefore although larger households may be more likely to receive *Samurdhi*, in reality they may be worse off than smaller households. Extended families residing in one house only receive one grant, which is insufficient for these larger households and calls into question the impact of the grant. Given that the transfer amount is nominal, the fact that it is divided amongst extended family members surely minimises its potential impact of increasing nutritional levels, and alleviating poverty, particularly in the face of rising costs of living.

Those who hadn't received any kind of livelihoods assistance in 2012 had started to receive assistance between waves were also more likely to receive *Samurdhi* in the second wave. Community engagements such as *Samurdhi* meetings, consultations and awareness programmes that took place between 2012 and 2015 appear to have had a positive association with receipt of the transfer over time. If a respondent had knowledge of a meeting on social protection in the previous year or if they had been consulted about social protection, they were more likely to have received *Samurdhi*. As *Samurdhi* is known to be accessed via patronage networks (Damayanthi, 2014), it is likely that those who had access to such networks benefited from multiple forms of support, as they were better able to access meetings and consultations about *Samurdhi* and other assistance programmes.

Coming now to the RE regression, **FHHs were more likely to receive *Samurdhi*** in comparison to MHHs. Households in Jaffna had a slightly higher chance of receiving *Samurdhi* than those in Mannar, while households in Trincomalee had an even greater chance. **Compared to urban households, rural households were significantly less likely to receive *Samurdhi*.** As shown previously in Table 24, Mannar has the highest increase in *Samurdhi*

²² The results for average age, livelihood assistance, knowledge of a meeting, consultation, and residing in Jaffna are sensitive to model specification.

recipients between 2012 and 2015, although nearly 50% of respondents in Mannar still never received the social protection transfer by 2015 (both of which may be explained by the fact that the programme only started in this district in 2010). Nearly 40% of households in Trincomalee received *Samurdhi* in both waves, where it was introduced earlier than in the north. The highest proportion of respondents that did not receive *Samurdhi* in either 2012 or 2015 was reported in Jaffna (almost 66%). Indeed, the high proportions of households in all three districts that had never received *Samurdhi* indicates that despite high levels of overall poverty, a large share of the population who may be formally eligible are still unable to participate in *Samurdhi*.

Drawing on the **RE findings, Sinhala and Muslim respondents were more likely to receive *Samurdhi* in comparison to Tamil respondents.** And those who were **displaced between 2006 and 2009 were more likely to receive the transfer in comparison to 'old IDPs' displaced before 1990.** *Samurdhi* is tied to one's residence, therefore households that relocated between waves were less likely to receive it. In the event of relocation, households are assessed again at their new location before any grant is reinstated and there is a reluctance to enrol new beneficiaries. Subsequently, time lags prevail during which beneficiaries and their families may be highly vulnerable, which can be seen in the case of Kuchchaveli where 80% of the population is poor according to the Divisional Secretariat. Implemented in Kuchchaveli in 1996, the programme covered only 1,000 families at its inception, who were spread across 10 GNDs. The number of families receiving *Samurdhi* did not change in 2015, despite the fact that 2,480 more families have relocated to the area and have been identified as poor.

Experience of *Samurdhi*

We measured experience of *Samurdhi* by asking whether or not the transfer was large enough to have had an impact on the household (Table 10, Annex 1). We find that **respondents from households that have worsened food insecurity by wave 2 are less likely to perceive that the transfer is large enough to have an impact.** While *Samurdhi* is intended to provide partial relief to beneficiaries' consumption standards, the regression results suggest that the transfer is sufficient to cover one-off shocks but insufficient to consistently cover consumption shortages.

Drawing on the RE regression, **respondents from Jaffna and Trincomalee had worse perceptions of *Samurdhi* compared to respondents from Mannar.** These results

imply shifting expectations of *Samurdhi* over time, as respondents from Jaffna and Trincomalee started receiving the transfer before respondents from Mannar, and therefore expectations of the transfer may have been higher in the latter region in 2015.

Higher levels of education among beneficiaries is also associated with worsening perceptions of *Samurdhi*. It may be that respondents with higher levels of education have higher expectations of *Samurdhi*, and also that the transfer represents a smaller proportion of their household income. Unexpectedly, **relatively newer IDPs have worse perceptions of *Samurdhi* compared to those who were displaced prior to 1990,** which is inconsistent with the previously described pattern that more recent beneficiaries of *Samurdhi* are more satisfied with the transfer. As mentioned above, *Samurdhi* is a nominal cash transfer, therefore newly resettled IDPs who may have large outstanding debts and require substantial funds to start an income-generating activity may find that the social protection grant is too meagre to make a difference in their lives.

6.5 Livelihood assistance

The survey also questioned households on receipt of various types of livelihood assistance in the past year, the majority of which are for agriculture or fishing. The receipt of any type of livelihood assistance was fairly low in 2012, when the most commonly received assistance was a fuel subsidy that was received by a mere 12% of households. By the second wave, livelihood assistance seemed to be more prevalent, but still the most common forms of assistance – credit loans, and seeds and tools – were only received by 23% and 25% of households respectively.

Seeds and tools are a common form of livelihood assistance to those involved in agriculture, primarily through the island-wide development initiative *Divineguma*. One of the main objectives of *Divineguma* (Act No. 1 of 2013), adopted by the Parliament and implemented by the Ministry of Economic development, is to improve the livelihoods of people living in rural areas by increasing production in 'domestic economic units' in agriculture, small industries, fisheries and dairy (Ministry of Industry and Commerce, 2013). As part of this, the state allocated LKR 20 million for each electoral district (of which there are 22) to be used for livelihoods improvement projects, and is the largest programme of this nature, targeting 1.4 million households through

the resources of 17 ministries and almost 50,000 public officials at the ground level (News.lk, 2011).

The first phase of the programme focused on developing home-based agriculture, based on the assumption by the state that the greatest household consumption need is for vegetables. Under the agriculture programme, the *Divineguma* recipient is allowed to choose between 12 types of seeds if the household is located in low-lands, 6 types if in wet zone and 3 types if in high-lands (ibid). The second and third phases focus on fisheries and dairy production, for which the state has provided micro-loan schemes as capital investments with beneficiaries able to borrow up to LKR 300,000 from *Samurधि* banks initially, and thereafter from *Divineguma* credit initiatives. When the *Divineguma* Act was passed in 2013, the legislature designed the *Divineguma* banks in a way that allowed them to operate like a community-based revolving fund (Government of Sri Lanka, 2013). It should be noted that *Divineguma* was considered controversial at its inception as it called for systematic centralisation of resources and powers under the Minister of Economic Development, which some argued would re-shape rural economic life including the distribution of subsidies and local finances such as microfinance loans. There was serious concern that *Divineguma* undermined devolution by absorbing subjects and powers belonging to the Provincial Councils and reinforcing political patronage down to the local level (Kadirgamar, 2012).

The reach of the *Divineguma* programme is seen in our results, when we examine the provider of livelihoods assistance. According to respondents, the largest provider of seeds and tools is the government, and this increases between waves from 83% to 90% of distribution (see Table 14 in Annex 2). Interestingly, provision by INGOs has fallen over time, from providing 11% of seeds and tools in the first wave to 2% in the second wave, which is consistent with the international community pulling out of Sri Lanka due to its status as a

middle-income country and the passing of time since the end of the war.

When asked which household members received seeds and tools, we find a considerable decrease between waves in receipt by the household head (from 85% in 2012 to 45% in 2015), and a large increase in other women in the household receiving the assistance (from 9% in 2012 to 43% in 2015) (see Table 15 in Annex 2), however this may be explained by proliferation of livelihood programmes targeted at women. For example, as the *Divineguma* programme also aimed to achieve the Millennium Development Goals (MDGs) – of which gender equality is a goal – it entails special programmes for women in partnership with the Ministry of Childcare and Women’s Affairs. One such area is maternal health and another is livelihoods development through self-employment. The *Divineguma* livelihood assistance to women also targets women who have been widowed due to the armed conflict, with the first phase of the programme being implemented in the Northern Province (News.lk, n.d.).

We see the largest increase in uptake between waves for credit loans (the second most common form of livelihood assistance in Sri Lanka), with 22% of households switching from not receiving credit loans in the first wave to receiving them in the second wave. Table 25 demonstrates that this is most notable in the northern districts of Jaffna and Mannar, with 24% and 22% switching respectively. As mentioned previously, the opening up of war-affected areas to businesses from the south has led to a plethora of consumer goods, subsidiaries of banks and other financial companies in the north and east. Between 2009 and 2013, the density of banks (the number of branches per 100,000 people) has increased by 56% in Jaffna, 47% in Mannar and 45% in Trincomalee, compared to the country average increase of 19% (Central Bank of Sri Lanka, 2015). Indeed, a variety of lending institutions have begun instalment-based lease-hire purchasing options in addition to the

Table 25: Change in receipt of credit loans between waves, by district

Receipt of credit loan in waves 1 & 2	Mannar (% households)	Jaffna (% households)	Trincomalee (% households)	Overall (% households)
Always no	76.86	72.56	78.80	76.01
Always yes	0.53	2.05	0.54	1.06
From no to yes	22.07	23.59	19.02	21.60
From yes to no	1	1.79	1.63	1.32
Total	100	100	100	100

products offered by prominent banking conglomerates. And recent studies reveal that many respondents have taken one loan after another to make monthly interest payments. In the process, such households have fallen into a debt trap, which is difficult to get out of given the slim prospects for decent employment in the north (Gunasekara *et al.*, 2014). Goods purchased on lease – including motorbikes, trishaws and tractors – are constantly being seized for default on payments (*ibid.*). Thus, the asset base of people in these communities is depleting alongside their incomes, while they get into more and more debt.

