



Sri Lankan Diaspora for Post-War Development, Reconciliation and Sustainable Peace

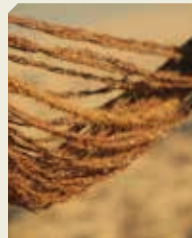
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A successful strategy to engage with the Sri Lankan Diaspora as a fruitful partner for post-war development, reconciliation and sustainable peace should include a carefully crafted, conflict sensitive, coherent and comprehensive set of policies and strategies integrating national, regional and district levels.

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The Government's new relabelling does not reflect and respect the different causes and trajectories that led people of Sri Lankan heritage to settle abroad. This new labelling is found to be counterproductive for reconciliation, justice and development in the post-war period.



Changing Viewpoints

The Government's ambivalent and ad-hoc attention to the Diasporas in post-war development, peace and reconciliation discourses has opened up spaces for anti-government and anti-Tamil media to manipulate information and misinform the public.



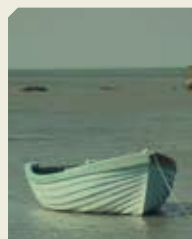
Changing Prospects

National and the regional authorities in the North and the East must draw up a detailed development strategy and an action plan targeting small and medium term enterprise development in the tourism sector.



Changing Spaces

Delays in obtaining approval for quality certificates and non-adherence to the required standards have discouraged Diaspora investors in real estate market. To avoid bureaucratic red tape and to provide all relevant legal advice, open a 'one-stop shop' for Diaspora investment.



Change for Growth

Diasporas enhance social capital development and capacity development in technological innovations to their places of origin. Adopting a long-term approach to Diaspora engagement would bring about a meaningful transformation in the development, especially in the North and East.





Executive Summary:

Post-war Sri Lanka is faced with a triple challenge of economic development, reconciliation and sustainable peace. In 2015, when the current government took office, it invited the Sri Lankan Diaspora to become a partner in realising its post-war development and peace agenda. However, there is a lack of detailed and systematic understanding of Diaspora's expectations and motivations for engagement with Sri Lanka in the post-war period. On the other hand, the initial enthusiasm expressed by the Government of Sri Lanka has also yet to be translated into a coherent and a meaningful strategy.

Set against this background, the Centre for Poverty Analysis (CEPA) undertook a three-year research project titled 'Working Towards Creative Partnerships: New Forms of Engagement with the Sri Lanka Diaspora and International and National Private Sector for Post-War Development, Reconciliation and Sustainable Peace'. The objective was to understand a) the new meanings and roles assigned to the Sri Lankan Diaspora by various actors in the post-war period, b) the underlying motivations for the Diaspora to engage with Sri Lanka and c) what the key issues in realising a fruitful partnership between the Sri Lankan State and various Diaspora groups are. General findings are; the Government's current approach towards the Diaspora is largely a one-sided affair. The Government has assigned a new role for the Diaspora in its post-war development and peace agenda. The Sinhala media's frequent negative portrayal of Tamil Diaspora is a barrier to realising the Government's agenda of engaging and redefining Tamil Diaspora as a political and economic partner for post-war economic development and sustainable peace. However, the enthusiasm of some members of the Diaspora to be potential investors in post-war development has not received the government's rightful attention. A successful strategy to engage with the Sri Lankan Diaspora as a fruitful partner for post-war development, reconciliation and sustainable peace must be much more far-reaching than it is at present. Such a strategy should include a carefully crafted, conflict sensitive, coherent and comprehensive set of policies and strategies integrating national, regional and district levels. The Government must take immediate steps to encourage and make the investment environment attractive for the Diaspora. Regional and District level development plans must tap into the multitude of capabilities (beyond financial) that different Diaspora groups can offer.

This policy brief is organised around five individual studies undertaken on five topics as part of the main research project. It offers five separate sets of recommendations derived from each study, to inform and raise awareness among policy makers at national and regional levels.



