The Global Dimensions of Conflict in Sri Lanka

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This paper seeks to identify and chart the global dimensions of the conflict in Sri Lanka. The global dimensions have been understood and explained here in terms of the ways in which domestic politics and the civil war have been influenced by and has related to two parallel and closely inter-dependent trajectories relating to the global economy and global politics.

The conflict, which has taken various forms since the inception of the separatist movement in the early 1970s, spans a number of distinct historical phases that straddle important external political, economic and cultural changes, including the end of the cold war, the rise of a global liberal economic order, and the effects of the emerging global “war on terrorism” – all of which are playing an important role in the dynamics of the conflict.

In the face of a prolonged stalemate in the internal political and military dynamics of the conflict, it has been argued that global political and economic changes have provided the context within which both the war and peace processes have advanced.

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1. Background

For almost two decades from 1983-2002, Sri Lanka was embroiled in a bitter, “no mercy” civil war that claimed a devastating human toll, and that comprised a number of different phases and even different protagonists. Some 60,000 to 70,000 people are estimated to have died since July 1983, when a simmering insurgency campaign in the north escalated traumatically into war. In the late-1990s, almost a million people, amounting to one-third of the total population of the north-east were living as internally displaced persons (IDP’s), while one-quarter of the total Sri Lankan Tamil population had left the country, mostly as a direct or indirect result of the war. A further large number of people estimated as at least 10,000 and sometimes as high as 60,000, are estimated dead or disappeared in a separate, but indirectly related insurgency in the south between 1987-1990.

But despite the enormous toll inflicted on all segments of Sri Lankan society and the complex and unexpected directions that the extended war and peace processes have taken, the domestic political and military dynamics of the conflict remained surprisingly little changed on the eve of the December 2001 ceasefire as it was at the onset of the conflict in July 1983. In political terms, the main insurgent organisation, the Liberation Tigers of Tamil Eelam (LTTE) has been fighting for the recognition of the island’s Tamil-dominated north and coastal east, as a distinct Tamil homeland or “Tamil Eelam”.

Successive governments in Colombo, meanwhile have rejected this outright and have been prepared to consider little more than varying degrees of regional devolution. In the course of the prolonged and overlapping processes of war and peace, neither side appeared to have made any substantial compromise on their respective political positions.

For example, in April 2002, in the run-up to formal peace negotiations, LTTE leader V.Pirabakaran enunciated his organisation’s political goals as the very same four demands that had been put forward in the first round of peace talks held 17 years earlier in 1985. On the other side, the government actually found it impossible to offer the political concessions it deemed necessary to reach a settlement, as they required constitutional amendments that were routinely deadlocked in parliament. Although several prior

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1 As of early 2003, the government and LTTE have sustained a cease-fire that has lasted for over one year, and have commenced political negotiations. While it is too early to declare the war as over, this already represents the longest continuous absence of hostilities since 1983, and there are strong indications that a lasting settlement may be possible.


3 For recent economic studies on the costs of the war, see MARGA Institute (2001), Arunatilake, Jayasuriya and Kelegama (2001), Grobar and Gnanaselvam (1993)

4 This needs to be qualified somewhat as the LTTE’s political goals have often been somewhat fluid on the issue of separate statehood. It is perhaps more accurate to say that the LTTE has been fighting for the recognition of the right to self-determination of the Tamils - where the recognition of this right does not necessarily imply its exercise, and where its exercise does not necessarily imply the creation of a separate state. For example, as early as 1984, Pirabakaran declared that he was not fighting for territorial division but merely for the right to national self-determination – see Pratap (1984). This position was clarified most recently during negotiations in Thailand in September 2002 when the LTTE negotiator Anton Balasingham stated that the goal was to achieve self-determination for Sri Lanka’s Tamils, not necessarily separation.

5 These were enunciated in the televised press conference by V.Pirabakaran on 10th April 2002. They were for the Sri Lankan government to recognise (i) the existence of the Tamils as a distinct nation (ii) that they had a distinct geographical homeland; (iii) their right to self-determination; (iv) equal Sri Lankan citizenship rights for all Tamils that sought it.
rounds of political talks were held in 1985, 1987, 1990, and 1995, none were successfully converted into a durable political settlement, and each one collapsed after a few months with hostilities resuming on more acrimonious terms. In lieu of any such political rapprochement, each side ultimately hoped to force through a favourable political solution upon the other on the basis of military advantage.

In military terms, the Sri Lankan Army and security forces have a considerable superiority in weaponry and manpower, including unchallenged air supremacy that gives them a distinct advantage in conventional warfare. The LTTE, in contrast, has the upper hand in guerrilla warfare, although through the 1990s, it increasingly sought to project itself as a conventional army. The war revolved largely around control over the cities, towns, ports and communication routes of the north and east, most of which remain under tenuous government control. However, although both sides won numerous, apparently decisive military victories, and have inflicted thousands of casualties on each other, these successes were often transitory and prone to reversal in what has been described as an “unwinnable” war. Neither side was able to wrest a sufficiently decisive victory from the other, and as such, neither was capable of forcing a political solution through. In effect, the internal dimensions of the conflict were locked in a multi-dimensional stalemate. Militarily, both sides have had the resources to continue fighting in the near to middle term, but neither proved capable of actually defeating the other.\(^6\) Politically, the bid-ask spread between the two sides appeared as unbridgeable in the late-1990s as it had been in the early 1980s.

In contrast to this paralysis in the internal dimensions, the external context to the conflict had been considerably transformed, and frequently served as the driving force behind many internal developments. The rapid changes in regional and international geopolitics, the global economy, global norms, and the prevalent ideological and cultural influences since independence in 1948 have had a decisive impact on Sri Lankan society as a whole, and on the genesis, character and subsequent development of the civil war and the political conflict that it is embedded within.

As a small island state that emerged only recently from over four centuries of domination by three successive European powers, and that is separated by barely 30 kilometres from a giant neighbour, it is often problematic to draw sharp lines of delineation between the internal and external. Much of what appears in Sri Lanka to be very internal and indigenous is actually the complex synthesis of successive waves of interlocking political, economic and cultural engagements with the outside world. The current reality of Sri Lanka is itself a product of one such engagement and derives directly from the British annexation of the Kandyan kingdom in 1815 and subsequent administrative reforms in 1833 that brought the entire island under unified administration for the first time in almost 600 years. This in turn set the stage for sweeping socio-economic and demographic transformations in the context of an expanding plantation economy that depended critically on global commodity and labour markets. In that sense, contemporary Sri Lankan society (and the political origins of the present conflict) emerged during a

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\(^6\) Senior Sri Lankan defence analyst Iqbal Athas noted in April 2001 that the Sri Lankan government: “is conscious that despite pumping in millions for the purchase of weapons, a military victory is not in sight, or to put it plainly, not possible.”, quoted in Subramanian (2001)
period of unprecedented expansion in external contact. For the purposes of this analysis, distinctions between the internal and external are made in reference to the country’s present political borders, which do not necessarily correspond to current or historical geographies of national, cultural, linguistic, or economic significance.

The Sinhalese account for some 74 percent of the island’s population (estimated at 19 million as of 2001), and are concentrated in the south and west. Tamils, with 18 percent, live largely in the north and coastal east, although there is a significant Tamil minority in the south. Roughly one-third of this Tamil population are the descendents of migrant plantation labourers from southern India in the period 1850-1950, and who remain largely concentrated in the south-central plantation districts. The remainder are descended from much older waves of Tamil migration to the island. In addition, the mostly Tamil-speaking Muslim population, who are categorised as a separate socio-political group accounting for around 7 percent of the total population, comprise large minorities in many parts of the island. Regionally, the north is predominantly Tamil, the south predominantly Sinhalese, and the eastern coastal districts are split roughly one-third each between Tamils, Muslims and Sinhalese.

In the first half of the 20th century, Sri Lanka (then Ceylon) was considered something of a model of political tranquillity and social development. There was little experience of the kind of turbulent mass-based anti-colonial politics as in India, and while Tamil-Sinhala relations were sometimes acrimonious, they were never as deeply entrenched as India’s sectarian divisions. At independence in 1948, power was transferred in very orderly fashion to a largely conservative, Anglicised native elite, who in contrast to India appeared almost unwilling to bid farewell to the British, and who subsequently kept the Queen as their head of state for a further 25 years. In a subcontinent marked by the trauma of partition, sectarian violence, the displacement of millions, war in Kashmir, insurgency in Telengana, and the forced incorporation of recalcitrant princely states, the dominion of Ceylon was an island of peace and amiable coexistence.

In this early post-colonial period, politics in the island emerged in relation to a relatively fluid matrix of language, class, caste, religion, and region. However by the mid-1950s onwards, the Sinhala-Tamil or “communal” axis came to gain prominence and displace these others as the central divide in domestic politics. The structural issues underlying this new political rivalry related primarily to the distribution of state patronage and government policy over issues such as official language, regional devolution, demographic encroachment,7 and the availability of university places and public sector jobs. Periodically, the tensions over these issues became magnified through trigger factors such as the introduction of the “Sinhala only” language act in 1956, the promulgation of a new constitution in 1972, as well as through outbreaks of violent urban riots, insurgent attacks by Tamil militants, and the presence of the (overwhelmingly Sinhalese) security forces in the north.