Amongst our survey population we find a substantial increase between waves in women receiving credit loans, from 16% of FHHs in 2012 to 41% in 2015. It should be noted that the numbers receiving credit loans in the first wave are very low, but even by analysing only the second wave, women were very often the recipients of credit loans. This reconciles with the general trend of providing (in particular, microfinance) loans to women. In fact, a recent study finds that among the NGO-led microfinance institutions (MFIs), 93% set themselves the target group of women (Sri Lankan - German Development Cooperation, 2009). In this study, 71% of the MFIs reported that they focused their activities on particular target groups, including: women (90% of the 70% that focus on target groups), farmers (80%), low-income groups (70%), entrepreneurs and youth (65% for each of the two categories). Sixty-four percent of respondents in that study declared that female clients made up between 50% and 75% of their client base and 11% stated that women made up over 75% of their clients (*ibid.*). Another study finds that some MFIs are primarily targeting women because group programmes are believed to work better with female clients, and women are believed to benefit more from access to credit than men (Sri Lankan - German Development Cooperation, 2010).

As with *Divineguma*, we also see a drop in the targeting of the household head from 81% to 46%.

6.5.1 Regression analysis of changes in access to livelihood assistance

In our model, we analyse which factors determine access to livelihood assistance with a proxy that questions whether households received any type of livelihood assistance (Table 11, Annex 1).

Households that experienced **endogenous shocks between waves** (i.e. those triggered primarily by an event within the household), are more likely to have also received livelihood assistance in wave 2.²³ This is expected, and bolsters the argument that assistance is targeted to those who need it most.

However, those who **increased asset ownership** and those who **started to receive remittances between waves** are also more likely to receive livelihood assistance, which seems contrary to the concept of targeting the poorest or those most in need of assistance. Recent studies offer an explanation for this finding, as it is not the extreme poor that engage in self-employment in war-affected areas (and therefore require livelihoods assistance), but those who have a certain degree of assets and financial security (Munas and Lokuge, 2015). The extreme poor are often not in a position to make use of livelihoods assistance as they lack other forms of capital and support needed to engage in self-employment. There is also a wide range of MFIs, catering to various types of potential debtors for livelihoods development, not limiting small loans and technical support to the poorest.

As discussed previously, **we find a positive association between receiving *Samurdhi* and receiving livelihood assistance**, which is consistent with the idea that access to patronage networks could provide multiple forms of support. **Increased awareness of community meetings** about livelihoods assistance between waves also contributes to a greater likelihood of receiving livelihood assistance.

Drawing on the RE regression, it is interesting to note that **FHHs are significantly less likely to receive livelihood assistance than MHHs**, despite the fact that the descriptive statistics indicate greater access to livelihoods assistance (in the form of seeds and tools and credit loans) for women. This pattern therefore seems to indicate that it is women within MHHs that are receiving livelihood assistance targeted at women, and not women within FHHs.

The above finding suggests that the receipt of livelihoods assistance may not provide much insight about how or why people access such assistance. Whilst livelihood programmes seek to target women as recipients, it is not gender alone that determines who receives it but other factors such as patronage networks or access to

²³ The results for endogenous shocks, receiving *Samurdhi* and household district are sensitive to model specification.

information. FHHs could be less likely to receive support from patronage networks since they are often dominated by men, and their isolation within a community could further restrict their access to information.

In addition to gender, **higher education levels of household members** are also associated with a lower likelihood of receiving livelihood assistance. Households with members whose modal level is primary education are less likely to receive any form of assistance, and those whose modal level is tertiary education are even less likely (drawn from the RE regression). This is predictable, as increased education – particularly to the tertiary level – is usually associated with higher incomes and livelihoods for which assistance programmes are not required.

Unsurprisingly, given that the most common form of support is the provision of seeds and tools, **rural households are more likely to receive livelihood assistance than urban households**. The results also show that households in Jaffna are more likely to receive livelihood assistance than households in Mannar. Though living in Trincomalee is not significantly different to living in Mannar, **Sinhala households are significantly more likely than Tamil households to receive assistance**. The likelihood of Muslim households receiving livelihood assistance is not significantly different from Tamil households. These differences across districts and ethnicity again provide potential evidence of privilege as a result of patronage networks, which in this case affects access to livelihood support.

6.6 Summary of findings

At the end of 2009, the Government of Sri Lanka was faced with the difficult task of restoring damaged infrastructure in war-affected districts that were covered by the survey. Reflecting the concerted effort by state and non-state actors in post-war reconstruction to improve the delivery of basic services, the survey results show that access to services improved overall for many households between waves. We tested six hypotheses based on various factors that may determine people's perceptions about access to and satisfaction with services. They are household asset ownership (H9), experience of displacement (H10), perceived safety of locations in which they live (H11), household headship (whether male-headed or female-headed) (H12), and receipt of social protection and/or livelihoods transfers (H13). Out of these hypotheses, only two factors emerged as statistically significant determinants of respondents' access to and

satisfaction with services, namely household ownership of assets (H9) and experience of displacement (H10).

When examining economic factors, the survey shows a significant association between households' economic progress and access to services, with increased asset ownership between waves being positively associated with better access to healthcare, education and livelihood assistance. On the other hand, households who faced a reduction in the number of economically active members between waves also faced worse access to education due to longer journey times to primary school, and were less likely to receive *Samurdhi*. Looking at access to water, households that started to pay for their supply between waves or started to use a private source also had shorter journey times to their local primary school. Households that had relocated between waves also had worse access to education, which reveals something about the difficulties associated with registering -age children at school following relocation. While school admissions procedures in rural areas are relatively more relaxed compared with urban locations, the process still requires official letters and evidence confirming residence, right to vote and other documentation, which takes time to obtain from administrative offices. FHHs face longer journey times to the nearest health clinic and are less likely to receive livelihood assistance.

The district where respondents lived played a key role in access to healthcare, as Jaffna respondents faced significantly shorter journey times than those in Mannar and Trincomalee respondents faced even shorter journey times. The respondent's ethnicity appears to play a role in gaining access to certain service, as we find that Muslim households faced longer journey times to access water, while Sinhala households were more likely to receive livelihood assistance and *Samurdhi*. Respondents who lived in rural areas had worse access to water but were more likely to receive livelihood assistance. Interviews with district officials and observations during field research revealed that a number of NGO and state-initiated self-employment schemes have proliferated in the post-war period. These are well-intentioned programmes focusing on subsistence agriculture and animal husbandry, and are geared towards helping resettled communities rebuild their livelihoods. However, many are short-lived due to the reality that water for cultivation is sparse and, so far, post-war recovery efforts have not provided sustainable solutions to the scarcity of water that is faced by all three surveyed districts.

Survey findings on service delivery allude to, but do not clearly bring out, the role of patron-client networks that are important in determining people's access to services in Sri Lanka. Ethnicity is one (but not the sole) characteristic on which such networks are built and services are accessed as a result of unequal entitlements to natural resources and services (Korf, 2003). Other localised forms of patron-client relationships (i.e. supporters of a particular politician, patrons of a certain temple/mosque, or known to an influential monk/cleric, etc.) may also increase people's access to certain services. Though service delivery takes place within the realm of formal rules, institutions and procedures in Sri Lanka, being part of a network that can influence public administration, politics or business is crucial to secure one's access to services. The exclusion of some groups (i.e. FHHs and rural households) may be due to the lack of access to such a network. In contrast, those with better economic prospects in a community may already have connections to certain networks through which they have secured access to basic services.

The economic progress of households also appears to shape perceptions about service delivery. Whilst increased asset ownership appears to improve

perceptions of healthcare, knowing about and attending community meetings actually decreases satisfaction. Satisfaction with water is affected negatively by increased dependency within the households and increased water shortages. It is important to note that specific characteristics of education (i.e. number of teachers, quality of teaching staff and class size) seem to shape people's perceptions about education, whereas their perceptions about other services (health and water) were more general. While it is observed that all three services were important to the lives of respondents, education was particularly so. Indeed, respondents often made casual remarks about education being the most important service for their children and the future generation, and that it determined their future. Given the perceptions about education as their ticket to social mobility, it is possible that respondents were more concerned about specific characteristics of this service.

The perceived impact of *Samurdhi* declines when food insecurity increases, which implies that *Samurdhi* is not meeting basic needs for these households. Beneficiaries in Jaffna and Trincomalee were also seen to have worse perceptions of this social protection programme than those in Mannar.

