Livelihood Trajectories and State-Building in Post-War Sri Lanka: Synthesis of the Panel Survey

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Background

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, it resulted in uneven territorial development, unequal opportunities for social mobility and laid the foundations for violent social and political dissent. The proliferation of militant groups in the north and east of Sri Lanka culminated in a 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 the war-affected regions of Sri Lanka.

The purpose of a longitudinal panel survey and methodology

A panel survey of 1,377 households was conducted in Sri Lanka in 2012 and 2015 to collect longitudinal data on the socio-economic changes amongst communities resettled after the armed conflict and their perceptions of local and central government.

In 2012, researchers from CEPA surveyed 1377 respondents living in selected areas of three districts in the war-affected northern and eastern Provinces of Sri Lanka, namely: Jaffna (North), Trincomalee (East) and Mannar (North).[1] Three years later, in 2015, the research teams went back to the same towns, villages and communities to track down and interview the very same people once more. They managed to survey 86% of respondents from the previous sample, thus enabling us to directly observe individual and household change over this three-year period.

Table 1 below indicates the survey locations by DS Division as well as the ethnic make-up of the sample. While the sample was split evenly across the three focus districts, amajority (66.35%) of the households surveyed were Tamil.

Table 1: Geographic and ethnic composition of the sample

District	Survey locations (DS Divisions)	Ethnic composition of sample
Mannar	Manthai West Musali	Sri Lankan/Indian Tamil (82%) Sri Lankan Muslim (18%)
Jaffna	Tellipalai Maruthankerny	Sri Lankan/Indian Tamil (100%)
Trincomalee	Trincomalee Town and Gravets region Kuchchaveli	Sinhala/Mixed (49%) Sri Lankan/Indian Tamil (18%) Sri Lankan Muslim (33%)

The motive for conducting a panel survey was to understand the changes in livelihoods, access to services, and perceptions of the state of those affected by the armed conflict, and resettled over a period of three years, and infer reasons as to why they have changed (or not).

The 'panel' aspect of the surveys – whereby we define our panel as including exactly the same respondents in both rounds, as opposed to a cross-sectional approach where a new sample of respondents is generated each time – gives this survey additional analytical value and scope. It allows us to:

i) directly track changes in people's lives over the two or three-year study period;

    and

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[1] The three Districts were purposively selected to capture geographic variation in conflict and return, resettlement and recovery time.

ii) identify factors that share an underlying association with those changes. Compared to the more standard cross-sectional approach, this enables us to better explore and understand potential causal relationships.

It also allows us to build a multi-dimensional picture of development and change over time, generating information on three broad themes:

1. People's livelihoods (income-generating activities, asset portfolios, food security, and constraining and enabling factors within the broader institutional and geographical context).

2. Their access to and experiences with basic services (education, health, water) and transfers (social protection and livelihoods assistance).

3. Their relationships with governance processes and practices (civic participation and perceptions of major political actors).

Both waves of the survey focused on specific districts or sub-national regions and are therefore not nationally representative. To analyse the data collected, the Fixed Effects regression model was used coupled with extensive descriptive statistics which showed all variables of interest across both waves of the survey.

This briefing document is adapted from the full synthesis report (Sanguhan & Gunasekara, 2017),[2] and summarises what we have learned from two rounds of survey data collection and analysis. The synthesis presents key findings for the surveys' three main thematic areas. Drawing out the implications of these findings, it also puts forward concrete policy recommendations within each thematic area, as well as some wider reflections by way of a conclusion.

What you need to know – Contextual factors

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[3] 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.

2   Sanguhan, Y. & Gunasekara, V. (2017). Tracking change in livelihoods, service delivery, and governance: Evidence from a 2012-2015 Panel Survey in Sri Lanka. London: Secure Livelihoods Research Consortium.

3   While donor funding for Sri Lanka overall decreased, funding to the North and East of Sri Lanka continues to flow, albeit at a slower rate than immediately after the end of the armed conflict.