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7 See Peebles (1990), Shastri (1990)
The Tamil-Sinhala political divide was represented in the existence of Tamil political parties that through the 1950s and 1960s that lobbied for greater federalism, language rights and economic concerns. But by the mid-1970s, after two decades of abrasive Tamil-Sinhala politics during which the communal divide had considerably sharpened, Tamil politics became radicalised amid widespread perceptions that constitutional politics of federalism in the 1950s and 1960s had done little to reverse their economic, political and cultural marginalisation at the hands of an increasingly sectarian pro-Sinhala state. By the late 1970s, this new Tamil politics had converged into the demand for a separate state of Tamil Eelam, elaborated by a mainstream political coalition, the Tamil United Liberation Front (TULF) that went on to win considerable success in the 1977 elections. A number of armed separatist groups including the Liberation Tigers of Tamil Eelam (LTTE) also arose in this period and began to engage the state security forces in an insurgency campaign. The escalation of fighting between the insurgents and the state, which continued through the late-1970s and early 1980s, had by mid-1983 led to a situation of de facto civil war. The north and east of the island have been embroiled in a state of war almost continuously since then, that has continued through to the time of the latest cease-fire in January 2002.

The external context to these internal political developments and to the armed conflict that subsequently arose was of great significance and would ultimately come to play a major part in the course of events in the next two decades. This paper attempts to track the external dimensions of the conflict in Sri Lanka, and to identify how they have been transformed over the period of its genesis in the post-colonial period to the outbreak of war in the early 1980s, and to its subsequent prolonged stalemate during the 1990s. Clearly, it is problematic to develop this distinction between the internal and the external very far, and indeed, it is not intended to form the basis upon which an alternate explanation of the causation and dynamics of the war is developed. This paper does not purport to suggest that the political conflict or civil war in Sri Lanka resulted from external rather than internal factors, and nor does it intend to deny the agency of internal actors, or indeed, the critical responsibility they bear in finding a political solution to the conflict.

Instead, it develops a stylised narrative drawn selectively and eclectically from a combination of primary and secondary sources to discuss how the internal conflict in Sri Lanka has since its genesis contained a complex, multi-layered external dimension. This external dimension is conceptualised in terms of two parallel processes, economic and political. In economic terms, the underlying political economy of the conflict is traced to the nature of Sri Lanka’s changing relationship with the global economy in the post-colonial period. In political terms (within which the military dimensions are also captured), the conflict has taken shape with respect to the prevalent external ideo-political paradigms and geo-political contentions. It is argued that these external economic and political factors have undergone great change.

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8 The TULF’s stance reads as follows: “This convention resolves that restoration and reconstitution of the Free, Sovereign, Secular, Socialist State of TAMIL EELAM, based on the right of self determination inherent to every nation, has become inevitable in order to safeguard the very existence of the Tamil Nation in this Country.” (Resolution passed at a convention of the Tamil United Liberation Front held at Pannakam, Vaddukodai, on 14 May 1976, otherwise known as the Vaddukodai Resolution), cited in full in De Silva (1998), Appendix IX.

since the genesis of the conflict, and that the subsequent trajectory of the conflict and the interaction of the protagonists in the war/peace process is unfolding in directions influenced if not critically constrained by the changing nature of these external factors.

Much of the existing literature on the external dimensions of the Sri Lankan conflict has arisen within the framework of international relations and security studies. Kadian (1990), Muni (1993), Bullion (1995), and a number of other important studies have discussed the conflict in terms of the Indo-Sri Lankan confrontation of the 1980s. In contrast, during the 1990s the external dimensions of the conflict have been discussed with respect not to international relations, but rather international terrorism. For example, Gunaratna (1997) is directed at alerting foreign governments to the international security threat posed by the LTTE. A quite different strand of literature examines the intersection of the conflict with the outside world not in terms of international relations, but the political economy of development. The major preoccupations of this literature have been to examine the relationship between structural adjustment and conflict, and the role of aid donors in conflict reduction and post-conflict reconstruction.

This paper attempts to weave together many of these different strands of international relations and political economy in a way that allows some coherent and generalisable inferences to be drawn out and developed. Part 2 discusses the early period from the genesis of the conflict from the early post-colonial period to the outbreak of the civil war in the early 1980s. Part 3 discusses how this has changed in the 1990s. Part 4 concludes and discusses some of the repercussions.

2. Post-Colonial Political and Economic Developments

Sri Lanka and the Global Economy: Contemporary rational choice literature has viewed the economic dimensions of violence and conflict largely in terms of its narrow economic instrumentality to the conflict participants often subject to an individual cost-benefit analysis. In contrast, there are compelling reasons to view the economic dimensions of the conflict in terms of a much longer historical and global perspective. In essence, the argument here is that the entire trajectory of Sri Lanka’s post-colonial politics, including the Sinhala-Tamil confrontation, is embedded within the larger transformations in Sri Lanka’s relationship to the global economy. In particular, two significant historical periods of economic change correspond closely to equally significant turning points in the Sinhala-Tamil conflict.

The first of these periods is 1955-59, during the transition from a plantation-export based laissez-faire economy to a public-sector driven import substitution model of industrial development. At independence in 1948, Sri Lanka’s highly dualistic economy depended heavily on revenues from the prosperous export agriculture sector to fund a substantial programme of government welfare subsidies. In an increasingly better educated, but poor country with little industrialisation and few formal sector job opportunities, high welfare subsidies were the price paid by the ruling elite to buy social peace and to check the rising

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popularity of the communist movement. But the fragility of the post-colonial compact was such that domestic political stability essentially hinged upon favourable global commodity prices.

At the same time in the early 1950s, Sri Lanka was on the cusp of a historic demographic transition, as the combined effects of better island-wide public education and public health since the 1930s had led to a surge in the population of better educated young job-seekers (both Sinhalese and Tamil). The ruling UNP government, dominated by elites linked to the plantation export economy continued to follow broadly liberal economic policies of free trade and tight fiscal discipline that did little to foster industrialisation or alleviate this burgeoning demand for jobs. The main thrust of the government’s development agenda in this period was agriculture rather than industry, and was driven by the desire to reduce food imports and to tackle the growing threat of rural unrest and pressure for land redistribution.

This early post-colonial economic and political compact fell apart following the sharp decline in prices in the early 1950s that followed the boom generated by the Korean War. Faced with the necessity for fiscal cutbacks, government proposals for reductions in welfare subsidies in 1953 resulted in unprecedented mass political actions including a *hartal*, a general strike ordered by trade unions and left parties that became a grave source of concern to the ruling elites. The *hartal* ultimately forced the Prime Minister’s resignation and caused the UNP’s landslide defeat at the next general elections. Subsequently, the left-centre political coalition that surged into power on a tide of populist sentiment in 1956 brought a substantially different economic policy agenda based on import substitution industrialisation and the expansion of the public sector. This occurred at least partly under the rationale of insulating the domestic economy from such external shocks and also as a means of quickly expanding formal sector employment.

The period of economic transition initiated in the mid-1950s was essentially one of re-engineering the form and terms of engagement of the domestic economy into the global economy. At the same time, it also coincided closely with the period when the Sinhala-Tamil dimension began to occupy the centre of gravity of national politics. While the unprecedented general strike of 1953 highlighted the depth of the latent class schisms underlying Sri Lankan society, this was followed just three years later by an equally unprecedented and almost inexplicable rise of anti-Tamil violence in the 1956-59 period. Effectively, this period of rapid economic transition was also one when the ethnic factor was injected into national politics in a way that has eclipsed the class dimension ever since. Even on the occasions when class-based social and political formations have re-emerged after 1956, they have either struggled uphill against the prevalence of Sinhala or Tamil nationalist consciousness or have expressed themselves directly through overtly nationalist discourse.

During the two decades from 1956-76, government regulation of private sector enterprises, banking, and external trade was considerably increased and a number of key industries including finance, ports and oil were nationalised. At the same time, the number of public sector enterprises quadrupled, becoming an

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12 The Mahajana Eksath Peramuna that took power in 1956 was a coalition of the Sri Lanka Freedom Party (SLFP) with the Lanka Sama Samaja Party (LSSP) and the Communist Party (CP).

13 Although there was a period of partial liberalisation during the late-1960s under a UNP government.
important source of scarce formal sector employment, and accounting for 12 percent of total GDP in the mid-1970s. State employment expanded manifold to the extent that it came to account for almost a quarter of the total labour force by the late-1970s.

However, as the crises of the mid-1970s demonstrated, the economy continued to be heavily vulnerable to external shocks after almost two decades of import-substitution. Tea and rubber still accounted for over 70 percent of exports while the nascent import-substituting manufacturing sector itself critically depended on imports of intermediate and investment goods. In addition, the centrality of the state in the industrialisation process meant that the availability of sought-after, but scarce economic and employment opportunities became increasingly rationed in terms of privileged access to political power.

It is under these circumstances that the polarisation of politics along Tamil-Sinhala lines became accentuated, as state patronage was increasingly disbursed in ways that reflected the Sinhalese demographic and political dominance. One of the most evident symptoms of this was in the composition of the sought-after public sector and civil service jobs, which had previously been dominated by Tamils, but which had become increasingly Sinhala-ised by the 1970s. But the effects of state patronage were manifest not just in terms of employment, but also in the availability of private-sector contracts and permits, the location of labour-intensive public sector industries, and in the nature of dry-zone irrigation and resettlement projects.