7 Changing perceptions of government



In this section, we look at changes in people's perceptions of both central and local government.

7.1 Perceptions of central government

Though people's day-to-day interactions when accessing services is with administrative officials of the central government, elected members of parliament are often instrumental in allocating state funds to build/repair roads, hospitals and schools. They also use their own networks with businesses to invest in their electorates, and it is typical for a parliamentary representative to be a chief guest at the opening of a new school or a health clinic, with people often claiming that 'politician x gave this school/clinic to us'. While the local representative in parliament is one 'face' of the central government and considered 'the patron' by the people, their perceptions of the central government may be coloured by their daily interactions with the administrative officials. Hence, when asked about their satisfaction about the central government, people's responses may refer to both administrative and elected officials.

We have measured people's perceptions of the central government using two questions in the survey: 1) 'Do you feel that the central government is concerned with your views and opinions?' and 2) 'Do you feel that the central government decisions reflect your priorities?' Within the survey instrument this second question is phrased as 'To what extent do central government decisions reflect your priorities?' and the responses are in five categories (completely; to a large extent; only in some areas; almost never; never). For our analysis, we converted this into a binary response by grouping 'completely' and 'to a large extent' together to create an affirmative answer. The remaining responses were grouped together to form the response 'no'.

The expectation is that the responses to the two measures are not necessarily the same. For example, people may have felt that the central government was concerned about their views and priorities due to various promises made in election manifestos and budget speeches. The past two national budgets have been populist in nature and each election (whether general, presidential, provincial council or local election) presents a catalogue of extravagant promises with ambiguous financial viability as this is not the primary concern of most in central government. Rather, their primary goal is canvassing votes for the next election. Therefore, people may have felt that their views and priorities were central to the state's agenda, yet lack of sound financial

modalities and implementation mechanisms often impede the materialisation of these promises. Moreover, people's responses to the first question may have been driven by their party loyalty; the political party's ideology on social, political and economic issues; the respondent's own perspective on salient issues in the area of residence and the country in general; and issues that are salient in the popular media. The second question is important as it helps us to understand people's views about whether government decisions live up to the rhetoric in practice. While responses to the latter may also have been influenced by some of the factors that shape people's perceptions about the first question, the second question may have helped respondents think about how they view the central government in a relatively more grounded way. In summary, the first question measures respondents' own interpretation and perception of how the state projects itself to the citizenry (its position on issues, its priorities and its intentions and plans to address salient issues); the second question measures respondents' perception of the state's concrete actions to address identified issues. Throughout the analysis, these two measures are referred to as 'perceptions of central government's concern' and 'perceptions of central government action'.

As discussed earlier, before the second wave of the survey was conducted, Sri Lanka experienced a change in regime with the presidential elections in January 2015 and the general elections in 2015. The high level of support received by President Maithripala Sirisena in the north and east was a deciding factor in his victory in the election. While no attempt was made by the former President Rajapakse to address the root causes of the war, the current President's electoral campaign – 'yahapalanaya' ('good governance'), promised to tackle the 'national question', at the heart of which is devolution of power. This is reflected in our data on perceptions of the central government when comparing the two waves.

When asked whether they felt that the central government is concerned with their views and opinions, the proportion of respondents answering 'yes' increased significantly from 44% of the sample in 2012 to 65% in 2015 (see Figure 16). When inspecting the individual changes in respondents' answers to this question, a fairly large proportion (37%) changed their answer from 'no' in 2012 to 'yes' in 2015 and only 20% answered 'no' in both waves (see Table 16 in Annex 2).

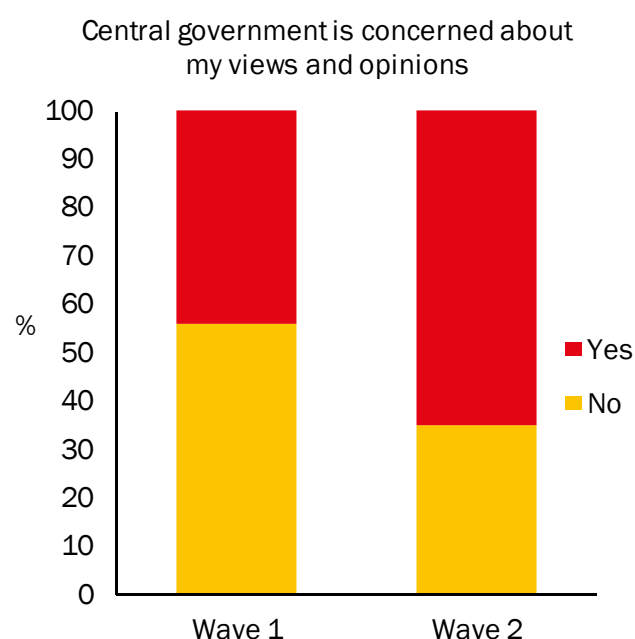


Figure 16: Perceptions of central government's concerns, by wave

Though perceptions of the central government's concerns have improved greatly between waves, it is important to look at perceptions of central government action too. Figure 17 depicts the large increase in the proportion of respondents who believed that the central government's decisions reflected their priorities from a very low 17% in 2012 to 40% of respondents in 2015.

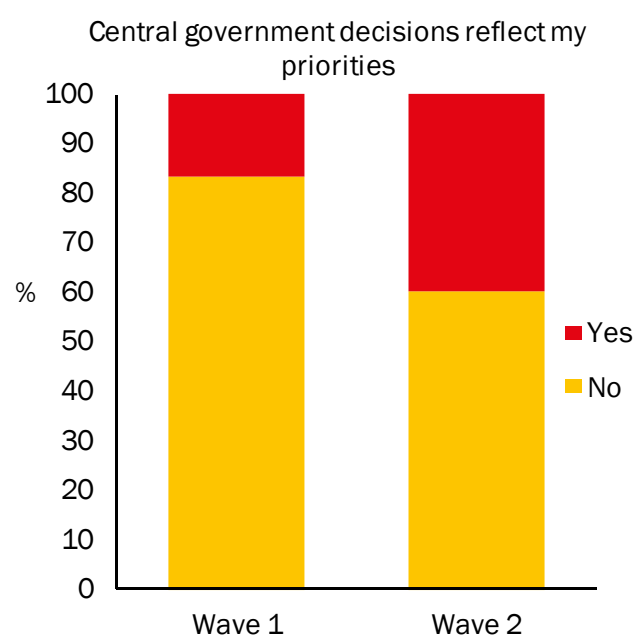


Figure 17: Perceptions of central government's actions, by wave

Despite 51% of respondents having negative perceptions of central government action in both waves of the survey, 32% switched from negative to positive perceptions in wave 2 (see Table 17 in Annex 2). However, this varies between districts as Table 26 illustrates; though a similar proportion changed their perceptions from negative in the first wave to positive in the second wave, the proportion whose perceptions did not change varies across the districts. Though 43% and 44% had negative perceptions of central government action in both waves in Jaffna and Trincomalee respectively, 64% of respondents in Mannar continued to have negative perceptions throughout both waves. This is likely due to the lack of improvements in living conditions in Mannar.

Table 26: Change in perception of central government action between waves, by district

Change in perception	Mannar (% households)	Jaffna (% households)	Trincomalee (% households)
Always no	63.99	42.99	44.34
Always yes	3.27	9.66	10.38
From no to yes	27.68	33.02	35.85
From yes to no	5.06	14.33	9.43
Total	100	100	100

7.1.1 Regression analysis of changes in people's perceptions of central government

It is important to note in this section that the fixed effects (FE) model only captures those respondents whose perceptions *changed* between waves (the within-individual changes), and subsequently we are only analysing a subset of the sample population. As a result, we focus on the direction of change and not on the *magnitude*, since it can be difficult to interpret fixed effects for these dummy variables.

We tested six hypotheses based on factors that may determine people's perceptions about central government: gender, education and ethnicity of respondents (H15); perceived safety of the location in which they live (H16); changes in access to basic services (H17); changes in experience of accessing basic services (H18); use of grievance mechanisms (H19); and civic participation (H20). **Only ethnicity and changes in**

satisfaction with basic services (only health services) emerged as statistically significant predictors of people's perceptions of central government.

People's access to services (such as education, health, water, *Samurdhi* and livelihood assistance) and their experiences of them do not explain changes in perceptions of central government. The exception is that if respondents became aware of more **grievance mechanisms** relating to basic services between waves then their perception of government also improved by 2015. This is a relatively strong result in the sense that it applies for both outcome indicators of government perceptions: 'the government is concerned about my opinion' and 'the decisions of government reflect my priorities'. Having been consulted about more basic services between waves is also associated with a respondent being more likely to also agree that the government's decisions reflect his or her priorities.²⁴

A household's **experience of exogenous shocks** had a negative association with perceptions of the central government action. These findings are hardly surprising as the central government has failed to provide sustainable solutions to improve individual incomes in resettled communities – an issue that has been discussed in depth in previous sections of this report. Without any means of securing stable employment, households are unable to save funds in case of emergencies, and households subsequently have no safety nets to fall back on in the event of exogenous shocks such as floods or other natural disasters. This situation increases their vulnerability, and possibly leads to worsened perceptions of the central government.