Livelihoods and wellbeing trajectories in conflict and post-conflict settings

How do people fare after an armed conflict has 'officially' ended? To what extent does the return of stability generate a peace dividend that trickles down to individuals, households and communities? And what factors are associated with local level recovery?

A. Most households experienced dramatic fluctuations in food security, indicating a high degree of 'churning'

The survey results indicate that average food insecurity for the sample as measured by the Coping Strategic Index (CSI) is significantly worse in the second wave (6.5) than in the first wave (5.4). 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. Thus, the aggregated picture of gradual progress conceals some quite differential rates, and indeed directions, of post-conflict recovery.

Analysis reveals rather striking 'churning' trajectories in the food-security status of many households. By this, we mean that while some households have seen improvements in food security, relatively equal numbers have seen theirs worsen. This suggests that household wellbeing is characterised by instability: whilst substantial and potentially transformational improvements are possible, so too are situations where households backslide rapidly.

Overall, the key message here is about timelines and trajectories. Recovery and decline can be relatively rapid, but the extent to which households are able to stay on upward trajectories of livelihood improvement can be influenced by the diverse shocks and stresses that households in conflict-affected situations continue to face,

including household composition – particularly female headed households.[4] The levels of churning and complexity of interactions between different factors suggest that getting households onto positive wellbeing trajectories and into secure and sustainable livelihoods will be a protracted process – and one that is likely to be frequently disrupted.

Policy implication :

The survey findings show that we can't assume that improvements in wellbeing and livelihoods – and indeed the broader processes of economic recovery – are steady, linear or durable as there is no stability in employment or livelihoods since the end of the armed conflict. Policy-makers need to think about programming that is more able to respond to household vulnerability: this means doing more to help prevent vulnerable households from sliding into poverty, including the provision of safety nets, and going beyond the promotion of entrepreneurship programmes/schemes, given the limited structures currently in place. Furthermore, given the high levels of churning we see in people's fortunes, investing heavily in complex methods to determine vulnerability and targeting assistance may be ineffective and counterproductive.

B. Some households have acquired assets through 'adverse livelihood strategies', such as taking on more debt, but further analysis is needed to understand this relationship

Evidence from the survey findings suggests that some households are going into debt in order to buy assets, and this may also be the case in other non-conflict contexts. The ownership of white goods – such as refrigerators, 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). Whether this is a positive or a negative development is unclear: on the one hand, it suggests greater pressure on household budgets, but on the other hand, many households appear to have used this extra capital to, in some senses, become 'better off'.

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[4]   The regression results indicate that FHH were significantly more food insecure in 2015 in comparison to households headed by males.

A partial explanation for the increased asset base of those affected by armed conflict 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, Najab, & Munas, 2015).[5] Aggressive marketing campaigns by retailers offering consumer goods on credit (i.e. instalment plans, hire purchase) have lured individuals into a consumerist lifestyle in which they pay for products with savings and remittances (ibid.).

Policy implication:

The analysis on debt and livelihoods highlights the importance of more local, context-specific analysis and of deciphering what happens at the individual, household and community level. Policies and programmes aimed at supporting socio-economic recovery need to pay more attention to local power dynamics, better understand how markets work, and – most importantly of all – recognise that it is not conflict alone that we need to understand. Rather, it is the intersections between conflict and other wider influences on livelihoods and wellbeing – especially health, environmental shocks, economic opportunities, and social-identity markers like gender or ethnicity – that matter for improving people's wellbeing.

Access to and experiences of basic services, social protection and livelihood support

Education, health, and water services are all important for people's recovery after conflict. Transfers, such as social protection and livelihood assistance, can also play a vital role.

The SLRC survey was designed to generate information on people's access to basic services (using journey times as a distance-related indicator of access) and transfers (using receipt as the indicator), as well as their experiences of them (using a combination of subjective and objective indicators of quality). Importantly, the panel survey sought to examine how these things change over time.

A. Satisfaction levels are influenced through the experience of using a service

On the whole, satisfaction with services – health, water, and education - is relatively high across both rounds of the survey, and, where people's judgements change over time, they mostly become more positive. This is attributed to the establishment of new facilities in all three districts, and the reconstruction of roads.