Table 1: Sri Lanka – Indices of Terms of Trade and Import Capacity of Exports (Base Year 1950)

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Import substitution lasted just over two decades between the mid-1950s to the mid-1970s and ultimately crumbled in the face of an extraordinary and extended collapse in the country’s terms of trade during this very period. Between 1955-75, Sri Lanka’s terms of trade dropped by 70 percent (see table 1), causing a worsening balance of payments and fiscal problem that subsequently reached crisis proportions following the effects of the 1973 global commodity price shock. This meant that by the early-1970s, the SLFP coalition government was forced to institute the most serious cuts to food subsidies since the 1953

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14 Between 1958-75, the number of public sector enterprises increased from 28 to 107 - Karunatilake (1987), p.146 citing Central Bank of Sri Lanka data.
18 As Herring (1994) remarks, “The irony is that for all the political costs of ‘closing’ the economy [under import-substitution], in fact it remained in a critical sense open to external shocks.”
riots. By the mid-1970s, unemployment levels had soared as high as 24 percent, (an increase in 10 percentage points over the prior decade), while real wages of government employees had dropped by 37 percent between 1970-75.\(^{19}\)

It is not surprising then that in the face of such economic dislocations, the early-1970s was a period when domestic politics was in great turmoil. The stage was set for this as early as 1971, when Sri Lanka was briefly, but comprehensively shaken by an armed rural uprising in the south organised by the Janatha Vimukthi Peramuna (JVP), the first such military challenge that the state had encountered since the 1840s. In the face of mounting social unrest, the government armed itself with emergency powers, leading to an increasingly authoritarian and abrasive exercise of state power that further contributed to the polarisation of politics. In the north, the economic crisis seriously compounded the existing frustrations that Tamils had faced for over a decade in accessing state-regulated education and employment opportunities, and ultimately radicalised a generation of Tamil youth who became (and remain) the leaders of the Tamil Eelam movement. Tamil separatist militancy traces its origins during this period to the 1972 formation of the LTTE’s antecedent organisation, the Tamil New Tigers, that went on to organisationally consolidate itself and adopt its current name in May 1976.\(^{20}\) And it was largely as a result of considerable pressure from the more radical and militant youth organisations, that the previously constitutional and elite-based Tamil minority politics was pressed to adopt a separatist stance.

Thus, the period of transition from a laissez-faire plantation export economy to a public-sector based import substitution economy in the late-1950s gave birth to the contemporary Tamil-Sinhala political conflict. This conflict subsequently escalated through two decades as growing political discontent, aggravated by high overall levels of unemployment and inflation generated increasingly desperate state interventions. Many of these state interventions, whether political, economic or cultural were demonstratively designed to generate and capitalise on majoritarian Sinhala sentiment, a factor that grew in importance as other sources of legitimacy and popular support came into question. But with growing pervasiveness of the Tamil-Sinhala rivalry through the 1960s and 1970s, even state interventions and that had no sectarian content - or economic circumstances such as unemployment that affected all communities more or less equally - came to be increasingly interpreted and channelled in ways that magnified this divide.

The second major period of post-colonial economic transition in Sri Lanka was in the 1977-83 period. This began with the 1977 elections that brought an abrupt end to import-substitution policies as the UNP returned to power, launching a sweeping programme of trade liberalisation, private sector deregulation, and the dismantling of many welfare provisions. As one of the first countries to engage in what would later be known as a structural adjustment programme, Sri Lanka won the considerable support of the aid donor community and particularly that of the World Bank, which was anxious to ensure that it should


\(^{20}\) For the early history of the LTTE and other militants groups, see Narayan Swamy (1994)
serve as a successful role model for other developing countries. As a result, Sri Lanka, which had effectuated a simultaneous shift in foreign policy towards the US-bloc, was rewarded with a massive wave of foreign aid-sponsored public sector investment projects in the post-1977 period largely intended to cushion the domestic economic and political repercussions of the reforms.\footnote{See Herring (1994), Athukorala and Jayasuriya (1994), Kelegama (1990).}

Although it might be expected that a reduction in state intervention and a consequent increase in employment and economic growth would diminish the scale of the conflict, particularly given the nature of its economic origins, it is precisely in the reform period between 1977-83 that the political conflict was transformed into violent form. In the north, the spiral of insurgency and counter-insurgency attacks escalated while in the south, a series of traumatic anti-Tamil riots broke out in cities such as Colombo for the first time since the late-1950s, with major incidents in 1977, 1979, 1981, and 1983. The last and most serious of these riots in July 1983 ultimately catalysed the conflict into civil war.

The actual impact of the “open economy” policy upon economic growth, poverty and welfare (which was greatly complicated by the second oil crisis in 1979), has been the subject of a long-standing academic controversy in development economics known as the “Sri Lanka growth and equity debate”.\footnote{See Dunham and Jayasuriya (2000).} Although much the economic analysis of the impact of the conflict has described how the effectiveness of the reforms have been retarded by the conflict, there is some merit in seeking to uncover the reverse direction of linkage. To put it in terms of the categories earlier discussed, the shift from a dirigiste to a more market-based economic structure had the makings of a parallel shift back from ethnic to class based politics of the type that was taking shape in the early-1950s. In order to answer why it subsequently resulted in an escalation of violence along ethnic lines instead of an “IMF riot”, Dunham and Jayasuriya (2001) for example, argue that the liberalisation process, midwifed by unprecedented levels of aid flows did not actually end ethnically-biased rent-seeking from the state-sector, but expanded it to new groups that benefited from the climate of heightened tension and authoritarianism. The police and military, for example, found:

“fertile ground for large-scale self-enrichment through the control of state power….A mutually reinforcing process of economic ‘reforms’ and socio-political decay was thus set in motion.”

Gunasinghe (1984) argues that the disproportionate impact of the reforms on Sinhalese versus Tamils may have formed the basis for heightened animosity between the two groups. In particular, he suggests that small-scale Sinhalese industrialists, (who had previously benefited from state intervention) became worse-off under the reforms as they could no longer compete with cheap imports or capitalise on their preferential access to state power. In contrast, Colombo’s Tamil merchant class, whose lack of access to the state had for long restricted them to commerce rather than industry, appeared to have benefited greatly from the removal of trade barriers and the consequent boom in imported goods.
Obeyesekere (1984), Manor (1984), and Tambiah (1986), among others suggest that the sudden, unequal economic impact of the reforms caused abrupt and disorienting social repercussions, and was subsequently accompanied by the institutionalisation of political violence and greater government authoritarianism. Dunham and Jayasuriya (2000) for example, suggest that Sri Lanka’s generous welfare subsidies had important positive externalities in terms of buying social peace, and that their dismantling unleashed a social unravelling that has been manifest in terms of worsening problems of social order and violent conflict. As such, the growth of Tamil militancy is explained as just one manifestation of an all-encompassing violence that gripped Sri Lankan society and politics since the late-1970s. It emerged from the social upheavals, poverty, lumpenisation and socio-political decay engendered by the reforms as well as from the increasingly violent and authoritarian measures used by the government to suppress opposition to the reforms.

Moore (1985), Shastri (1990), and Samarasinghe (1996), describe the differential impact of agricultural trade liberalisation on the regionally differentiated distribution of tradable versus non-tradable crops. Due to climatic and historical reasons, the island’s export agriculture sector in tea, rubber and coconuts was concentrated largely in the south, while agriculture in the Jaffna peninsula was restricted to minor food crops such as bananas, onions, chillies for domestic consumption. While trade liberalisation benefited the export sector in the south, it had resulted in a sharp depression of prices of domestic food crops in the north. In this way, it could have fed into long-standing Tamil grievances regarding regional development inequalities in the north, relating to the unequal distribution of public sector projects and the acceleration of demographically sensitive irrigation and resettlement schemes.23

Thus, the links between the economic reforms and the exacerbation of the conflict have been analysed in several quite different mechanisms such as (i) the unequal impact of the reforms upon the poor; (ii) the unequal impact of the reforms upon different segments of the ethnically-differentiated business strata; (iii) the unequal regional impact of the reforms upon Tamil versus Sinhalese regions; (iv) the heightened opportunities for ethnically politicised rent-seeking engendered by the massive aid boom that accompanied the reforms; (v) the increase in political violence and state authoritarianism which arose partly in response to suppressing these manifestations of social disorder, both spontaneous and organised, which emerged from the reform process.

Clearly, some of these hypothesised mechanisms appear to be at least partly in contradiction with one other and deserve greater empirical substantiation. But all of them share a common understanding that in a society where gradations of occupation and class are sandwiched between different layers of regional and ethnic identities, the frustrations that resulted from the abrupt and unequal distribution of costs and benefits from the reforms either resulted in the greater Sinhala-Tamil hostility - or were actively engineered in that direction.

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23 See Shastri (1990) for an analysis of the demographic repercussions of dryland resettlement.
In sum, domestic politics in Sri Lanka evolved during the post-colonial period in close relation to the changing nature of the Sri Lankan economy and its linkages to the global economy. The present political conflict emerged during the transition from a plantation-export based economy to a public-sector driven import substitution industrialisation model of development. It accelerated and assumed violent form as the state dismantled welfare subsidies and import-substitution policies, replacing them rapidly with a private-sector driven export-oriented industrialisation model.

**South Asian Geopolitics in the 1970s:** From the early 1970s onwards, and particularly during the 1983-90 period, India came to occupy an overwhelming presence in internal developments in Sri Lanka. During this period, it became the central external factor in the Tamil Eelam movement and the Sri Lankan civil war arising from a number of overlapping historical, geo-strategic, cultural and political reasons. India’s dominant nearby presence less than thirty miles away, and with a population more than fifty times in size has inevitably been an important influence in Sri Lanka. The Indian peninsula has historically been the source of migration, cultural flows and military invasion of the island stretching back over at least two millennia. The most recent wave of immigration from India occurred between 1850-1950 when large numbers of migrant Tamil labourers were brought to Sri Lanka to work on the rapidly expanding plantation sector.