Turning to how displacement affects perceptions of government, according to the RE model, households that were **displaced between 1990 and 2000** had more negative perceptions of central government action in comparison to those displaced prior to 1990. The model also illustrates that households that were **displaced after 2009** have more negative perceptions of central government's concern about their views relative to those displaced only prior to 1990. This group was displaced more recently, and likely to include those also affected by the final brutal offensive that ended the war, and as such are the most unstable in terms of recovery. There are many other plausible explanations for this finding, ranging from the state's failure to provide economic security,

²⁴ This and the results for consultation about services, grievances mechanisms, and education of the respondent were sensitive to model specification in one of these regressions.

to adverse effects of militarised post-war development initiatives, and to the lack of accountability mechanisms to address war-related grievances.

When considering geographical locations, **Jaffna respondents** have greater satisfaction with central government concern and action in relation to those from Mannar (based on the RE regression). Given that the survey was conducted immediately after a decisive general election following the change of President in January 2015, the voting behaviour of respondents may further explain their perceptions about central government. In the 2015 general election, the Ilankai Thamil Arasu Katchi (ITAK), part of the Tamil National Alliance (TNA), won 69% of the votes, securing five out of the seven seats in Jaffna district (Rubathesan, 2015). In fact, there was a significant increase in voter turnout in Jaffna and Vanni districts for this election, which some identify as an indicator of a democratic reawakening (Liyanaage, 2015). ITAK's landslide victory in Jaffna in 2015 represents the northern voters' growing disillusionment with the central government, due to the absence of a concrete political solution to the inequalities faced by certain ethnicities, and the lack of genuine progress towards reconciliation. It further consolidates the power of the TNA, and particularly of the Federal Party (ITAK).

The persistent military intrusion into all aspects of people's lives, involving increasing centralisation, institutionalised impunity, and widespread land appropriation of the previous government, were matters of concern for Jaffna voters leading up to the 2015 presidential election. In addition, the unequal distribution of benefits related to post-war development projects had further antagonised the people, eventually leading to nearly 75% of voters favouring the current President Maithipala Sirisena (Ada Derana, 2015). The government that emerged in January 2015 took a few but significant measures to respond to some demands of the Tamil political leadership, with the military governors in the north and east replaced with civilians who had strong civil service and diplomacy experience, and nearly 2,000 acres of land in Jaffna and Sampur previously held by the military released for resettlement. These moves created space to negotiate a political solution. Results from both the presidential and general elections in 2015 consequently indicate that Jaffna voters wanted a change in the political and economic status quo. After the 2015 general election, R. Sampanthan, the TNA leader, became the leader of the parliamentary opposition, possibly renewing hope among Tamils that the central government

could now be formidably challenged on issues of ethnicity in Sri Lanka. This historic election and the consequent results, can help to explain improvements in perceptions of central government concern and action between survey waves

Based on the RE regression we see that **Sinhala respondents, compared to Tamil respondents**, were more satisfied with central government action. The relationship between Sinhala residents of Trincomalee and the central government has a long history, rooted in the Sinhala-Buddhist identity politics central to Sri Lanka's state transformation process. In the post-colonial period, there were many state programmes that aimed to 'Sinhalese' Trincomalee by changing the demographics of the district, mainly through colonisation projects (waves of new Sinhala settlements in the district and also termed agriculture and irrigation projects) (International Human Rights Association, n.d; Manogaran, 1996; Jeyaraj, 2007; Muggah, 2008).

From 1953 to 1981, the Sinhala population of Trincomalee Town and Gravets area increased by 200%, while the Tamil and Muslim population grew by 100%. In other areas, such as Seruwila and Mutur divisions, the Sinhala population grew by nearly 300%, whereas the population of other ethnicities grew by about 180%. Furthermore, during the war, Sinhala migration to Thambalagamuwa, Kanthale and Kinniya grew by nearly 1000%; the Muslim and Tamil populations in these areas grew by about 200%. After 2001, the number of Tamils in Trincomalee decreased as a result of war; around 15,000 went to Tamil Nadu in India as refugees, and more than 5,000 seem to have relocated to Colombo and other areas of Sri Lanka. A significant number of Tamil people also fled to the United States, Canada and western European countries as refugees, forming a large Tamil diaspora. According to some observers, the dramatic increase of the Sinhala population in Trincomalee within a century (9134%) was primarily due to state colonisation projects (Jeyaraj, 2007).

During and after the war, 'Sinhalese' was facilitated by various other state actions that ran in parallel with the colonisation projects. For instance, the creation of a HSZ in Sampur barred mostly Tamil and Muslim residents from resettling in their ancestral lands, denying them from exercising their rights to fish and farm in this area. Restoration of the sacred Lankapatuna (an ancient Buddhist temple) has also prevented large number of Tamils from resettling in this area. The ban on quarrying in Jabalmalai, the establishment of housing schemes for

families of military personnel (predominantly Sinhala) envisaged as a security measure in the east, and projects such as the special economic zone in Kappalthurai, are more examples of the state’s ethnicisation of employment and housing (Jeyaraj, 2007).

In recent years, colonisation schemes have been established around the construction of an outer and inner ring road for Trincomalee. Sinhala families have been resettled near the construction sites, where they are most likely to find employment in road construction led by the Sri Lankan army in collaboration with the Road Development Authority (RDA) (ibid.). As the narrative above elaborates, the state’s interest in ‘Sinhaling’ the district of Trincomalee translates into many intended and un-intended benefits for the Sinhala community in this region. While the satisfaction level of the Sinhala in this area may vary over time with changing governments and politicians, the expectation is that the Sinhala in Trincomalee are consistently more satisfied with the state in comparison to Tamils or Muslims. And these state-authorized programmes can explain why being Sinhala has a statistically significantly positive association with perceptions of central-government action relative to being Tamil or Muslim. This finding is especially stark when we note that there is no significant link between perceptions of the concern or action of the central government for living in the district of Trincomalee versus Mannar or Jaffna, suggesting that it is not location alone but ethnicity within a location which drives differences in perceptions.

7.2 Perceptions of local government

The survey also tested changes in people’s perceptions of local government over time, and we refer readers back to the discussion on local authorities in section 2.3.3.

Supervision of local governments is a subject devolved to the provincial governments under the Sri Lankan Constitution. The Provinces of Sri Lanka attained legal status in 1987 with the 13th Amendment to the 1978 Constitution. As of 2011, there are nine provinces, 25 districts and 335 local authorities (*Pradeshiya Sabhas*). The provincial council officials and the *Pradeshiya Sabha* members are elected in provincial and local elections. The institutional structure is illustrated in Figure 2 in section 2.3.3.

For over a century, the parallel structure of District Secretariats and their sub-divisions (as appointed by the central government) has been commonly accepted

as the administrative structure for public health, roads and public utility services in Sri Lanka. This may have shaped respondents’ answers to questions about local government and also our interpretation of the results.

From the initial descriptive results of the survey, we find a slight decline in perceptions of local authorities (LAs) across the sample between waves. Figure 18 illustrates whether or not respondents felt that local government decisions reflect their priorities, for which we see a decrease in positive responses from 35% to 29% between waves. This is also portrayed when looking at changes in responses between the two waves, as only 17% of respondents changed from having a negative to positive perception of local government action while 24% became more negative (see Table 18 in Annex 2). This contrasts with the descriptive statistics for the actions of the central government, where perceptions improved between the two waves.

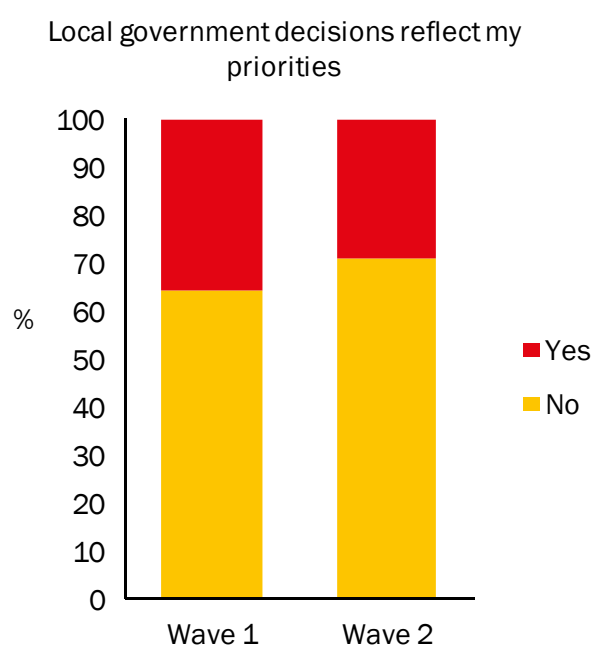


Figure 18: Perceptions of local government action, by wave

When we look at whether respondents thought that the local government is concerned with their views and opinions, we see a slight deterioration in perceptions: 60% agreed with this statement in the first wave, but only 57% in the second wave. This pattern is reinforced when examining the switchers and stayers – although 20% switched from no to yes, 24% switched from yes to no (see Table 19 in Annex 2). Interestingly, there are differences in the breakdown of switchers and stayers at the district

level, as 51% of Jaffna's sample population answered 'yes' in both waves compared to much lower numbers in Mannar (33%) and Trincomalee 26% (see Table 20 in Annex 2).