Analysis shows that people's overall satisfaction with a service is associated with a series of characteristics related to how that service is run, rather than how easy it is to access the service. In other words, the experience of using, as opposed to accessing the service appears to strongly influence overall satisfaction. This can be particularly observed in the access to education, where the mere reconstruction of physical structures does not guarantee 'access' to primary education. Factors such as,a family's financial status, lack of money to buy school uniforms and other essential items, the availability of qualified teachers, and the lack of a transport service to and from primary school, can influence how students access primary education.

However, by far the clearest and most consistent results relate to respondents' satisfaction with specific characteristics of a service, such as waiting times at health clinics or teacher attendance at schools. It is also important to consider that services are delivered by various actors besides the state, and that state institutions themselves are

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5   Gunasekara, V., Najab, N., & Munas, M. (2015). No silver bullet: an assessment of the effects of financial counselling on decision-making behaviour of housing beneficiaries in Jaffna and Kilinochchi. Colombo: Centre for Poverty Analysis (CEPA).

not singular entities depending on whether they are situated/or operate at the central or local level.

Policy implication:

Given that the quality of the services that people use arguably matters more than the ease with which they access them, donor agencies will achieve more if they reorient their programming to focus as much on ensuring sustained and effective high-quality services as they do on infrastructure projects to reduce the time and distance to access schools, water and health posts.

B. Coverage of social protection increased and is generally low for livelihoods assistance. Perceived impacts are mixed

The share of households receiving any social-protection[6] support by the second survey round has shown an increase, with the biggest increase visible in the number of Samurdhi[7] recipients. This change is largely attributed to the fact that Samurdhi coverage extended to the war affected areas only after 2009. The survey found that respondents from households that have worse food insecurity by the second survey wave are less likely to perceive that the transfer is large enough to have an impact. Furthermore, respondents from Jaffna and Trincomalee had worse perceptions of Samurdhicompared 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.

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 surveyed households.[8] 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. In terms of livelihoods assistance, even though the majority of survey households worked in agriculture across both rounds and faced a range of shocks, it seems that most received little long-term support.

The survey found 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. The survey also found that access to social protection differed based on the recipient's religion, gender, caste, and class. Given that the surveys were conducted in mostly rural, previously conflict-affected areas – where households face a high number of shocks and stresses – there are questions here about the extent of formal support to vulnerable households. However, the picture is perhaps better interpreted as one of growing coverage that is not always well sustained – for those households who received transfers in 2012, a large share also received them in 2015 (77%), where programmes are more established and have greater coverage.

At least one third to half of respondents across both survey rounds stated that 'the social-protection transfer is too small to make a difference'. This is potentially linked to: the fact that some of what is described as social protection may be more akin to periodic transfers delivered as part of an emergency or humanitarian response; the poor timeliness of the transfer (with many respondents stating that the transfer is often delivered late); or the low monetary value of the transfers themselves.

Policy implication

Policy-makers need to focus on making social protection and livelihoods support more effective by seeking ways to increase coverage and transfer values, and also by making transfers more predictable and reliable. To this end, attention should be directed towards social protection accessed through political patronage as it distorts the fairness of distribution of limited resources. This is important for ensuring that such interventions achieve greater impact, and, better still, meet the expectations that are often attached to them.

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6   Types of social protection transfers considered are: Samurdhi, livelihood assistance, and remittance.
7   Samurdhi is a central government initiative and is the largest social protection programme in the country.
8   The fuel subsidy was available to registered fisher families.

What influences how people think about government?

Testing state legitimacy is complicated. This survey attempted by testing and exploring factors that are associated with changes in people's attitudes towards government.

While this doesn't tell us everything about legitimacy it does tell us something, particularly about changes in people's views of government, such that they accept its legitimacy.

State legitimacy is viewed as a fundamental outcome for donors and aid agencies as they seek to support state-building in fragile and conflict-affected situations as it is part of the liberal democratic logic where the provision of services is equated with satisfaction by citizens which in turn contributes towards state legitimacy. The SLRC survey set out to shed light on the relationship between service delivery and state legitimacy.