In the 1970s and early 1980s, developments in the Indian subcontinent played an important and multi-faceted role, both active and passive in the genesis of the conflict. Internal and regional political developments in South Asia critically shaped the dynamic of Indo-Sri Lankan relations and the evolution of both Tamil Eelam and Sinhala nationalisms. After the escalation to civil war in 1983, India hosted over 100,000 refugees from Sri Lanka, while the Indian central government and the state government of Tamil Nadu were responsible for providing many of the financial, military and diplomatic resources that sustained the separatist movement. The Sri Lankan government, in contrast, tried (with limited success) to mobilise support and resources from the U.S., Britain, Israel, China and Pakistan, largely to counteract India’s support for the separatists, while continuing to rely on external trade and external capital flows for government finance, both to sustain military expenditures, and to maintain normalcy in the rest of the economy. In the late-1980s, Indian intervention in Sri Lanka’s ethnic conflict reached its pinnacle when 100,000 Indian troops were deployed to enforce an ill-fated political settlement that not only failed spectacularly to end the conflict, but that transformed it, and ultimately propelled it into a qualitatively new phase.

In the early 1970s, as Sri Lankan Tamil politics stood at a critical transitory phase, the political geography of the South Asian region was substantially altered following the break-up of Pakistan’s two constituent wings. The civil war that erupted in East Pakistan between the Pakistani army and Bengali separatist militias in March 1971, and that ended following Indian military intervention against Pakistan in December 1971 remains the most significant event in South Asia’s post-colonial history. It not only

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24 The existence of militant training camps in India was denied by New Delhi, but subsequently became the subject of an embarrassing media expose in India - see Gupte (1984)
thrust India into a position of unquestioned regional pre-eminence, but also created a precedent in international law, as Bangladesh became the world’s first successful post-colonial secessionist state,²⁵ and remained so for the rest of the cold war period.

The right to self-determination is upheld in weak form in the United Nations founding charter, and was subsequently elaborated upon and strengthened in a series of General Assembly resolutions after 1960, although this appeared to refer largely to the ongoing process of decolonisation. In 1970, just months before the East Pakistan crisis erupted, the U.N. Declaration of Friendly Relations (UNGA Resolution 2625), said:

… all peoples have the right freely to determine, without external interference, their political status and to pursue their economic, social and cultural development, and every State has the duty to respect this right...

But later in the text, this right is subject to the limitation that:

Nothing in the foregoing paragraphs shall be construed as authorizing or encouraging any action which would dismember or impair, totally or in part, the territorial integrity or political unity of sovereign and independent States ...

In other words, there was considerable international legitimacy and support for the right to self-determination, although this did not necessarily extend to the case of post-colonial secession. Amid this ambiguity in the de jure legitimacy of secession in post-colonial states, the de facto independence of East Pakistan, the subsequent creation of a sovereign state of Bangladesh, and the rapid international recognition it gained²⁶ appeared to lend greater international legitimacy to post-colonial secession.

But more important than the precedent it set for international law was that created by the very circumstances in which Bangladesh was created and the repercussions it held for South Asian regional geopolitics. The secession of nearby East Pakistan through an armed domestic uprising with Indian military backing, and the consequent expansion of India’s relative position in the region was to have important consequences in Sri Lanka at a time when domestic politics was in considerable convulsion. Indeed, it is during this highly charged period from 1971-1976, in the immediate aftermath of the East Pakistan secession that Sri Lankan Tamil politics made the critical transition from federalism to separatism. As De Silva (1998), (p.242) describes:

[Between] May 1972 and the end of 1976, we see a momentous shift in the political aspirations of the Sri Lanka Tamils, from demands for structural changes and constitutional

²⁵ With the possible exceptions of two short-lived federations that collapsed within two years of their formation. Senegal became independent as part of the Mali Federation in 1959 but withdrew in 1960. Singapore, which joined the Malaysian Federation in 1963, withdrew in 1965.
reform, to an assertion of the right to self-determination on the basis of a Tamil state in Sri Lanka.

This is not to suggest some very mechanical linkage between the development of Sri Lankan Tamil separatism and the creation of Bangladesh. But there is a substantial weight of circumstantial evidence concerning the close sequence of the two events, and what appears to be the many similarities between the causes leading to the growth of separatist sentiment among Pakistan’s erstwhile Bengali majority and nearby Sri Lanka’s Tamil minority. Given the existence of the close historical links between Sri Lankan Tamils and India, it would not have been out of the question to consider that a similar Indian intervention, military or diplomatic, might occur in Sri Lanka to secure a separate Tamil homeland. Indeed, it appeared that an influential section of the Sri Lankan Tamil political spectrum actively sought such an outcome, and the (apparently real) possibility that this could occur formed an implicit if not explicit part of the rationale in advancing a separatist platform.

The Tamil Nadu Factor: Eelam War I (1983-87) broke out in July 1983, following an LTTE ambush in the north, during which thirteen Sinhalese army soldiers were killed. The news of the ambush caused outrage and a violent backlash against Tamils in the south in which the complicity of then ruling UNP government was widely alleged. In the days following the riots, during which an estimated 3,000 people were killed, large numbers of Tamils from around the island fled to the north, and often from there to southern India. The sudden appearance of over one hundred thousand displaced, embittered Tamils in northern Sri Lanka and southern India resulted in a surge of political support, new recruits, and international propagandists for the militant groups. As a result, the political centre of gravity of Sri Lankan Tamil politics, which had already effected a shift in favour of separatism over federalism in the mid-1970s, effected a second shift in favour of the militant groups and armed struggle over the parliamentary Tamil parties and “normal” constitutional politics.

Support for the Sri Lankan Tamils was particularly high among India’s fifty million Tamils in the south-eastern Indian state of Tamil Nadu, who share close historical links of language, culture and religion with Sri Lankan Tamils. The vivid press coverage of the July 1983 riots, followed by the arrival of thousands of Sri Lankan Tamil refugees evoked considerable sympathy in Tamil Nadu, which quickly became transformed into the most important external mass base of political support for the Eelam movement. Internal developments in post-colonial Tamil politics in India had also created an environment that was particularly receptive to the Sri Lankan Tamil cause. In Tamil Nadu, politics had been transformed in the 1950s and 1960s by the growth of a Tamil nationalist “Dravida” movement, which eventually culminated in the electoral victory of the Dravida Munnetra Kazhagam (DMK) in state elections in 1967. The

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26 Bangladesh received international recognition on a bilateral basis at an early stage, but was only admitted to the United Nations after being recognised by Pakistan in 1974.  
27 This allegation was made at the time in various media reports and became the object of some speculation. More recently, the Sri Lankan President, Chandrika Kumaratunga herself has made frequent references to her predecessor’s involvement – for example in an interview on BBC’s Hard Talk on 30 October 2001, she spoke of the Jayawardene government’s “huge pogrom against the Tamil people in July 1983”.  
28 Progressive Dravidian Federation.
DMK’s ascendance as an electoral party had occurred in the context of a multi-layered challenge to New Delhi’s authority based around resistance to the imposition of Hindi as a single national language, and the promotion of a distinct Tamil political and cultural identity.  

In its early years during the 1940s and 1950s, the DMK had actually advocated the separation of India’s southern states into a sovereign “Dravidistan”, although this demand was pursued with great ambivalence and was ultimately abandoned in the early 1960s as the DMK came closer to achieving a substantial electoral victory. However, beyond these superficial similarities in post-colonial Tamil politics in India and Sri Lanka, the links between Eelam and Dravida nationalisms were in reality weak, the two having developed under substantially different historical and socio-economic circumstances, and along virtually opposite political trajectories. But by the late 1970s, the increasingly violent escalation of the “ethnic problem” in Sri Lanka forced the two to relate to one another much closer as the Eelam issue was effectively injected into Dravida politics.

Following the July 1983 riots in Colombo, and the subsequent arrival of large numbers of Tamil refugees into southern India, public opinion in Tamil Nadu was inflamed to the extent that local political parties and personalities actually competed with each other to champion the Sri Lankan Tamil cause. The Dravida parties in particular felt the obligation to demonstrate pan-Tamil solidarity, launching high profile campaigns to provide assistance to the Sri Lankan Tamil cause (both for refugee relief and for the different political groups), and exerting great pressure on New Delhi to intervene sternly with Colombo. Thus, between 1983-87, as the locus of Sri Lankan Tamil politics had at least partially been displaced onto Tamil Nadu, it began to interact much more closely, and even to map onto existing rivalries within Tamil Nadu politics. The then ruling party in Tamil Nadu, the AIADMK, and the state’s Chief Minister M.G. Ramachandran, came to be closely linked with the LTTE, while the main opposition party, the DMK, and its leader M. Karunanidhi became associated with the LTTE’s main rival, the TELO.

But the impact of political developments in Tamil Nadu during the post-colonial period must be seen not just in terms of Sri Lankan Tamils, but of the entire dialectic of Sinhala-Tamil relations, and in the parallel development of both Tamil and Sinhala nationalism. Despite the fact that they form a large majority, Sinhala nationalism has fed on the notion of the Sinhalese as an encircled minority vis-à-vis a monolithic, pan-Tamil “other” comprising northern Sri Lanka and nearby Tamil Nadu who together outnumber the Sinhalese by a ratio of almost five to one. As a Sinhalese parliamentarian declaimed in a debate:

See Washbrook (1989).

This point is argued at some length in Krishna (1997).

The AIADMK (All-India Anna Dravida Munnetra Kazhagam) was formed by a split from the DMK in 1972.

