Based on the empirical evidences the study concludes that the livelihood practices of resettled vaddas have significantly changed and the relative position of Vaddas in terms of well-being is fairly decent. At least they have come out from the forest. However, in absolute term still they are in the misery. They have just moved from worst to bad. Lack of cultivable lands for the second generation, discrimination, marginalization, lack of accessibility to basic needs including health and education are the areas that should be addressed urgently. Establishing an appropriate institutional and legal framework for Vadda community is essential to address these issues effectively.

**Keywords:** Indigenous people, Livelihood diversification, Sri Lanka, Vaddas community, Well-being

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