**Recognise the heterogeneity
of the Diaspora groups
and respect their diverse
identity associations**

CHANGING NAMES

Redefining Diaspora: Implications for Post-war Peace and Reconciliation



Background

Recently the Government of Sri Lanka (GOSL) took an important step in re-labelling Diaspora groups (inclusive of labour migrants) as 'Overseas Sri Lankans'. This new labelling has sparked quite some controversy and raised questions on the Government's underlying motivations and the potential implications it has on the Diaspora's engagement with post-war development efforts. Further, the inconsistent use of the term 'Overseas Sri Lankans' by different government actors also raises questions on whether the government as a whole has a clear understanding, approach and policy towards the Diaspora. The Government's new labelling is an all-encompassing one. It is not sensitive to the heterogeneous character of the Sri Lankan Diaspora and avoids making any reference to ethnicity or religious affiliation. This all-encompassing label based on a perceived unity under one national identity - Sri Lankans - is far from reality. Such an approach may work well with some Diaspora groups in certain countries (i.e. Indian Diaspora), whose political relationship with the state is not as contentious as that between various other Sri Lankan Diaspora groups and the Sri Lankan State. Given the largely political character of the Sri Lankan Diaspora, any re-labelling process of the Sri Lankan Diaspora is controversial. Redefinition of the Sri Lankan Diaspora and their new role should be the result of an inclusive and engaging process, in which, various Diaspora groups are given their own voice.



Approach

Relying on secondary and primary data, and situated within Sri Lanka's historical context of numerous episodes of political violence, repression and civil war, our research study asked - what are the different meanings of Diaspora and what does the Government's use of the label 'Overseas Sri Lankans' mean for different groups in the Diaspora and what implications does this re-labelling have on the Diaspora's engagement in post-war Sri Lanka.



Key Findings and Implications

The Government's new relabelling does not reflect and respect the different causes and trajectories that led different groups of people of Sri Lankan heritage to settle abroad. This new labelling is especially problematic when applied to those who were forced to migrate abroad due to violence and war. The Government's new definition is also controversial and unacceptable to hard-line Diaspora groups who continue to contest and challenge the exclusive nature of the Sri Lankan State - which they equate with a 'Sinhalese-Buddhist State'. The Government's present labelling comes across as an exercise in de-politicising the underlying issues leading to the war and down playing of painful experiences and trajectories of different individuals and groups in the Sri Lankan diaspora. Overall, we find this new labelling to be counterproductive for the joint-pursuit of inclusive pathways for reconciliation, justice and development in the post-war period.



Recommendations

- The Government must avoid arbitrary redefining of all the Diaspora groups as 'Overseas Sri Lankans'. It must recognise the heterogeneity of the Diaspora groups and respect their diverse identity associations, be they ethnic, regional, generational etc.
- Any redefinition exercise must involve all the Diaspora groups, particularly reaching out to hard-line groups.
- The Government must use its foreign diplomatic missions in countries where a majority of the Diaspora groups live to embark on a regular and long term strategic consultative process on the redefinition exercise. This can be done through regular face to face interactions by a dedicated staff member in the missions and also by creating a monitored online consultative platform where individual Diaspora members can express themselves with confidentiality.

Counter the Sinhala
Media's negative framing
of Diaspora: introduce long
term public information
strategy for reconciliation
and peace



CHANGING VIEWPOINTS

Sinhala Media and Diaspora: : Perceptions and Implications



Background

The Government, presently seeks to establish a positive image of the Diaspora, especially of the Tamil Diaspora. These efforts are complemented by State owned media which are also aided by privately owned pro-government media outlets. However, overall, the Sri Lankan media (print and electronic) is divided on the issue of the Diaspora. The Sinhala media's attitude towards the Diaspora, especially towards the Tamil Diaspora in the post-war period is hostile. This situation is unlikely to change in the current toxic political context shaped by parochial interest and unhealthy divisions between/among mainstream political parties.



Approach

This policy brief is based on a research study which consulted secondary literature - print and electronic media in the public domain in the Sinhala language. Our sample mainly included recent newspapers reporting on the Sri Lankan Diaspora. Key questions asked were - What are the dominant perceptions of Diaspora in Sinhala media? How does the Sinhala media report the current Government's discourse on the Diaspora? How does Sinhala media reportage encourage/discourage ethnic reconciliation and the Diaspora's engagement in post-war Sri Lanka?



Key Findings and Implications

The Government's ambivalent and ad-hoc attention to the Diasporas in post-war development, peace and reconciliation discourses has opened up spaces for anti-government and anti-Tamil media to manipulate information and misinform the public. The Government's engagements with the Tamil Diaspora is often reported in sensationalist language and is used to evoke feelings of hatred, distrust and exclusion. The Government's positive gestures towards the Tamil Diaspora has received negative attention from a majority of the Sinhala media and such gestures are often framed as acts of 'betrayal of the nation' and 'selling out' to the LTTE. Such negative reporting is further amplified in the current political context infused with numerous tensions among and between various Sinhalese political elite groups and political parties. Overall, the Government's current half-hearted and reactive media engagement with the Diaspora does not help paint a positive image of the Tamil Diaspora, thus hindering opportunities to make them a crucial and legitimate partner in post-war economic development strategies.