Ramachandran (1917-87), known by his initials as “MGR”, was a legendary Tamil cinema icon of the 1950s and 1960s, who had starred in many films inspired by the Dravida movement, and was himself born to a family of migrant Indian tea plantation workers in Sri Lanka - see Pandian (1992)

Tamil Eelam Liberation Organisation. TELO was largely eliminated as a political and military force after a short and decisive struggle with the LTTE during 1986.

In this country the problem of the Tamils is not a minority problem. The Sinhalese are a minority in Dravidastan. We are carrying on a struggle for our national existence against the Dravidastan majority.\(^{35}\)

The basis for such an axis of configuration emerges from contemporary Sinhala nationalist historiography, which has sought to recall the pre-colonial history of the island in terms of an enduring struggle by the indigenous Sinhalese against expansionist Tamil armies from the Indian peninsula. The 6th century Pali chronicle, the *Mahavamsa*, which contains the Sinhalese founding myth and forms a central pillar of contemporary Sinhala national consciousness, provides the foundations for this in its panegyric to the 2nd century BC Sinhala prince Dathagamani, who fought and won a long war against a Tamil usurper Elara. This epic Sinhala-Tamil confrontation has often been recalled in the context of 20th century Sinhala-Buddhist revivalism, and the Sinhala-Tamil communal axis since the mid-1950s. The contemporary political significance of this historiography is described as having had:

...a profound influence in shaping popular perceptions of the past, and of the role of the Tamils in Sri Lankan history as the single most powerful and persistent threat confronting the Sinhalese.\(^{36}\)

It is in this sense that the creation of the present state of Tamil Nadu in 1956, the growth of the militant Dravida movement there during the 1950s and 1960s, and its electoral victory in 1967 is of great significance in Sri Lanka to Sinhala nationalism for which these events represented potent and threatening symbols of the resurgence of a historical nemesis. But beyond its symbolic relevance, the presence of nearby Tamil Nadu has significance for the political economy of the conflict in terms of the way it was used to establish an ethnic hierarchy of indigeneity in the island, and thus to legitimise an ethnically-defined hierarchy of citizenship rights. Tamil Nadu effectively served to remind Sri Lanka’s Tamils of their foreign origins, and thus served to justify their differential treatment in the eyes of the state.\(^{37}\)

In summary, as Sri Lankan Tamil separatism gained critical mass in the 1970s, it found not just cultural cousins across the Palk Straits, but the possibility of powerful political patronage at the state level. At the same time, this very nexus of Dravida-Eelam interaction, which existed more in the realm of rhetoric than reality until the early-1980s, was (combined with India’s increasing regional assertiveness) an important factor that fed into the most fundamental concerns of Sinhala nationalist sentiment. To the extent that this sentiment was institutionalised within the Sri Lankan state (as it increasingly was after 1956), the worsening dynamic of Sinhala-Tamil relations became manifest in terms of a growing confrontation between the Sri Lankan state and the Tamil minority.

\(^{37}\) This factor also helps to explain why the elite-based Sri Lankan Tamil federalist politics of the 1950s and 1960s kept its distance from Tamil Nadu and from the populist Dravida movement at a time when such links would have been counter-productive for their claims to indigeneity in the island, and to their quest for domestic political accommodation.
Indo-Sri Lankan relations: The Indian central government’s support for the Tamil militants was based on a coincidence of quite separate internal and external compulsions. The internal component was in response to the considerable domestic pressures from Tamil Nadu to intervene in Sri Lanka, although this was also subject to New Delhi’s concerns about preventing the rise of any separatist sentiment or pan-Tamil movement in Tamil Nadu itself. Externally, India’s policy towards both the Sri Lankan government and the Sri Lankan Tamil militants was guided by the strong desire to prevent outside powers (particularly the US or its cold war allies) from using either side as an entry point for interference into India’s self-declared sphere of influence, and also to ensure that the conflict, while it lasted long enough to punish Sri Lanka, was settled quickly on terms favourable to India.

India and Sri Lanka had enjoyed a relatively friendly decade in the 1970s when by coincidence they were both ruled by centre-left parties in the 1970-77 period and later both by centre-right parties between 1977-80. Relations worsened considerably after 1980, when this coincidence ended, and a centre-left Congress (I) party under Prime Minister Indira Gandhi regained power in India and quickly developed a hostile relationship with Sri Lanka’s centre-right government of President Junius Jayawardene. At a time in the early 1980s when cold war tensions in Afghanistan caused a substantial US military build-up on India’s western borders, Jayawardene’s strong pro-US foreign policy stance heightened concerns in New Delhi that India was slowly being encircled by hostile forces.

Shortly after the July 1983 riots, Indira Gandhi declared that outside interference in the Sri Lankan crisis would be very unwelcome, although in this regard, India was apparently not to be viewed as an outsider:

*Sri Lanka and India are the two countries who are directly involved. Any extraneous involvement will complicate matters for both our countries.*  

Thus, in addition to its internal compulsions, New Delhi’s advocacy of the Tamil cause and generous support of the Eelam militants were in effect measures by the aspiring regional hegemon to punish and exert pressure on the small, but strategically important island that had allied itself with India’s geopolitical rivals. Indo-Sri Lankan hostility snowballed between 1983-86 as increasing Indian hostility over outside (non-Indian) influence in Sri Lanka fuelled an increasingly desperate urge in Colombo to counter India with even more outside support. As a result, India’s foreign policy mandarins came to view Sri Lanka as an increasingly dangerous nest of international intrigue directed against India:

*there were Israeli intelligence operatives, British counter insurgency experts, South African mercenaries, and rumours about offering Trincomalee, one of the finest deep water harbours to the US navy.*

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38 Quoted in Muni (1993), p.61.
39 Gunaratna (1997)
The Indian government’s direct sponsorship of virtually all the different militant groups (there were at least five operating in the early 1980s) also emanated from this coincidence of external and internal factors. It was envisaged that as each remained overwhelmingly dependent on Indian patronage, with training camps in India and their leaders resident in Madras, they would all remain under New Delhi’s control and would not seek to cultivate other state patrons. Furthermore, the existence of a multiplicity of Sri Lankan Tamil militant groups dependent on Indian patronage meant that New Delhi could pick and choose between them, selectively rewarding the ones more amenable to its agenda.

Finally, in addition to supporting and arming the Tamil militant groups, India also realised that if the war became prolonged, it would become counter-productive to the extent that it would inevitably attract unwelcome external peace-making attention. As a result, India also sought to retain tight control over any possible political settlement of the conflict. As Indian intelligence agencies trained and armed the militant groups, a succession of Indian foreign ministry officials shuttled between New Delhi, Madras and Colombo to convince the exiled Tamil leadership and the Sri Lankan government to arrive at a negotiated political settlement of the conflict.

In sum, following the events of July 1983, the strong coincidence of internal and external compulsions for New Delhi meant that the escalation to civil war also triggered a parallel escalation of India’s role in the war, both as war-maker and peace-maker.

Sri Lanka and the World: The Sri Lankan government itself lobbied heavily among other countries including Pakistan, China, Israel, the USA and the UK for financial, military and diplomatic support to counter Indian pressure. However, although Colombo held close political ties with the US and its cold war allies, most of these countries avoided offering it any considerable support during this period, at least partly to avoid antagonising India. The Sri Lankan crisis did not bear any overwhelming strategic value, (either in the economic sense such as oil or in terms of the cold war political calculus) of an extent that warranted risking a major diplomatic confrontation with New Delhi.

In addition, international media coverage of the 1983 riots, reports by international human rights NGOs, and the arrival of thousands of Tamil refugees in Europe and North America helped to publicise the Sri Lankan Tamil case internationally and made it more complicated internally for many governments to openly support Colombo, which came to be viewed as guilty of promoting genocidal policies towards its minorities. The human rights issue also became the basis of India’s diplomatic offensive against Sri Lanka in the mid-1980s, particularly at multilateral bodies such as the United Nations. In 1986 and 1987, special reports to the UN Human Rights Commission listed Sri Lanka as one of a handful of

40 It is interesting to note that in the immediate aftermath of the July 1983 riots, Jayawardene, perhaps in a bid to deflect foreign criticism, told the foreign media that the violence was the result of a communist-backed coup attempt - and promptly banned the pro-Moscow Communist Party, the Trotskyite LSSP, and the JVP – see Claiborne (1983).

41 For example, at the opening session of the UN General Assembly in 1984, the Indian External Affairs Minister Ram Niwas Mirdha remarked “In Sri Lanka there has been a resurgence of indiscriminate violence and killing by the armed forces, resulting in heavy loss of life and property of the innocent Tamil population.” United Nations (1984).
countries where involuntary disappearances had increased, and where the official use of torture against civilians was said to be of “special concern”.


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<tr>
<td>Official (Multilateral)</td>
<td>114</td>
<td>128</td>
<td>149</td>
<td>149</td>
<td>166</td>
<td>180</td>
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<tr>
<td>Official (Bilateral)</td>
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<td>369</td>
<td>343</td>
<td>365</td>
<td>445</td>
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<td>Private</td>
<td>285</td>
<td>96</td>
<td>115</td>
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<td>521</td>
<td>555</td>
<td>518</td>
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<td>438</td>
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The economic repercussions of the conflict were immediately felt in terms of declining tourist inflows and declining foreign capital flows, particularly private sector flows such as foreign direct investment. However, as figure 2 above demonstrates, external capital flows to Sri Lanka still contained a large component of official flows from bilateral and multilateral donors, which continued to grow during the initial years of the war and partly compensated for the loss of private flows. In addition, the absence of an externally induced economic crisis such as that of the 1970s ensured a measure of macroeconomic stability that provided the government with some degrees of freedom (see table 3 below).

