

## **Executive Summary**

The population of Sri Lanka suffered a great deal due to the armed conflict that protected for over twenty years. However, the districts in the northern and the eastern provinces where the conflict actually raged and the areas bordering the conflict zone have borne much of the burnt of the most disastrous impacts of the armed struggle. Some form of cessation of hostilities ensued when a Cease-fire(CFA) was signed between the two warring parties; the Government of Sri Lanka and the Liberation Tigers of Tamil Elam (LTTE). Along with this relaxation of tension, much attention has been paid to relief, rehabilitation and reconstruction needs in both conflict affected provinces.

Most communities living adjacent to the conflict zone (CLACZ) were significantly affected by the residual impacts of the conflict or by the frequent attacks of the LTTE local carders. Besides, the widespread feeling of insecurity and vulnerability, livelihood systems in the CLACZ have been severely affected. Almost all the people in the CLACZ were dependent on agriculture as their mainstay and conflict impacted this source of subsistence in many ways. However, little attention has been paid so far to assess comprehensively the impact of the conflict on CLACZ, especially how these communities have been coping up with the destruction and hostilities during the conflict period and how the peace process that followed the CFA has helped the CLACZ to revert to a certain degree of normalcy and overcome the constraints faced during the conflict in meeting their basic social and economic needs. Neither the cost of the clash in such localities nor the benefits that followed the cessation of hostilities have been assessed. The present study is aimed at assessing the impact of the CFA or cessation of violence on agricultural production and living conditions and the major factors constraining their returning to normalcy in selected areas in the CLACZ.

Fields studies were undertaken in three CLACZ in 2004 which the methodology adopted was a sample questionnaire survey. The data gathered from the questionnaire survey was triangulated with data collected through observation and interviewing of key informants. The two villages selected to ascertain the impact of the conflict related hostilities and the effects of the CFA are Thammannakulama and Mahakoongaskada. To explore the situation in locations sans the threat of the conflict, the Pul- Eliya village located closer to Thammannakulama and Mahakoongaskada were also studied as a control group. The study also has taken into account the secondary data and official reports.

The study found that agriculture, paddy farming on lowlands and cultivation of other food crops on highlands and shifting cultivation have been the major sources of livelihood in the villages. Agriculture in Pul Eliya has been expanded, diversified and commercialized in spite of the conflict since the village was spared of terrorist attacks. The onslaughts on Mahakoongaskada claimed 45 lives and caused displacement of the entire community which depended on a meager subsistence by the cultivation of highlands on a shifting basis. One of the most significant impacts of conflict on the economy of the CLACZ appears to be the impasses placed on the

realization of their agricultural production potential. The CFA brought some sort of normalcy to the area and the Mahakoongaskada families returned to their original settlements and resumed their traditional form of subsistence farming with some making an attempt to produce for the market. Indeed, a tangible change took place in Thammannakulama where the residents began cultivating expanded extent of land crop diversification. Positive changes could have been expected in the study villages, if not for the two year long drought that ravaged the area. On the other hand, as alternative livelihood or employment opportunities expanded in Thammannakulama and Mahakoongaskada, due to the reemergence of the peaceful environment, the CFA resulted in a drop in agricultural pursuits. Similarly, paddy production decline in both Mahakoongaskada and Pul- Eliya villages after the CFA and this is mainly attributing to the prolonged drought.

The conducive environment resulting from the CFA has also induced other positive changes in the study villages. An increasing tendency is observable in the income levels of the households. Recent changes in income levels have had a positive impact on the disposable incomes at the household level in Thammannakulama (59 percent), Mahakoongaskada (31 percent) and Pul Eliya (21 percent) villages, which largely went into savings or investments. Housing conditions and amenities such as success to drinking water, electricity and telecommunication have improved after the CFA in the study villages. For instance, in the Mahakoongaskada villages 30 percent of the households shifted from kerosene lamps to a solar power based lighting system. In the Thammannakulama village 17.5 percent attained power supply after the CFA was signed. In the three study villages the vehicle ownership has also increased. The access to public services such as education, transportation and health care etc. has marked an improvement both in Thammannakulama and Mahakoongaskada following the CFA. Educational facilities in Thammannakulama and Mahakoongaskada villages were in a more appalling situation than those in Pul Eliya before the CFA. However, the better environment that ensued after the CFA facilitated the students from the study villages to attend relatively better schools outside their village. By improving the sense of security, the CFA also has paved the way for outside agencies to enter the villages for various business purposes and serve the communities. Vehicle ownership in Pul Eliya more than doubled though this observed trend is likely to be due more to the general trend in the country than to a direct impact of the CFA.