Recommendations

- Counter the Sinhala Media's negative framing of Diaspora by (re)enforcing professional standards for the conduct of media, and by introducing a new long term national public information strategy in-line with national plans for reconciliation and peace.
- The Government should provide tangible incentives for those who adhere to professional media standards, ethics and sanctions vs. those who do not.
- Translate and disseminate positive media reports on Diaspora engagements (which frequently appear in the opinion columns of English newspapers) into the vernacular languages and re-publish them in the vernacular media.
- Launch social media campaigns to counter negative perceptions and disseminate positive narratives of the Diasporas.
- Introduce media literacy to the high school and tertiary level curriculum.



**Launch a concrete
incentive scheme for
Diaspora investments in
the tourism sector**

CHANGING PROSPECTS

Diaspora Engagement in the Tourism Sector : Motivations and Issues



Background

Since taking office in January 2015, the current Government has sought investments from the Diaspora, especially to develop the tourism sector. This approach was facilitated by a needs assessment conducted by The Jaffna Investor Forum and the Northern Provincial Council. In spite of such high-level efforts, the Government's current approach to attract Diaspora investment to the tourism sector largely runs on rhetoric and has been subject to accusations of 'guilt tripping'. The Government does not have a coherent, consistent, need-incentive based and conflict sensitive investment strategy. This is particularly the case with small and medium term investments in the tourism sector which are overshadowed by the Government's interest in targeting investments for high-end tourist ventures. Overall, Diaspora investments in the tourist sector remain scattered and lack backing of a serious investment or growth strategy developed according to the priorities of needs in the North and East as well as nationally. Their growth is unmanaged and unsustainable.



Approach

Our study collected primary and secondary data to find answers to the following key questions - what are the motivations for Diaspora investment in the tourism sector in Jaffna? What are the enabling factors and constraints the Diaspora encounter in investing in the tourism sector? We used a mapping tool - a structured questionnaire administered among hotel(s) in the Jaffna and Nallur Divisional Secretariat (DS) divisions to collect information on the motivations, details of the venture, the available facilities and the investment profile

etc. We conducted semi-structured interviews with a selected number of Diaspora investors in the tourism sector in Nallur-Jaffna which has the highest number of Diaspora investments in the tourism sector.



Key Findings and Implications

A majority of the Diaspora investments in the tourism sector are at the level of small and medium term enterprises. They mostly cater to seasonal demands from the Tamil Diaspora visiting the North and East (i.e. Nallur festive season). Most of these businesses serve as a source of additional income to the Diaspora owner. Some are motivated by philanthropic imperatives (i.e. to help a family member). These different motivations lack a serious business outlook and make current investments unsustainable. Due to the (small) scale, there are doubts about the actual contribution of these businesses to overall regional economic development. These investments are faced with numerous unwelcoming state and regional regulatory bottlenecks. At present, the Government does not officially recognise these ventures, and thus provides no incentive (i.e. tax and accessing credit facilities) to their proper establishment nor help for eventual scaling-up. At regional level, they lack support from the local authorities in Jaffna and are faced with a mountain of bureaucratic challenges (i.e. when registering with the Sri Lanka Tourism Development Authority (SLTDA) and obtaining the Certificate of Completion (CoC) for new constructions), thus making them vulnerable to politicisation and political patronage.



Recommendations

- National and the regional authorities in the North and the East must draw up a detailed development strategy and an action plan targeting small and medium term enterprise development in the tourism sector.
- State authorities must launch a concrete incentive scheme (monetary and non-monetary) for Diaspora investments in the tourism sector.
- The Government must introduce a regular quality control mechanism to improve the current quality of services.
- Regional authorities must seek help and enter into training and capacity building partnerships with leading business schools, hotel schools, vocational training centres, coaching and mentoring programmes with existing successful ventures in the area to provide support to tourism SMEs.
- The Foreign Ministry must implement a Voluntary Service Overseas (VSO) type exchange programme, matching Diaspora business owners and their local operators with Diaspora and local youth who are willing to volunteer knowledge and skills relevant for the development of individual businesses and the sector.
- Get civil society organisations involved in providing skills for dialogue and mediation to settle tensions arising between the Diaspora investors and local communities.