Table 2: Sri Lanka – GDP growth rate and Indices of Terms of Trade and Import Capacity of Exports (Base Year 1980), 1982-87

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<tr>
<td>Terms of Trade</td>
<td>88</td>
<td>108</td>
<td>131</td>
<td>108</td>
<td>104</td>
<td>107</td>
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<tr>
<td>Import Capacity of Exports</td>
<td>101</td>
<td>113</td>
<td>161</td>
<td>144</td>
<td>146</td>
<td>157</td>
</tr>
<tr>
<td>GDP growth (percent)</td>
<td>4.1%</td>
<td>4.8%</td>
<td>5.1%</td>
<td>5.0%</td>
<td>4.4%</td>
<td>1.7%</td>
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Sri Lanka’s cold war allies, many of whom were also its aid donors, and who were also now becoming host to increasing numbers of Tamil refugees, did not rush to either embrace or isolate Sri Lanka politically once the civil war started. Neither did they wish to significantly change their existing official economic relationships through aid or other instruments such as trade policy. Even countries such as the US and Britain, that wished to offer military support to Sri Lanka decided to do so at an arms-length basis, using semi-official and secret channels. In response to urgent requests for military support after

1983, Sri Lanka was directed to the Israeli secret agencies by the US and to “Keeny Meeny Services”, an offshore mercenary firm by the British.44

In effect, despite the efforts of the Sri Lankan government to internationalise the conflict in a way that it could find beneficial, the external dimensions of both war and peace during Eelam War I remained tightly anchored to India. The Indian government’s often inchoate and contradictory interventions with respect to the war/peace process were calibrated to ensure that New Delhi’s own interests prevailed with respect to a multitude of different parties including the militant groups, the TULF, the Sri Lankan government, Tamil Nadu politics, and global cold war era geopolitics. Indian support played a critical part in the ability of the militant groups to escalate the insurgency campaign into full-fledged civil war by late-1983. But at the same time, this meant that New Delhi (with varying degrees of success) gained considerable control of the various insurgent groups, influenced their political orientation, and altered the balance of inter-group political and military strength. Similarly, India’s energetic diplomacy formed the basis for political negotiations between the Sri Lankan government, the militants and the parliamentary TULF throughout the 1983-87 period. But again, this meant that the form and content of these negotiations was one that was ultimately subordinate to New Delhi’s own interests and ambitions.

In this way, the entire trajectory of the conflict, particularly after 1983, became subject to a larger logic that the protagonists themselves had very little to do with. Essentially India contributed to the destabilisation of Sri Lanka in the 1980s not in order to support the Tamils’ right to self-determination - but strictly to the extent that this could provide the basis upon which a more pliant Sri Lanka could be quickly re-stabilised. India viewed the conflict in Sri Lanka within the lens of its own strategic ambitions as an instrument towards achieving this end, and the Indo-Sri Lanka Accord of July 1987 that brought Eelam War I to an end represented what briefly appeared to be the successful conclusion of this project.

The Indo-Sri Lanka Peace Accord: India’s two-track policy during 1983-87 of sponsoring both Tamil militancy and peace talks appeared to have reached its crowning glory in the July 1987 Indo-Sri Lanka Accord, a political settlement that finally brought Eelam War I to an end. Under the Accord, the Sri Lankan government agreed to make various concessions in the form of regional devolution and elections as a compromise solution short of secession, to be conducted under the oversight of an Indian Peace Keeping Force (IPKF). However, the accord had all but failed within a few months of its implementation, as it provoked a new war in the north, and a visceral political reaction in the Sinhalese south.

None of the Eelam groups were actually party to the Accord, but it was considered that as their patron, India would be able to prevail upon them to accept it. Meanwhile, by the time the Accord was signed in July 1987, the LTTE had already successfully established itself as the most powerful militant group by far after having militarily crippled its rivals in a series of short, but decisive encounters in 1986. Most of the other militant groups accepted the Accord and surrendered their arms to the IPKF in August 1987. However, this was not the case with the LTTE, who expressed great discomfort with the way the Accord

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was imposed upon them, and who secretly retained most of their arms through two months of uneasy coexistence with the IPKF. By October 1987, a sequence of controversial events, including the capture and suicide of a group of LTTE militants by the Sri Lankan security forces and the massacre of Sinhalese villagers sparked a new war between the IPKF and the LTTE that marked the most complex reversal in the island’s armed conflict.

Although it was widely expected that the LTTE would soon either compromise or crumble in the face of one of the world’s largest armies, this proved not to be the case, as the stand-off between the LTTE and IPKF quickly evolved into an unexpected and bitter guerrilla war that lasted two and a half years, ending with the IPKF’s unceremonious withdrawal from Sri Lanka in March 1990. Not only did the IPKF’s presence fail to enforce the political settlement in the north, but it also induced a serious political destabilisation in the south, where widespread opposition to the Indian military presence precipitated the rise of a violent anti-government insurgency. In its campaign against the LTTE, the IPKF quickly lost the support of the Sri Lankan Tamil population that they had ostensibly come to protect, and came to be accused of the same kinds of atrocities against civilians that India had earlier charged the Sri Lankan government with. Ultimately, the IPKF’s withdrawal, which occurred within four months of Rajiv Gandhi’s electoral defeat in November 1989 brought an end to what was viewed as a humiliating, self-inflicted disaster for India, who appeared incapable of defeating the small guerrilla group that they had themselves only recently trained, armed, and presumed to control.

Subsequently, a combination of events between 1989-91, including the Gulf War, the collapse of the Soviet Union, the end of the cold war, internal political instability in India (there were two general elections and four separate governments in this period), a serious balance of payments crisis, the eruption of insurgency in Kashmir, and the LTTE’s involvement in Rajiv Gandhi’s assassination gave rise to substantial changes in India’s internal and external political alignments.

As officials in New Delhi drew the conclusion that their entire Sri Lanka policy of the 1980s had disastrously backfired, the IPKF’s withdrawal from Sri Lanka came to be symbolic of a much broader Indian withdrawal from the central role it played in the island for the entire decade of the 1980s. As a result, India’s multi-faceted role as the central external dimension of the Sri Lankan conflict also came to an end in early 1990.

3. Global Dimensions after 1990

In the vacuum created by India’s abrupt departure from Sri Lanka, a new factor has emerged around which the external political dimensions of the civil war have subsequently evolved. Eelam War II, which began in June 1990, several months after the withdrawal of the IPKF, was a resumption of hostilities between Sri Lankan government forces and the LTTE. Although the new war appeared superficially to

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45 See Prabhakaran’s August 1987 speech at Jaffna, “We Love India”, in Bullion (1995), Appendix D.
be a return to the status-quo ante of mid-1987, before the IPKF, it was substantially different in many ways. Whereas at the start of Eelam War I, the Tamil Eelam movement comprised a mainstream political organisation (TULF) and a number of competing militant groups, it had by 1990 been reduced to just a single militant group, the LTTE. The LTTE had gained the prestige of having refused to compromise (unlike the other groups) on a separatist state, and further, having faced down one of the world’s largest armies. Most other militant groups such as PLOTE, TELO and EPRLF had already been militarily crippled by the LTTE since 1986, and have continued to exist after 1990 as “paramilitaries” fighting on the government side against the LTTE.

With the abrupt reversal in its relationship with India between 1987-91, the LTTE had suddenly lost not just its main diplomatic and financial sponsor, but also rear bases, a logistical support network, and supply lines. The considerable loss of pride suffered by India in its Sri Lankan debacle with the loss of 1,200 Indian soldiers and the widespread allegations of the LTTE’s involvement in Rajiv Gandhi’s assassination in 1991 had turned India’s attitude to the LTTE from one of ill-concealed support in the early 1980s to open, but restrained hostility by the early 1990s. Even the Tamil Nadu factor appeared to have been greatly eclipsed in this period as support for the Sri Lankan Tamil cause, and particularly for the militancy represented by the LTTE had reversed. It is under these complex circumstances that the Sri Lankan Tamil refugee diaspora has emerged in the 1990s as the nucleus around which the external political dimensions of the war have re-assembled.

Sri Lankan Tamil (SLT) Diaspora: The significance of the overseas SLT population to the civil war lies in three factors. The first is its size, which as of 2001, is estimated at between 600,000 to 800,000 in strength. In other words, the diaspora accounts for between 23 percent to 30 percent of the global SLT population of 2.7 million. The second is its location, spread across North America, Western Europe, Asia and Australia, which renders it of considerable strategic, economic, and political value. As of 2001, there were an estimated 250,000 Sri Lankan Tamils in North America (the large majority in Canada), 200,000 in Western Europe, 150,000 in India and 30,000 in Australia. The third factor is its close emotional proximity to events in Sri Lanka. The diaspora is itself largely a consequence of the war, consisting mainly of war-related exiles and refugees. As many of its members retain vivid memories of the traumatic circumstances that forced them to leave, they have maintained close involvement in contemporary military and political events in the island.

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46 There still remain around 150,000 Sri Lankan Tamils in India (around 65,000 in refugee camps), and there exists substantial sympathy for the humanitarian plight suffered by Sri Lankan Tamils. But there has considerably less sympathy for the LTTE following the IPKF episode, and particularly after Rajiv Gandhi’s assassination in May 1991. A number of small, but important Tamil political parties including as the Pattalli Makkal Katchi (PMK), and the Marumalarchi Dravida Munnetra Kazhagam (MDMK) have achieved some notoriety in India for their continued pro-LTTE sympathies. However, the Indian government banned the LTTE in 1992, and has renewed this ban every two years, most recently in 2000. The extent of the shift in India’s position was evident in April-May 2000, when the Indian government actively considered intervening in the conflict on behalf of the Sri Lankan government at a time when government forces faced a serious defeat.