7.2.1 Regression analysis of changes in people's perceptions of local government

As with perceptions of central government, it is important to note here that the FE model only captures those responses that *changed* between waves (the within-individual changes), and as a result we focus on the *direction of change* and not on the magnitude.

We tested the same six hypotheses on important factors that may determine people's perceptions about local government as tested for central government (Hypotheses H15-H20, Box 3). **Only ethnicity and changes in experience of basic services (health services) emerged as statistically significant predictors of people's perceptions of local government.**

As mentioned previously, even though LAs play a role in service delivery to the people, there is unnecessary duplication by both LAs and central government bodies (i.e. GNs and DS), and people's interaction for daily matters is mainly with central government officials. This may complicate the way in which respondents view central and local governments, blurring the dividing line between central and local concerns and actions.

Increases in asset ownership between waves are associated with improvements in perceptions of local government action over time.²⁵ A **higher level of education** (primary or secondary relative to no schooling) is also associated with a more positive perception of the LA's concern about the respondent's opinion. Again, both findings demonstrate the link between economic security and perceptions of governance. Moreover, the **gender** of the respondent is also a significant factor as female respondents are more likely than men to perceive that the local government is concerned with their views and opinions.

Experience of a service is in a few cases also positively associated with perceptions of governance at the local level. Improvements in overall satisfaction with the health clinic over time and an increase in the number of times respondents are consulted about services are associated

with better perceptions of LA action (with the latter also positively associated with perceptions of the LA's concern about the respondent's opinion). Accordingly, undesirable experiences are associated with negative perceptions of LA action; having to pay for water and being provided water by NGOs both have a negative relationship with perceptions about local government concerns.

Finally, when we factor in geography, we find that **respondents living in rural areas** have worse perceptions of LA concerns and action relative to those living in urban areas in both models. Furthermore, perceptions that LA decisions reflect respondents' priorities are better amongst households that relocated between waves compared with those who did not.

Respondents from Jaffna (in comparison to Mannar) have more positive perceptions of LA concerns and action (drawn from the RE analysis). A plausible explanation for this may be the TNA victory in the NPC elections in 2013, which is indicative of northern voters' rejection of the previous regime and the corruption, crime, cronyism, militarism and nepotism associated with it. However, some contend that despite the symbolic importance of the TNA victory, it has failed the people in bringing about economic and political progress to the Northern Province (Kadirgamar, 2015).

Nonetheless, the regression analysis tells us that people's perceptions vary across the Northern Province, as respondents from Jaffna had significantly more positive perceptions of LAs compared to those in Mannar. One explanation for this variation relates to political issues between Jaffna and Mannar, such as Tamil-Muslim relations, class and caste dynamics, in addition to the Jaffna-centrism within TNA's Tamil nationalist politics. Studies comment that elected politicians and local elite in the north have their development priorities wrong in many ways (Sarvananthan, 2013). In addition to perceived failures by the NPC, for example, places of religious worship are lavishly reconstructed and decorated mainly with funds from the Tamil diaspora, while many ordinary people live in poverty, without basic amenities such as toilets, clean and safe water, and electricity (ibid.), which may be the reason why respondents living in Mannar do not perceive LAs in the same way as those in Jaffna.

²⁵ Sensitivity analysis found that the results for asset wealth (MSI), satisfaction with health clinic, payment and provider of water, knowledge of grievance mechanisms, consultation about services, and displacement, were sensitive to model specification.

7.3 Summary of findings

People's perceptions about the central government's concern for and action on their issues have improved between the two waves of the survey across all three districts.

Although we do not see any significant link between changes in economic circumstances and perceptions of central government, the experience of exogenous shocks is associated with worsening perceptions. This could be an indication of the fact that many people in our sample areas rely on farming and fishing livelihoods, which are highly susceptible to weather-related shocks.

The previous government headed by former President Mahinda Rajapakse was criticised for having a sole emphasis on economic development and not enough interest in tackling the 'national question'. Despite the change of central government position under President Sirisena, the problem of generating livelihoods by households affected by the war remains unresolved. Many resettled families have accumulated debt over the years, and their constant battle to revive farming, fishing or other livelihoods is ongoing. Agriculture and fisheries, which are the dominant sectors in the northern economy, need significant upgrades in order to generate more employment opportunities.

On the whole, access to and experience of basic services, social protection and livelihood assistance have not influenced perceptions of central government. Respondents from rural areas and those that were displaced either in the final offensive or between 1990 and 2000 reported negative perceptions about central government's concern and action. This may be because

economic opportunities are sparse and access to health care is poor within rural areas and also among these displaced populations. We do see, however, that knowledge of grievance mechanisms and being consulted about services are associated with more positive perceptions of government.

People's perceptions about local government concern and action have fewer clear patterns of change between the survey waves.

Perceptions of local government appear to be associated with experience of health services in particular. Generally speaking, local government efforts to consult the public on services emerges as an important factor shaping their perceptions on both actions and concerns of local government – indicating that consultative processes may nurture a sense of ownership in local processes of service delivery.

Respondents from Jaffna (in comparison to Mannar) had greater satisfaction of both central and local government. The central government has always been in a contentious relationship with Jaffna, the centre of the Northern Province that is now controlled (since 2013) by the TNA whose operational ideology is the protection of the rights of the Tamil people. Seven years after the end of the war, Jaffna is bustling, and is considered one of the more affluent districts in the north (i.e. compared with Mannar). The government that emerged after the Presidential election in January 2015 took a few but significant measures to respond to some demands of the Tamil political leadership, possibly renewing hope among the Jaffna polity that they now have a voice in central-government politics.

8 Conclusions and policy recommendations



The Secure Livelihoods Research Consortium was established with the aim of contributing to the evidence base on livelihood recovery and state-building following periods of conflict. In order to accomplish its objective, the Consortium has set out to collect longitudinal data measuring shifts, fluctuation and consistencies in people's livelihoods, their access to basic services, and their relationships with governance processes and practices. The present survey in Sri Lanka was conducted in 2012 and 2015 to garner information on wellbeing, livelihood trajectories, service delivery and governance among selected resettled communities in the districts of Jaffna, Trincomalee and Mannar.

While the survey results offer a positive picture of recovery in Sri Lanka in general, the unevenness of recovery along ethnic, spatial and gender dimensions is strongly depicted by the data. The survey also presents evidence on the politics of resettlement, with major consequences for those considered 'old' IDPs and for people living in areas less favoured by patronage networks.

8.1 Ethnicity

The majority of surveyed households were of Tamil ethnicity (66% of the sample), with Sinhala respondents of the survey residing in two urban GNDs in Trincomalee district. The survey results tell us that **Sinhala households in the sample are better off than Tamils on many fronts, not least food security**. Muslims are not significantly different from Tamils in this regard.

It may be argued that **improvement in food security observed among the Sinhala respondents is contingent on location and not ethnicity**, however. The sample of Sinhala respondents came from one GND in Trincomalee – Abayapura – and a comparison of other GNDs reveals that Abayapura is the only GN in Trincomalee that saw improved food security between 2012 and 2015. Households in Chempiyanpattu North and Maruthankerny GNs in Jaffna districts also saw improved food security, but these improvements are much less in comparison to the change in Abayapura (nearly 21% drop in CSI score, compared with 7% in Chempiyanpattu North and 6.6% in Maruthankerny). Murugapuri –another urban GN in Trincomalee that is similar to Abayapura aside from its ethnic composition of a mix of Tamil and Muslim residents –saw slight increase in food insecurity between 2012 and 2015 (CSI increased from 5.2 to 5.9).

While residents of Murugapuri improved their ownership of assets over time (by 5.2 points on the MSI), this increase was less than that seen in Abayapura (8.2 points). From the regression analysis, assuming all else being equal, we conclude that Sinhala ethnicity is a significant predictor of food insecurity. Indeed, the comparison of food insecurity and ownership of assets between the two urban GNs in Trincomalee suggests that Sinhala respondents in the sample are significantly better off in comparison to Tamils and Muslims. Thus, it can be concluded that there is more than a location effect that is driving the drastic difference in food insecurity between Sinhala respondents and those of other ethnicities in Trincomalee.

Sinhala respondents also appear to have significantly better access to education, whereas there is no significant difference when we look at access to health services or water. It may be that a locational effect of Abayapura (where all Sinhala respondents came from) is also at play here, as this urban GN within the Trincomalee Town and Gravets area is situated in close proximity to many schools, hospitals and other public services offered to residents, but has attracted a lot of migrants in recent years.

