

**Should Free Holding Rights be
Granted to LDO Lands?
A Situational Analysis of Dry Zone
in Sri Lanka**

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EXECUTIVE SUMMARY

Land Development Ordinance (LDO) of 1935 set the future course of land development of Sri Lanka. It was the turning point of dry zone settlement programme. Initially land was allocated among selected peasants on a perpetual lease basis. Restraints were placed on disposing and apportioning the given land among descendants but the successors were to be nominated by the allottees, which is totally different from the land held in the other agricultural areas. These measures were taken with a view to prevent land fragmentation by inheritance and the dispossession of the lands through sales. Currently lands are transferred to people of non-farming community other than the family members, after getting the permission of the relevant officials in illegal ways. There is a debate for and against the grant of Free Holding Rights (FHR). This research focused on the current situation which is non-grant of FHR and on finding possible consequences of FHR for LDO lands and if uplifting the current restraints what would happen to the farming community and to the agricultural sector in dry zone. The specific objectives were to investigate the degree of willingness of allottees to obtain FHR to LDO lands by assessing the existing level of conditions of allottees with regard to social and economic aspects and possible implications and to provide policy recommendations regarding proposals to granting FHR to LDO lands in major settlement schemes in the dry zone. Primary data was used and a survey was conducted in Gal Oya, Parakrama Samudraya, Minipe, Rajanganaya, Mahaweli H, Pavatkulam, Tabbowa, Unnuchchai, Vavnikulam and Kantale using a pre-tested questionnaire and key informant interviews. The sample was the settlers of 432 original plots of land. According to the results 52 percent of the sample population were satisfied with the current level of ownership despite the significant relationship between the respondents' age and the existing land title. There was no significant relationship between respondents' education level and the existing land title. Sub dividing the lands among descendants was problematic as the intention of the majority of the respondents of the sample (83.8 percent) was doing so but not to sell the land. Majority of second (55.56%) and third (60.5%) generation live in colony lands originally given to parents or grandparents. Irrespective of the legal restriction paddy lands continue to be sub divided into less than 1.5 acres. Accordingly lands were still retained with the farmers due to the existing legal restrictions on disposal. If this has been removed, the percentage those who wanted to sell the land would have increased implying that the ownership of most of lands passed on to money lenders and the most of the settlers be landless. Granting FHR status is not the settlers' expectation as they believe they already have it. Solutions for their land issues are vital even though inheriting land is our cultural norm. Improvement in education level has been observed with succeeding generations but it is not at a satisfactory level. So the future generation of settlement schemes should specifically meet with higher level of education or professional education in order to engage in non-farm employment so that they would not depend on colony lands leaving a minority to engage in paddy farming.