47 This is, of course, not to suggest that the diaspora was of little consequence before 1990, or that India or Tamil Nadu have been of no significance since then.

48 Based on extrapolating the 1981 census figure of 1.9 million by the average growth rate for Sri Lanka as a whole for the period 1981-2001.

49 Estimates based on a combination of UNHCR statistics combined with media and NGO reports.
The most significant expression of the political involvement of this sizeable and strategically located diaspora is in terms of its highly visible support for the LTTE, a fact that has rendered it an important and perhaps even a distinct party to the conflict. Many of the recognisable overseas SLT organisations in North America, Europe and Australia are openly sympathetic to the LTTE. Pro-LTTE organisations regularly host marches, meetings, sports events, and political-cultural functions attracting hundreds, and often thousands of supporters, and where there is often a thin dividing line between mobilisations on a social-cultural level, and those with overtly political overtones.

Thus, at the same time as Indian support for the LTTE came to an end in 1987, and as the LTTE’s offices and support network in Tamil Nadu came under hostile scrutiny, an entirely separate network of sympathisers and activists was crystallising in numerous cities worldwide. Through the 1990s, outside of its military presence in the north-east of Sri Lanka, the LTTE’s presence was visible largely in terms of the location of its international offices in London and Paris, its international lobbying campaign with national governments and at United Nations NGO meetings, and its “mass” presence at regular public rallies and demonstrations held in cities across the world from Toronto to Melbourne. LTTE sympathisers have operated a persistent and sophisticated media network disseminating news and views over at least a dozen pro-LTTE websites, several radio stations, a Tamil cable television network, numerous publications in Tamil and English, and consistent lobbying with national governments, international organizations (UN human rights and minority rights fora), and with international NGO solidarity networks.

This is not to suggest a simplistic conflation of the SLT diaspora with the LTTE as there exists considerable diversity within diaspora communities in terms of political sympathies and even in terms of predisposition towards politics at all. The available ethnographic evidence indicates that the political, cultural and social space that the LTTE occupies parallels the marginalisation of diaspora communities from these very spaces abroad due to their vulnerable existence as national minorities or asylum-seekers. In one case study, the author comments on a public event organised by a pro-LTTE organisation as follows:

*the majority of people present at this latter festival are normally not what I would call 'LTTE-people' but people by whom the historical consciousness of this organisation is sought in order to provide meaning to their own marginal existence in Norway.*

But nevertheless, the SLT diaspora has undeniably emerged since the late-1980s as the most important and visible constituency of support for the LTTE. The reasons for this are not difficult to understand - Sri Lanka’s domestic Tamil population consist either of those living under great insecurity in the war-torn north-east, (often as internal refugees), and those living as a minority in the south, (often under

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50 These offices have apparently been closed in the aftermath of the British proscription in April 2001.
51 Fuglerud (1999)
heightened surveillance). Under these circumstances, the diaspora occupies a unique space with respect to the conflict, and in the absence of a peace process during the 1990s has formed the only available locus of open political activity for the LTTE.

The LTTE-Diaspora Nexus: It is widely alleged that the LTTE uses its international support network embedded within the SLT diaspora for three specific functions: fund-raising, arms procurement and international advocacy. The involvement of the LTTE’s international network in these activities has received wide press coverage internationally since the mid-1990s, and has led the Sri Lankan conflict to be dubbed a “diaspora-funded war”. Not surprisingly, disrupting the LTTE-diaspora nexus has subsequently become the central preoccupation of Sri Lankan foreign policy in the 1990s. In addition, recent reports from the media and intelligence establishment suggest that the LTTE operates a number of businesses around the world that it uses to raise and channel resources. These are said to include a deep-water shipping fleet, and even a business empire in construction, real estate investments, jewellery shops, international money transfers, cable television, and telecommunications. The LTTE is also said to have established a clandestine presence in a number of south-east Asian countries, particularly in Thailand and Myanmar, for logistics, procurement and trans-shipment points to Sri Lanka.

While the scale and nature of the LTTE’s international advocacy campaign can be more easily verified, the inherently clandestine nature of the business investments, arms procurement and fund-raising functions has meant that there is actually little beyond anecdotal or circumstantial evidence of these activities publicly available. What little exists is often speculative or attributed to national intelligence or police agencies in the context of their attempts to characterise the LTTE’s international network as an international terrorist threat.

For example, a report published by the Canadian Security Intelligence Service alleges that:

*The majority of financial support comes from six main areas, all of which contain large Tamil diasporas: Switzerland, Canada, Australia, the UK, the US, and the Scandinavian countries.*

The US State Department says:

*The LTTE also uses its international contacts to procure weapons, communications, and any other equipment and supplies it needs. The LTTE exploits large Tamil communities in North America, Europe, and Asia to obtain funds and supplies for its fighters in Sri Lanka.*

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52 For example, see Davis (1996), Bonner (1998), Ranetunge (2000)
55 Davis (2000)
56 Chalk (1999)
57 United States. Dept. of State (2000), (Appendix B)
Meanwhile, Gunaratna (2000), who writes as an expert on international terrorism, says:

*About 80% of the LTTE annual budget, estimated at $82 million, is generated from diaspora contributions and revenue from international trade, enterprise and investments.*

This is not to dismiss the existence of such a link between the diaspora and the LTTE, which the LTTE itself readily admits to.\(^{58}\) Indeed, the diaspora-funding link plausibly exists simply by the fact of the considerable economic significance of overseas SLTs, (which is estimated at 5-10 percent of Sri Lanka’s GDP)\(^ {59}\) and the extent to which they contain a sizeable element that is clearly pro-LTTE. But it is important to recognise that the most interesting inferences that can be drawn from the recent exposes of the LTTE-diaspora nexus lie not just in the raw content of the scarce and often partial information publicly available, but in terms of the global context, the political identities and the strategic compulsions of those seeking to publicise such information.

**International Advocacy:** During the 1980s, external diplomatic advocacy for the Sri Lankan Tamil cause took place at one level through international NGO networks, as it fit in within existing preoccupations over human rights, minority rights and conflict. But at the same time, the most important diplomatic interventions took place at the official level, primarily through the Indian government, Indian diplomatic missions and Indian delegates to international state-level meetings such the UN Commission on Human Rights and the Subcommission on Prevention of Discrimination and Protection of Minorities. But such support from India at the official level ended in the late-1980s, leaving the Tamil Eelam movement without official diplomatic patrons. In this vacuum, the focus of the LTTE’s international advocacy has fallen back on the unofficial or NGO level, which by the early 1990s, had been accorded a new space and legitimacy within international policy.

The elevation of NGOs to the centre of the international policy debate on social issues in the 1990s is signified in the high profile role they have played in the deliberations of United Nations conferences on the environment (1992), human rights (1993), population (1994), social development (1995), women (1995), habitat (1996), and racism (2001). This is evident for example in the way most UN and multilateral conferences now result in two separate declarations: an official document negotiated by the state-entities, and a parallel “NGO declaration” that is intended to counter the perceived conservatism and inadequacy of the official declarations.

The rapid incorporation of this often nebulousy defined category of NGOs within international deliberations in the 1990s has provided a legitimate avenue for non-state entities to gain a foothold (albeit

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\(^{58}\) See for example, an article by the head of the LTTE international coordinating office, Manivannan (1997) (official Tamil periodical of the LTTE International Secretariat), accessed through http://eelam.com/analysis/international.html, which acknowledges that they “receive financial assistance from local and foreign well-wishers and benefactors”.

\(^{59}\) Even assuming that only 20 percent of a conservatively estimated 500,000 strong diaspora (excluding those in India) are economically active, earning an average US$10,000 per year, this would give them a combined income of the order of US$1 billion, compared to Sri Lanka’s 2000 GDP of US$16.7 billion (current US dollars, according to IMF *World Economic Outlook 2001*: IMF.
a marginal one) within the realm of international diplomacy, which had previously been monopolised entirely by internationally recognised state entities. As such, the changing external dimensions of the conflict in Sri Lanka are also reflected in the transformation of the inter-state diplomatic confrontation in the 1980s between India and Sri Lanka into a new confrontation between Sri Lanka in the official forum, and pro-Eelam activists in the NGO forum.60

This new configuration was evident, for example, in the September 2001 World Conference Against Racism (WCAR) in Durban, South Africa. The Sri Lankan government delegate, participating in the official plenary session of the WCAR, made a remark apparently in an oblique reference to the LTTE, attempting to locate the group within the preoccupations of the conference:

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\text{In my country extremist groups often use tribalistic rhetoric ostensibly to achieve communal aspirations and some engage in violence and terror.} \]

Meanwhile, the alternative NGO declaration from the same conference acknowledges a considerably different reality in Sri Lanka:

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\text{...Acknowledging 50 years of ethnic conflict in Sri Lanka which has resulted in death, disappearances, rape, torture and destruction and affirming the right to self determination of the Tamil minority.} \]

International Diplomacy: The replacement of Tamil Nadu by the SLT diaspora as the most important political constituency of external support for the Tamil Eelam movement has meant that the external political dimensions of the conflict have effectively expanded from a regional to an international context. Alongside this, there has been a parallel shift in the diplomatic efforts of the Sri Lankan government, from one that centred around lobbying cold war allies in opposition to India, to one that centres around lobbying post-cold war allies to disrupt Tamil diaspora activism and the LTTE’s international network.