Finally, Sinhala respondents appear to have a significant lead over others with respect to services that need relatively more political clout, such as *Samurdhi*, which Sinhala households (as well as Muslims households) are much more likely to receive compared to Tamils. It is well known that *Samurdhi* benefit allocations have become politically motivated and are subject to manipulation in order to maximise votes. A study by the World Bank (Sharif, 2011) finds that ethnicity plays an important role in getting this state benefit, in that being a Sri Lankan Tamil reduces the probability of receiving *Samurdhi* benefits by 18% (compared to Sinhalese). Sinhala households are also more likely (than either Muslims or Tamils) to receive livelihood assistance.

These findings are in line with the view by Uyangoda (n.d.) that welfarisation of electoral politics has reinforced the politics of patronage. For instance, in Trincomalee – a district with similar proportions of all three ethnicities – party politics are often ethnicised, and the party networks are also networks of patronage politics and resource distribution. Previous research finds that divisions between communities has often led to unequal access to political power and patronage networks in the Eastern Province. Klem (2011) finds that Muslim political leaders tap into patronage networks, benefiting the community in

terms of access to infrastructure, business activity, and greater mobility (compared to Tamils), even during the war. Our own survey finds that Muslims have better access to education, water and health, in comparison to Tamils. This position of Muslims in Trincomalee may be explained by Klem's (2011) analysis that eastern Muslims, with their history of communal friction (and violence) with Tamils, have secured resources by establishing an identity distinct from Tamils, and have accessed state patronage via politics of the Sri Lanka Muslim Congress (SLMC).

It appears that a higher percentage of respondents from Murugapuri (Tamil or Muslim) received *Samurdhi* benefits in comparison to the Sinhala respondents from Abayapura. A probable hypothesis for this is that competition for resources between nearby communities may in fact result in all communities gaining better access to patronage networks, irrespective of ethnicity. Murugapuri also experienced higher growth in *Samurdhi* recipients in 2015, which may be due to two reasons. First, respondents from Murugapuri are poorer than those from Abayapura. Their worsening food insecurity in comparison to those from Abayapura partially supports this explanation, while the improvement in household ownership of assets challenges it. Second, given the urban location of both GNs and their segregation along ethnic lines, political parties have identified them as strategically important during elections. Hence, long-standing patronage networks may have secured access to *Samurdhi* for Sinhala, Tamil and Muslim communities.

The better recovery seen amongst Sinhala households (as revealed by the regression results) may be an outcome of the **inequity of post-war development efforts**. Many have equated Sri Lanka's post-war development to war by other means, as it has privileged some Sinhala communities with better access to land, services, employment and livelihood opportunities compared to other ethnicities. Consolidating the unitary (Sinhala, Buddhist) state structure was central to post-war reconstruction of the Eastern Province (where all Sinhala respondents in the sample came from) (International Crisis Group, 2008). For instance, after the state regained complete control of the Eastern Province in 2007, official statements referred to the economic development plan for the region by its Sinhala name '*Negenahira Udanaya*' (Eastern Renaissance), although more than two thirds of people living there speak Tamil. Some have observed that reconstruction has involved heavy militarisation of the war-affected areas, accompanied by a process of land-grabbing for military and commercial purposes (Centre for Policy Alternatives, 2013); cultural, economic,

and administrative re-structuring through Sinhala settlements (Jeyaraj, 2007; 2009); and gerrymandering²⁶ of constituencies to radically alter the demographic composition of the region (ibid). These efforts have signified the central government's efforts to strengthen the Sinhala communities living in war-affected areas via a development process. Hence, it is not surprising that Sinhala households have more positive perceptions of central government decisions, in comparison to their Tamil counterparts.

While most indicators of post-war recovery appear to be better among Sinhala respondents, the analysis conducted here is insufficient to conclude that ethnicity plays a definitive role in determining wellbeing and livelihoods outcomes and access to services after war. The concentration of Sinhala respondents in Abayapura GND in Trincomalee serves as the key limitation for this. It is well-known that Sinhala residents in rural areas in Trincomalee live in abject poverty and have never had access to patronage networks that secure resources and access to services. Hence, further quantitative and qualitative research is needed to establish the link between ethnicity and post-war recovery.

Policy recommendation: *The better-off position of Sinhala respondents among the resettled does not bode well for the current administration's reconciliation agenda. While it is possible that the better-off position of the Sinhala respondents is linked to their urban residence, it does not explain why the recovery of Muslims and Tamils in urban locations is less impressive. Political patronage manifests in multiple ways with regard to access to services and livelihood recovery. Hence, it is vital that the current national dialogue on reconciliation tackles stubbornly entrenched issues in Sri Lanka's political system.*

8.2 Geography

The survey results indicate that **recovery varies by geographic location**. Though there is a general improvement in access to health (measured by journey time to the nearest health clinic) between 2012 and 2015, respondents from Trincomalee and Jaffna emerge significantly better off in comparison to those from Mannar. Respondents from Trincomalee also have notably better access to education, as the journey time to primary school is significantly lower in this district

compared to the others. And households from Jaffna and Trincomalee have higher ownership of assets in comparison to those from Mannar. As explained previously, this is because the average and the median household incomes of Jaffna and Trincomalee are similar to each other, and much higher than that of Mannar (Department of Census and Statistics, 2015).

One explanation for the varying indicators of post-war recovery in the three districts is that **each district transitioned to state control (from LTTE control) during different stages of the war**: Trincomalee in 1994, Jaffna in 1996, and Mannar in 2009. The transition to state control does not automatically translate into stability and security in the area, however, and there are many other factors that determine how quickly service infrastructure can be re-established. In fact, there were outbursts of violence up until 2006 in Trincomalee, more than ten years after it transitioned to state power. Outcomes such as household ownership of assets and income are strongly tied to broad trends of continuity and change in the political, economic and social relations of the space in which they exist (i.e. DSD or GND). Such relations, processes and institutional frameworks mediate relations at and between the macro-, meso- and micro-levels (van Onselen, 1996; Bagchi et al., 1998; Carney 1998; Bryceson, 1999; de Haan, 1999; Francis, 2000; de Haan and Brock, 2000). Additionally, they shape vitally important processes of marginalisation, dispossession, accumulation and differentiation in communities struggling to recover from the effects of war.

Furthermore, **strategic geopolitical calculations have heavily influenced post-war recovery and development**. Trincomalee is a case in point. During the war, the LTTE considered Trincomalee the capital of a merged North-East Province (integral to the LTTE conceptualisation of the Tamil homeland). Even the non-LTTE Chief Minister of the North-East Province established his official centre in Trincomalee (Sivathasan, 2013). But the central government was reluctant to fully develop the district while large parts of it remained under *de facto* LTTE control.

Following the end of the war in 2009, there was renewed interest in making Trincomalee a development hub for political reasons. The central government quickly assigned the Urban Development Authority (then under the Ministry of Defence) authority to intervene

²⁶ Establishing political advantage for particular groups by manipulating district boundaries.

in numerous infrastructure development projects in the district, for example the Trincomalee harbour. Such manoeuvres were intended to countervail the Northern Provincial Council controlled by the TNA and the influence of neighbouring India, which also stepped up development assistance to the region. In fact, India has begun construction of a coal power station in Sampur, Trincomalee, and is awaiting ratification by the Government of Sri Lanka to develop an industrial zone south of TCO Port (ibid).

The central government has had a contentious relationship with India, given the latter's role in the Sri Lankan civil war. So the state's overt presence in Trincomalee is a strategy to maintain control over the region and manage the threat of Trincomalee becoming an autonomous, Tamil nationalist province. The central government's efforts to cement its presence in Trincomalee have resulted in differential access to services and assistance transfers, such as *Samurdhi*, through patronage networks along political party and/or ethnic lines.

Similarly, the central government has a contentious relationship with Jaffna, the centre of the Northern Province now controlled by the TNA. Seven years after the end of the war, Jaffna is bustling. There are visible signs of commercial expansion; banks and mobile phone companies have penetrated the market, and land prices have sky rocketed, especially in Jaffna town. However, the much showcased prosperity of Jaffna is contested by its people, who are left disappointed that the economic dividends of peace are being reaped by the government and companies from the south of the country.

While the central government attempts to create a political 'centre' in Trincomalee, marking ethnic, political and economic delineation from the Northern Province in which Jaffna is a centre, **Mannar emerges as an inner peripheral area**. This is characterised by Mannar's marginality, in terms of lack of attention and investment from both the central government and the Northern Provincial Council. Respondents from the predominantly Tamil Mannar district appear to have least access to services in comparison to those living in Jaffna and Trincomalee. Indeed, significantly more respondents from Trincomalee received *Samurdhi* in comparison to respondents from Mannar, and households in Jaffna were more likely to receive livelihood assistance than those in Mannar. When both location and ethnicity are considered, the survey results suggest that the most food-insecure

households in the sample were from Mannar, where respondents were either Tamils (the majority) or Muslims.

The most obvious explanation for the relatively poor recovery in Mannar is that most services were provided to the people of this district after 2009. For example, the *Samurdhi* programme was only implemented there in 2010, which explains the high proportion of households that started receiving the transfer between the two waves of the panel survey. However, this is only a partial explanation. Jaffna Tamils, including politicians and militants, have often been accused of marginalising those from Vanni (a larger area consisting of Mannar, Kilinochchi and Mullaitivu) out of a belief in their socio-cultural superiority. Deep-rooted caste consciousness has also conditioned the relationship between Tamils in Jaffna and those in the Vanni mainland.