A. Identity and geographical location make a big difference in people's perceptions of government

The survey data once disaggregated for ethnicity and geography suggest that perceptions of state legitimacy is influenced by both identity-based and territorial aspects. This is important because it raises the question about whether the government is only considered legitimate by specific groups and categories of people living in certain locations. The very fact that such variation exists, demonstrates that legitimation is neither an even nor straightforward process.

Policy implication

While the provision of basic services does not necessarily lead to state legitimacy, services are still important to those recovering from conflict. Therefore, a need to maintain an 'even' service

delivery is essential as it contributes to the shaping of people's perceptions of a 'just' government. The processes of legitimation are ultimately filtered through structural, identity-based factors. Donors need to manage their expectations about their ability to realign and improve people's perceptions of government via external investments in things like service delivery. Simple scale-ups in service coverage seem unlikely to override these deeper issues.

B. Accountability mechanisms and opportunities to participate matter more for perceptions of government than access or satisfaction with services

Our data shows no statistically significant correlations between changes in people's access (measured in journey time) to health, education and water services, and changes in their perceptions of government actors. There are also no statistically significant associations between receiving livelihood assistance and perceptions of government.

The opportunity to participate in a presidential and general election immediately prior to the second wave is represented in the increase in the respondents answering 'yes' when asked whether they felt that the central government is concerned with their views and opinions (from 44% in 2012 to 65% in 2015). This can be attributed to the former president Rajapakse making no attempt to address the root causes of the armed conflict, while the current president's electoral campaign – 'yahapalanaya' ('good governance'), promised to tackle the 'national question', at the heart of which is devolution of power.

There is evidence from both survey rounds that opportunities for participation (knowing about and attending consultations) and the presence of accountability platforms (like grievance mechanisms) are associated with better perceptions. At the same time, however, having knowledge of grievance mechanisms or attending meetings about services is associated with improved perceptions.

Overall, the evidence shows that people care less about who provides services – for example, we find little support for the widespread assumption that delivery by non-government actors worsens perceptions of government – and more about the quality of those services, especially the nature of their direct encounters with service providers. Problematic service delivery potentially affects not just people's relationships with and attitudes towards local-level providers – whoever they might be – but also attitudes towards the government itself.

Policy implication

There are many good justifications for improving access to services, but the idea that to do so leads to a state-legitimacy dividend should not be at the top of that list. Donors might better focus on delivering services on the basis of their importance for people's wellbeing and for developing human capacity, especially in conflict-affected situations. They should also recognise that, while there can potentially be secondary impacts of service delivery, the route to these come from focusing on how services are provided. This means: ensuring that people are consulted about service delivery or participate in decision-making; supporting the development and maintenance of accountability mechanisms; and recognising that perceived fairness matters. At the same time, the evidence suggests that, in most situations, donors can stop worrying about the assumed de-legitimating effect of delivery by non-government actors.

The SLRC survey in Sri Lanka: Conclusions and policy recommendations

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.

Ethnicity : 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, however, that improvement in food security observed among the Sinhala respondents is contingent on location and not ethnicity. 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 one locality 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 peri-urban residence, it does not

explain why the recovery of Muslims and Tamils in the same urban locations in Trincomalee 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.

Access to services and perception of government: Through the regression analysis, 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). While journey times were used as a blunt – but generally accepted – proxy for access to services, in the case of Sri Lanka, we find that distance to the nearest service facility may mask other restrictions to access such as: a shortage of qualified personnel, state disinvestment in infrastructure, or lack of consistent public transport.

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. 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, which can explain the positive responses towards satisfaction in the survey results.

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.

Female headed households (FHH) : 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.

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. However, challenges exist as a result of 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, resulting in diluting the impact of efforts made.

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, 2016),[9] 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.

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. The survey results confirm that households had different experiences depending on the timing of their displacement. 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).

The survey found that 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. Comparatively, '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.

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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9   Godamunne, N. (2016) Mapping of socio-economic support services to female-headed households in the Northern Province of Sri Lanka. Colombo: Centre for Poverty Analysis.

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