**Avoid bureaucratic red
tape and provide relevant
legal advice to encourage
Diaspora investments**



CHANGING SPACES

Investments in the Real Estate Sector in Colombo : Motivations and Issues



Background

The physical landscape of Post-war Sri Lanka is undergoing rapid transition. Increasing urbanisation of areas such as Wellawatte due to the mushrooming of condominiums and commercial housing complexes marks this transition, visually. There is a boom in the urban property development industry. At present, we are witnessing a decline or a stalemate of the initial sudden increase of Diaspora investments in the urban real estate market. In the case of Wellawatte, supply is overriding the demand and demand for condominiums is moving away from urban hot spots towards new suburban areas such as Dehiwala, Mount Lavinia, Kotahena and Kotte. If the Diaspora investments in the real estate market are to be sustained and made part of the Government's post-war development strategy, it must address several serious issues concerning Diaspora investments in the sector.



Approach

This policy brief is based on a research study which investigated - what are the motivations for the Tamil Diaspora to invest in the real estate sector in Colombo and what are the challenges faced by Diaspora investments? We collected primary qualitative data using a mapping exercise to understand how urban space is changing in the Wellawatte area due to the booming of the property market. We conducted 19 semi-structured interviews with the Urban Development Authority (UDA), Municipal Council, and the Condominium Development Authority, experts from the academia and private sector private property developers and 6 informal and in-depth interviews with owners and inhabitants of the Diaspora owned urban condominiums. This study also used secondary data-census reports, on and off-line official documentation listing condominiums by the Board of Investment (BOI) and other sources.



Key Findings and Implications

In the aftermath of 2009, there was a sudden and increased demand from the Tamil Diaspora for urban housing in the nation's capital, Colombo. This trend continued for a while due to increased migratory inflows of Diaspora Tamils. Safety and convenience of mobility are the main motivations behind the Tamil Diaspora's increased demand for condominiums in Wellawatte. To a lesser degree, it is motivated by investment opportunities in the real estate market. The Tamil Diaspora's investments in the real estate sector are limited due to low returns for investments and high maintenance expenditures. Currently there are a number of legal, administrative and social barriers for the Diaspora to invest, lease, own and lead a decent life in the condominiums. As for the legal barriers, the State's restrictions on owning property by foreigners are noted. According to current regulations, Diaspora investors with overseas citizenship can only own housing above the fourth floor of a condominium. These laws have led to informal arrangements of buying property through local relatives. The above restrictions do not reflect the Government's ambitious bid for increasing foreign direct investment. Recent moves to introduce a Value Added Tax (VAT) and new taxation schemes by the Finance Ministry are showing discouraging effects on Diaspora investments in the real estate market. Potential Diaspora investors are also facing difficulties of obtaining bank loans due to their low remittance history. The BOI's single focus on attracting large scale investments and not having special policies targeting small to medium scale Diaspora investors are seen as other barriers for future investments.

At the municipal level, long delays in obtaining approval for quality certificates and property developers not-adhering to the required standards have put Diaspora investors and the occupants of the properties in a difficult position. The Government's unclear rules and regulations are also enabling private property developers to overrun existing rules. These

arbitrary-informal rules have led to long delays in accessing basic amenities, such as water and electricity and the quick disappearance of property developers immediately after the transferring of deeds. The Government's current ill-conceived quality control measures and their low enforcement capacity have given rise to numerous ad-hoc, temporary and informal solutions based on corrupt and patronage based practices. In principle, the UDA, Municipal Council and Condominium Management Authority (CMA) claim to maintain the standards, in actual practice, there is a bias towards the property developers over the wellbeing of the occupants.



Recommendations

- To avoid bureaucratic red tape and to provide all relevant legal advice, open a 'one-stop shop' at the Colombo Municipal Council and other areas where Diaspora investments are concentrated.
- The Government must redraft its current biased Foreign Direct Investment (FDI) approach that gives no incentive to attract medium scale investments from the Diaspora in the property market.
- Devise a Diaspora-centric bond scheme to facilitate bank related issues faced when purchasing on instalment.
- Municipalities must ensure quality services for the wellbeing of condominium occupants.



Establish a coordinating mechanism at all state levels for Diaspora groups to share information, access visas and clearance for development

CHANGE FOR GROWTH

Collective Diaspora Engagement : Tackling War-Affected Areas



Introduction

Following the regime change in post-war, Sri Lanka, in 2015, the 'Diaspora-led collective intervention model' has become popular, especially in directly war affected areas of the Northern and Eastern Provinces. Implemented by a range of diaspora organisations originating mainly from Australia, the United Kingdom, Canada and spread across the Northern and Eastern Provinces, these interventions operate as collective efforts in addressing development related challenges in the war affected areas.