Findings on people's satisfaction with local and central government further strengthen this explanation. The central government has always been in a contentious relationship with Jaffna, the centre of the Northern Province that is now controlled (since 2013) by the TNA, whose operational ideology is the protection of the rights of the Tamil people. Seven years after the end of the war, Jaffna is considered one of the more affluent districts in comparison to other districts in the north (i.e. Mannar). The landslide victory of the TNA in the NPC elections is indicative of northern voters' perceived defeat of corruption, crime, cronyism, militarism and nepotism of the previous central government. This may explain why respondents from Jaffna had greater satisfaction with both local and central government compared with those from Mannar. The government that emerged after the presidential election in January 2015 took a few notable measures in response to the Tamil political leadership. Hence, both the military governors in the North and East Provinces were replaced, and in Jaffna and Sampur nearly 2,000 acres of land held by the military were released for resettlement. After the 2015 general election, R. Sampanthan, the leader of the TNA, became the leader of the opposition, thereby renewing hope that the central government could be challenged on the ethnic tensions in Sri Lanka.

As mentioned earlier, **caste dynamics are integral to internal politics in Jaffna and must be factored into this analysis of regional disparities in access to services**. The war significantly influenced caste dynamics in the Jaffna peninsula, where society is dominated by the upper-class Vellalar caste (highest in the caste hierarchy). While mass displacement led to different castes mixing to a

certain degree in temporary camps established for IDPs (Thanges, 2008), of the over one million people reported to have fled Jaffna, a disproportionate number from Vellalar backgrounds successfully migrated to Colombo or abroad through their social networks. A combination of this mass exodus of the upper caste and the caste ban imposed by the LTTE may have weakened the oppressive nature of the caste system. However, recent studies find that lower-caste IDPs' access to water, schools, health services, and even places of worship is severely hampered by reinforced caste oppression (ibid).

Anecdotal evidence gathered during the contextual analysis suggests that the central government, aware of caste attitudes within certain elements of the NPC, is attempting to secure its presence in the Northern Province by improving access to services. In response, the TNA-controlled NPC may be trying to match the state's performance for the people of Jaffna by delivering services that either meet or exceed people's expectations. While this competition between the central and provincial governments may lead to better services in general in the surveyed areas, there may be inequalities in access due to caste discrimination that is not measured by this survey.

Policy recommendation: *The state, INGOs/NGOs and civil society should consider specific interventions to address issues of access to services, food insecurity and livelihood recovery for resettled communities in Mannar, which is lagging behind on many of the recovery indicators. Aside from our survey findings, national poverty data indicates that poverty rates in Mannar are double those of Jaffna and Trincomalee (Department of Census and Statistics, 2015). Furthermore, the daily dietary energy consumption for both poor and non-poor households in the district are below national averages. Combined with the results of the SLRC panel survey, it is clear that Mannar is facing a severe food insecurity issue that demands urgent attention.*

8.3 Access to services and perceptions of government

This quantitative panel survey set out to examine the relationship between service delivery and state legitimacy. In our regressions, we find that a variety of factors influence access to and experience of services, although several key indicators appear repeatedly, including displacement history and location (district, as well as rural/urban status).

Journey times were used as a blunt – but generally accepted – proxy for access to services. However, in the case of Sri Lanka, we find that **distance to the nearest service facility may mask other restrictions to access**. Despite the general improvement in access and perceptions of health services brought to light in the survey, government officials presented a more nuanced picture of the situation during qualitative interviews. Kuchchaveli DSD, in Trincomalee, is typical in this regard. The number of health facilities in Kuchchaveli (three base hospitals and one rural hospital) has not changed since the first wave of the survey. The base hospitals do not treat serious illnesses nor conduct surgeries, therefore people travel to the main hospital in Trincomalee town for anything other than the common flu. Also, there is a serious **shortage of qualified personnel**, as none of the base hospitals has permanent doctors. The rural hospital has also been closed indefinitely at the time of the interview in September 2015 due to the absence of a resident doctor. We were told that doctors and other health professionals are reluctant to work in remote areas such as Kuchchaveli because there are few opportunities for them to establish private medical practice. Though it is mandatory for health professionals to serve in remote areas (colloquially known as a '*danduwam maaruwa*' or 'punishment transfer'), professionals who are transferred to such areas actively seek transfers to better locations by tapping into patronage networks (typically by seeking the help of a politician who is known to them). As a result, there are clear signs of **state disinvestment in infrastructure** (i.e. accommodation for medical personnel) in areas such as Manthai West in Mannar district, that are not considered 'lucrative' areas for the health sector.

According to the regression results, Trincomalee has the best access to health services, with the shortest journey time compared to the other two districts. However, the contextual analysis found **massive discrepancies in access within the district, particularly between urban DSDs and rural, underserved areas**. Despite the fact that some health facilities were reconstructed after the war ended in 2009, and arterial roads that lead to these facilities are in good condition, a significant proportion of the population find access difficult due to a variety of reasons. For example, the **lack of consistent public transport** limits their ability to get to a hospital. Given that poverty levels are high among many in Kuchchaveli DSD, they are not in a position to afford private taxi rides, even to the nearest hospital. These findings tell us that 'access' to health services does not exist in isolation to other structural issues such as poverty, or inequalities in

health care provision as a result of the state's failure to ensure equal rights to health for all citizens regardless of where they live. What may appear as failure on the part of the state is also largely due to state **complicity in nurturing locations that are strategic economic and political 'centres'** with powerful patronage networks. Hence, future analyses about the role of service delivery in post-war contexts would do well to redefine the state's responsibility in addressing all facets of 'access' to a service.

It has been difficult to identify a strong link between the provision and experience of services and people's perceptions of the state (at local and central levels), as most indicators of access and experience have not emerged consistently as statistically strong predictors of perceptions of governance. However, we do find that knowledge of and views about **forums for consultation and feedback about services** is a consistently strong predictor of perceptions of local government.

It appears that people's perceptions about local government deteriorate when citizens are asked to **pay to utilise water services**, perhaps pointing to an unfulfilled expectation among respondents that a certain service (such as the provision of clean drinking water) should be provided for free as part of their social contract with the state. Questions about having to pay for health and education services were not included in the survey, therefore we do not know whether such questions would yield similar results.

People's perceptions of central government improved if they were generally satisfied with health services, which may point to people's expectations about the type of service that the central government should provide for them. The long history of public health provision in Sri Lanka – planned and managed by the central government, and implemented by provincial governments – is rooted in citizens' consciousness that health is an entitlement provided by the state.

The gradual **transformation of Sri Lanka's health sector from a service mostly supported by public funds to an increasingly privatised industry has major implications for people's access to health**, however. Until quite recently, the state was the main provider of healthcare to citizens. The service was considered highly reliable in being open to new technologies and having an extremely competent and skilled workforce. In fact, most medical personnel, including specialist doctors, preferred to work in the public health system for these very reasons.

Consequently, the Sri Lankan public health system has been held up as a model of equitable healthcare.

Yet the rapid growth of private health services correlates with the regression of the government health system, in terms of both access and quality. Due to increasingly modest budget allocations in recent times, government health facilities have not been able to keep pace with the growing demand for healthcare (particularly for non-communicable diseases). And the repercussions of a stagnant public health system are mostly felt by the marginalised and less advantaged strata of the population, like the residents of Kuchchaveli DSD.

Thus, due to a shortfall in drugs and equipment in government facilities, public health professionals frequently redirect their patients to the private sector for medicines and clinical tests. Furthermore, as doctors in public hospitals also practice privately, many patients are compelled to access private centres to gain entry to, and, at times, obtain preferential treatment in overcrowded wards in government hospitals. In this light, it comes as no surprise that over 80% of private spending on health is financed out-of-pocket currently (Institute for Health Policy, 2015). It should be noted that the survey questions were unable to capture how people respond to these structural changes in the health sector in Sri Lanka: questions about the number of doctors, waiting time and language barriers were included in the survey to assess people's satisfaction with health services, but inclusion of questions about out-of-pocket health expenditure may have yielded different perceptions about the central government.

It is becoming abundantly clear, therefore, that the state's role in the provision of healthcare, though still important, is gradually decreasing. In a bid to decrease public expenditure, the state is quick to encourage private hospitals and other health services (i.e. private medical diagnostics) that will 'relieve' the state from health expenditure other than basic medical care. Organised groups of doctors, medical professionals and private businesses are involved in these endeavours, often with the support and patronage of politicians. Sri Lanka also has a low-income direct tax base, partly due to tax exemptions, but also due to increasing tax evasion (*Business Times*, 2010; Amirthalingam, 2014). In 2014, more than 4,000 private companies and individuals failed to pay taxes amounting to LKR 139 billion (Amirthalingam, 2014). In other words, state revenue has decreased over time as a result of a complicated and inequitable tax system, and tax functions are disregarded by the state

due to widespread corruption and wastage of public funds (Gunathilaka, 2011). With the proliferation of private health service providers, state interest in investing in high quality health services is diminishing rapidly. Indeed, information shared by local administrative officials in the three districts reveals that while people can now reach the nearest public hospital faster than before due to better arterial roads, they may not necessarily receive proper healthcare and, consequently, are compelled to pay for private health services.

Given long years of deprivation in health care services due to conflict, it is possible that households in war-affected areas may perceive their new-found access to and experience of health services in a positive light, however. Even though public hospitals operated throughout the war, there has been a visible improvement in the number and quality of health facilities in war-affected areas since 2009. Perhaps the sense of entitlement to state-run health care and expectations of 'good' public health care among war-affected communities in the north and east of Sri Lanka are different to elsewhere in the country. Of course, it is possible that the trend of diminishing use in marginal locations may result in a decline in perceptions over time, when the increasingly privatised health system can no longer live up to the expectations of people in war-affected areas.

Policy recommendation: *Inequality in access to- and quality of services was common to all three districts. Good schools and good hospitals seem to be in urban areas within the districts. People from the peripheries within these war-affected regions, have difficulties accessing these services, both in terms of convenience and expense. A closer look at geographic inequality in service delivery is a much-required next step. We recommend that the central government ministries, together with provincial ministries of education and health collaborate on resolving such inequalities.*

8.4 Gender

The survey results show that **female-headed households occupy a significantly worse position in terms of their livelihoods and wellbeing compared with male-headed households** in our sample. FHHs face higher food insecurity and lower asset ownership, and have worse access to health services due to longer journey times to their nearest health clinic. Although FHHs are less likely to receive livelihoods assistance, they are more likely to receive *Samurdhi*, possibly reflecting their

lower household incomes that qualify families for this assistance.

A marked increase in the number of FHHs is one of the most notable characteristics of post-war Sri Lanka (FOKUS, 2015), with 58,121 FHHs in the Northern Province alone. Studies show that members of these households face profound, multifaceted vulnerabilities that were initially caused by the war but have deepened in the years since, a finding that is corroborated by our survey results.

The high number of FHHs in Sri Lanka has become a major concern in development discourse and practice, and there are many policy documents that identify this group as a vulnerable category for development interventions (i.e. the *Women's Charter* (National Committee on Women, 1993); the *National Strategy on Technical and Vocational Education and Training* (TVET) (Tertiary and Vocational Education Commission, 2010); the *National Strategy on TVET Provision for Vulnerable People in Sri Lanka* (Government of Sri Lanka, 2010); and the draft policy on female-headed households). Furthermore, several government ministries have programmes for the economic empowerment of widows and FHHs, and international and local NGOs have implemented a varied portfolio targeting FHHs, ranging from housing to food aid and livelihood assistance.

But a recent study (Godamunne, 2016b) finds that these interventions, while providing the type of assistance that beneficiaries require, are beset by many problems. The **lack of a consistent definition of FHHs** has excluded certain vulnerable groups, such as the elderly and some categories of single women, from accessing programmes. Moreover, the **lack of coordination between state and non-state actors**, as well as the **absence of a sound monitoring mechanism to assess the wellbeing of FHHs**, dilute the impact of these efforts (ibid). While the subject of empowering FHHs remains popular among both state and non-state actors that readily implement small projects to encourage self-employment, contestations from some quarters of civil society stem from a lack of understanding about households in general (Gunasekara and Fonseka, 2015). State institutions in particular are reluctant to embrace more flexible definitions of the household, with two-parent heterosexual households often considered the 'natural' order of things. This assumption has led to ineffective policy interventions that often fail to support the wellbeing of a significant proportion of households in Sri Lanka. Indeed, state institutions and some NGOs struggle to accept that

FHHs may even represent beneficial environments for some women and their dependents, as this challenges gender norms that are easily reinforced within traditional heterosexual, two parent-headed households (ibid.).

Policy recommendation: *Dialogue is required among the Ministry of Women's Empowerment and Child Development, other relevant government stakeholders, and civil-society actors to arrive at a unified conceptualisation of female-headed households. This would constitute the first step in addressing the needs of this most vulnerable group. Given evidence that some categories of IDPs are not captured in current programmes (Godamunne, 2016b), resolving the definitional problem and identifying all FHHs is paramount. We advise a holistic design for any programmes that target FHHs, to account for the multiple needs and issues (economic, social, political and cultural) that confront these families.*

8.5 Displacement

Conducted six years following the end of the war, this survey finds that the wellbeing and access to services of some resettled former IDPs remains a serious problem. According to the United Nations High Commissioner for Refugees (UNHCR, 2012), there were over 94,447 IDPs in Sri Lanka as of December 2012. The latest figures by the Sri Lankan Ministry of Resettlement, Rehabilitation and Hindu Religious Affairs (2016) indicate that there were 13,000 internally displaced families to be resettled as of August 2016. A recent study says that for those still in displacement, 'finding meaningful and sustainable solutions in the form of return, relocation, or local integration is effectively stalled and they are understood to be facing protracted displacement' (Raheem, 2016: 5).

Approximately 94% of the survey population had been displaced prior to even the first wave, therefore our analysis focuses on the timing of displacement in order to examine the effects.

The survey results confirm that households had **different experiences depending on the timing of their displacement** and consequently particular incidents, for example, the brutal last stages of the war in 2009 and the 2004 tsunami. As mentioned previously, the phenomenon of protracted displacement is not widely recognised in Sri Lanka, and IDPs are classified as 'old' (displaced prior to April 2008) or 'new' (displaced after this date), with the vast majority of protracted IDPs residing in the northern and eastern regions and being of predominantly Muslim and Tamil ethnicity (ibid.).

We find that 'new' IDP households experienced lower food insecurity but were also more likely to receive *Samurdhi*, therefore we conclude that **the official categorisation has led to discrimination against 'old' IDPs**. Not only were 'old' IDPs initially excluded from displacement statistics, but they also received less assistance. Moreover, there were significant delays in facilitating the return of 'old' IDPs to their places of origin, and the voluntary resettlement of some 'old' IDPs has led the state and non-state actors to assume that they have successfully resettled and integrated, as a consequence of which their wellbeing is rarely assessed. These assumptions have not only rendered assistance measures ineffective and, sometimes, counterproductive, but have curtailed IDPs' agency to address inter- and intra-ethnic tensions around rights and entitlements.

Policy recommendation: *Although the humanitarian phase of Sri Lanka's post-war reconstruction has officially come to an end, it is important that the state, the INGO community and civil-society actors systematically assess the need for basic services, housing and improvement of livelihoods among both 'old' and 'new' IDPs. This should be followed by a gap analysis, with immediate measures to address the issues faced by all resettled communities. Public consultations with the affected communities during each stage are essential to encourage their 'ownership' of the recovery process.*

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Appendix: a guide to the survey design



This appendix summarises the survey's sample-selection method, including how the sample was chosen, how the sample size was calculated, and how households and respondents were identified. It has been condensed from the Sri Lanka baseline report (Mayadunne et al., 2014), however full details on the methodology can be found in the SLRC baseline synthesis report (SLRC, 2015; Mallett et al., 2015).

Sample selection

The SLRC survey combined analysis at both the household level and at the individual level. The survey aimed to capture sample households with enumerators being tasked with identifying respondents within households by asking for an adult (over the age of 18) who was willing to speak. Enumerators were also instructed to ensure a diverse range of respondents with respect to age and gender.

The sampling strategy was designed to select households relevant to the main research questions, while also being able to draw statistically significant conclusions at the study and village level. This was done by combining purposive and random sampling at different stages. Districts, divisional secretariat divisions (DSDs) and grama niladari divisions (GNDs) were purposively selected in order to locate the specific groups of interest and geographical locations relevant to the broader SLRC research areas. This included purposive selection based on conflict-affectedness, concentration of fishing

populations and the accessibility, security and feasibility of carrying out data collection. The three districts that satisfied these selection criteria were Jaffna, Mannar and Trincomalee.

The survey did not attempt to achieve representativeness at a district level, but we did aim for representativeness at the GND level through random sampling. Households were randomly selected using the fixed-interval method (every 5th household). They were randomly selected within GNDs so that the results would be representative and statistically significant at the GND level and so a varied sample could be captured.

The sample size was calculated with the aim of achieving statistical significance both at the overall study level and at the GND level whilst taking into account the available budget and logistical limitations. In addition, the sample size had to consider the need to compensate for attrition between the surveys in 2012 and 2015. Therefore, the minimum overall sample size required to achieve significance at the study level – given the population and average household size in the districts – was calculated using a 95% confidence level and a confidence interval of 5. Finally, the sample was increased by 20% to account for attrition between 2012 and 2015, so that despite the attrition faced, the sample size in 2015 was still statistically significant. We interviewed 1,377 households in 2012 – exactly the number of households required for the proposed sampling strategy.



SLRC publications present information, analysis and key policy recommendations on issues relating to livelihoods, basic services and social protection in conflict affected situations. This and other SLRC publications are available from www.securelivelihoods.org. Funded by UK aid from the UK government, Irish Aid and the EC.

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