Although many of these organisations had begun their operations immediately after the war, they were further expanded especially after the regime change in 2015. These organisations closely model other traditional development organisations, but are primarily funded by the Diaspora and international aid agencies. There are a few that have managed to secure funding from host governments as well as multilateral and bilateral aid agencies. In terms of selecting the types of intervention, location and beneficiaries, they follow the implementation models similar to other development agencies operating in Sri Lanka and driven by a 'self-defined' path to development, targeting their places of origin, particularly. Among others, education, health, housing, land, livelihoods - with an additional focus on women, tourism, and religious institutions, art and culture, are the areas of intervention.

However, these Diaspora-led development interventions are not without controversy. Sometimes they conflict with other approaches and activities undertaken by other organisations, thus resulting in unintended negative outcomes.



Approach

This policy brief is based on an in-depth qualitative study that sought to answer the question: How do Diaspora-led interventions influence sustainability and stability of local development processes?

In this study, we first mapped existing development interventions in the Northern and Eastern Provinces to understand the nature and presence of Diaspora-led interventions in 20 locations. In the absence of a credible database on Diaspora-led interventions, we identified them with the help of key Diaspora members (as key informants), government representatives, academics and other researchers. We gathered data by visiting each of these interventions and by conducting informal meetings with project personnel, other stakeholders as well as beneficiaries. We selected 6 cases for in-depth follow up study based on the host country of the Diaspora groups, scale of project, nature of intervention and target group. In addition to interviewing of the stakeholders linked to these specific projects, we conducted ethnographic research at each location to understand the day to day operations, and project outcomes, through participant observation and 'observing participation'. These observed interventions focused on projects and activities on social innovation, education programmes for disadvantaged communities, reconstruction and rehabilitation of war affected communities, value chain development and promotion of small and medium enterprises and upscaling production. We analysed the data applying a thematic analysis method and using Nvivo qualitative data analysis software.



Key Findings and Implications

The influx of many Diaspora organisations to support war-affected communities means that there is a growing interest in assisting post-war Sri Lanka. Establishing the Overseas Sri Lankans desk at the Ministry of Foreign Affairs and revoking the ban on certain Diaspora organisations are key milestones that enabled the positive engagement of Diasporas in post-war development efforts. The role of Diaspora organisations in supporting the rebuilding and development processes in the directly war affected region remains important, now and in the future.

The Diaspora-led development interventions bring many positive changes to the contexts where the projects are being implemented. Their role as a funder for local development initiatives is found to be crucial. For example, providing matching funds to state funds for education. Channelling funds for the most vulnerable and marginalised groups that are left out of the mainstream development processes is another positive change brought about by the Diaspora. Diasporas have been crucial in capacity development, social capital development and innovation by bringing in new knowledge and technological know-how to their places of origin. In addition to local employment generation via employing locals, Diaspora organisations are playing a key role in enhancing local capacities in a context ridden by excessive brain-drain due to war.

The unintended consequences of Diaspora related interventions are inevitable too. Exacerbation of existing tensions and social divisions resulting from the choice of interventions to financial and other types of

empowerment of one group over the other (i.e. caste groups, women) are noted. Among other issues, very limited or no coordination within different organisations, lack of synergy, replication of activities in the same localities by Diaspora organisations that are from the same host country is noteworthy. Further, the level of interest in investing in the Northern and Eastern Provinces has fallen short in meeting some of the expectations, such as job creation and regional economic growth. These negative outcomes have called into question the robustness, sustainability and ownership of the interventions.



Recommendations

- No Adopt a long-term approach to Diaspora engagement to bring about a meaningful transformation in the development scenario in the North and East.
- Establish a coordinating mechanism at state, regional/provincial and district level to share information of different Diaspora organisations and other development agencies, their current initiatives, future opportunities for collaboration, availability of funding and stock of human and other resources.
- Increase the role of the state in facilitating information, access, visas and clearance for Diaspora groups willing to contribute to post-war development.
- Focus on sustainability, eventual scaling up and local ownership of current and future development initiatives.

Further Reading:

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The Centre for Poverty Analysis (CEPA) is an independent Sri Lankan think-tank promoting a better understanding of poverty-related development issues. CEPA believes that poverty is an injustice that should be overcome and that overcoming poverty involves changing policies and practices nationally and internationally as well as working with people in poverty. CEPA strives to contribute to influencing poverty-related development policy, at national, regional, sectoral, programme and project levels.

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