While Sri Lanka’s efforts in the 1980s were largely unsuccessful, those of the 1990s were more so, because of two key reasons. Firstly, in the 1990s, Sri Lanka did not encounter any counter-lobbying at the state-level. Despite the fact that the LTTE mounts a persistent and well-resourced NGO campaign, and benefits from strong organisational networks at important centres of international diplomacy such as Geneva, London and Paris, they are completely unrepresented and have no advocates within state-level institutions such as the UN General Assembly, or the UN Commission on Human Rights. They do not

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60 For some idea of the domestic repercussions of this, see Peace Brigades International (1995)
enjoy any measure of diplomatic patronage by a state, and no state has put the kind of hostile pressure on Sri Lanka in the 1990s in the way that India did during the 1980s.

Secondly, Sri Lanka’s anti-LTTE diplomacy internationally has coincided with the growing spectre of international terrorism that has arisen independently in countries where the Sri Lankan Tamil diaspora is resident. International terrorism had been nominated well before the events of September 11, 2001 as a global security threat of a magnitude that could replace the position previously accorded by the western powers to international communism. By December 1994, the nature of the new post-cold-war era consensus on this issue was signified in the landmark UNGA resolution 49/60, “Measures to eliminate international terrorism”. 63

In Sri Lanka, the repercussions of this emerging global paradigm have been evident in the way that from the mid-1990s onwards, the government has successfully registered the LTTE within the pantheon of international terrorist organisations, thus gaining powerful new allies and new avenues of legitimacy in the prosecution of an old war. The first tangible signs of this new alliance emerged in 1994 when the US resumed arms sales to Sri Lanka. In the backdrop of an increasingly anti-LTTE rhetorical posture by the Clinton administration, media reports revealed in 1996 that the elite US “Green Beret” corps were providing advanced training to the Sri Lankan security forces, albeit in camps located far from the actual conflict zone. 64 Since then, US military support for the government is reported to have expanded to include training missions by other highly specialised units such as the US Navy SEALs, the US Air Force Special Operations Squadron, and even the US Army’s Psychological Operations or “Psy-Ops” Group. 65

In October 1997, this re-internationalisation of the Sri Lankan conflict under new aegis was signified most vividly when the US State Department designated the LTTE as a “foreign terrorist organisation” under the Anti-Terrorism and Effective Death Penalty Act (the “Oklahoma City Law”) of 1996. 66 The provisions of the US terrorist designation ban fund-raising and other tangible support for the LTTE from the US, and block any existing funds of the organisation held at US financial institutions. But beyond this, the indirect implications of the US ban have been in terms of the way it has delegitimised the LTTE’s cause internationally, and has been the basis upon which a number of other states have placed the LTTE’s activities under greater surveillance.

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63 Nine UNGA resolutions titled “Measures to prevent international terrorism” were passed between 1972-89 – see UNGA resolutions 3034 (XXVII) (1972), 31/102 (1976), 32/147 (1977), 34/145 (1979), 36/109 (1981), 38/130 (1983), 40/61 (1985), 42/159 (1987), 44/29 (1989). But while these resolutions condemned international terrorism, they invariably included wording that recognised the necessity to address legitimate causes underlying it including colonialism, racism, violations of human rights and those involving alien domination and foreign occupation. In addition, each one included a re-affirmation of the right to self-determination. The 1994 resolution, which was renamed “Measures to eliminate international terrorism”, was considered a breakthrough in international state-level co-operation because for the first time, it did not make mention either of the causes of terrorism, or of the right to self-determination.

64 Kaufman (1996). Although the US presence was apparently negotiated in 1993 and began in 1994 together with US military equipment sales, it only became public following press reports in June 1996.

65 See Athas (2000).

66 United States. Dept. of State (2000), (Appendix B)
Exactly one week after the US terrorist designation, a powerful bomb explosion occurred in Colombo, perhaps by coincidence in front of the very hotel where a recently arrived US military mission was lodged. Although the LTTE has never claimed responsibility for the bombing (and none of the military personnel were actually injured), it was widely interpreted as an expression of their severe displeasure at the greater US political and military involvement in the conflict. This interpretation gained credence when the US military mission was abruptly withdrawn after the bombing, following which all US training exercises in Sri Lanka were temporarily suspended.67

In April 2001, a second, and potentially more influential international intervention into the war occurred when Britain proscribed the LTTE under sweeping anti-terrorism legislation with provisions more restrictive than those of the 1997 US ban. As the former colonial power and home to the LTTE’s international headquarters, Britain’s decision to proscribe the LTTE was arguably the most significant external political intervention into the conflict in the post-1990 period. In the months before the proscription order between December 2000 - February 2001, the pending, but yet unannounced British decision on whether the LTTE would be proscribed briefly became the most important and carefully followed political issue in Sri Lanka. In a process that became emblematic of the internationalisation of the conflict, an extraordinary lobbying effort came underway by both sides across the island and internationally, directed at the UK Home Office and the then Home Minister, Jack Straw.68

On the one side, the LTTE, pro-LTTE organisations, Tamil (non-LTTE) political parties in Sri Lanka, and numerous overseas SLT organisations campaigned vigorously against proscription. There were numerous demonstrations and petitions organised from more obscure parts of the north-east to Colombo, London and Toronto, all directed at the British Home Office.69 On the other side, the Sri Lankan government and Sinhala nationalist organisations such as the Sinhala Urumaya (SU) demanded that the LTTE be included in the proscribed list, with similar petition campaigns organised in Sri Lanka and abroad to this effect. At an official level, there was intense diplomatic pressure by Sri Lanka on the British government, including a number of high-profile visits by officials such as foreign minister Lakshman Kadirgamar, who used the strongest diplomatic language to convey that Britain’s failure to proscribe the LTTE would be interpreted as “an unfriendly act that would impose a considerable strain on our relations”.70 Furthermore, in a move that symbolised the extent to which India’s position vis-à-vis Sri Lanka had been transformed since the 1980s, New Delhi is understood to have applied quiet diplomatic pressure on Britain in favour of the LTTE’s proscription.71

As a result of the proscription, the LTTE’s international offices based in London and Paris were closed down. It is illegal under British law to be a member of the LTTE, to support it through financial or other means, to speak in its favour or otherwise “encourage support”, to attend meetings where members of the

69 Reuters (2001)
70 Associated Press (2001)
71 Just after the British ban, Kadirgamar confirmed this publicly “We owe a debt of gratitude to India for unsolicited help”, Press Trust of India (2001)
organisation speak, or to wear or display emblems associated with the organisation.\textsuperscript{72} In addition, the apparent extra-territorial repercussions of these provisions means that it has rendered the LTTE’s overseas network (i.e., not just that in Britain) illegal \textit{in toto} under British law.

“Crouching Tiger, Hidden War”\textsuperscript{73}: The internationalisation of the conflict in this manner has made global perceptions and images of the war a potentially serious factor in affecting its outcome.\textsuperscript{74} Consequently, both sides have come to pay closer attention to managing the external media coverage of the war, and have even accused each other of playing to the international media gallery. In February 2001, for example, the government dismissed the LTTE’s unilateral cease-fire as a public relations ploy to improve its international image and to avoid being proscribed by the UK.\textsuperscript{75} Meanwhile, an LTTE press release at the time of the 1995 negotiations speculated that the new government’s peace initiative was part of a duplicitous strategy to “supply sunshine stories to the outside world”\textsuperscript{76} in order to win more aid commitments.

One of the most striking features of the international media coverage of the war has been a considerable transformation in international media sympathies towards the protagonists that is evident from the contrast between their coverage of events in the early-1980s and late-1990s. In the aftermath of wide media coverage of the anti-Tamil riots in 1983 and the subsequent refugee exodus, there was a wave of international media sympathy for the Tamils, and a demonisation of the Sri Lankan state in international opinion. Gunaratna (1997) notes:

\begin{quote}
\textit{Mid-1983 to mid-1987 witnessed Sri Lanka’s international image at its lowest ebb. Despite having an open economy, a model democracy and a major tourist destination, Sri Lanka’s international image suffered irreversibly. TULF propaganda branded Sri Lanka as a state guilty of discrimination and perpetrating genocide against its minority.}
\end{quote}

In contrast, international media coverage in the 1990s, and particularly after 1995, helped to rehabilitate the Sri Lankan state and to demonise the LTTE, which was accused of assassinating two heads of states, unilaterally breaking a cease-fire in 1995, conducting a suicide bombing campaign that claimed numerous civilian lives in 1996-97, and recruiting child soldiers.\textsuperscript{77} By association, Sri Lankan Tamils overseas have themselves come to be castigated as a dangerous and devious diaspora\textsuperscript{78} – a community that is said to fund bloodshed in its home country and that is involved in criminal and other undesirable acts abroad.\textsuperscript{79}

\textsuperscript{72} Great Britain (2000)
\textsuperscript{73} This was the title of a newspaper article, see - Steele (2001)
\textsuperscript{74} This is separate but related from the (not infrequent) inaccuracies in international reporting, and the highly problematic international media coverage of “ethnic conflict”. See, for example a 1983 Newsweek report that describes the LTTE as “Hindu guerrillas”; Newsweek (1983)\textsuperscript{75} Reuters (2001).
\textsuperscript{76} LTTE (Press Release by Political Committee) (1995).
\textsuperscript{77} See Burns (1995), Davis (1996).
\textsuperscript{78} See Sriskandarajah (2001).
\textsuperscript{79} From the Canadian press, see: Kay (2000), Bell (2000).
The emerging perceptions of the civil war in the late-1990s in the context of the gathering international hostility to the LTTE were summarised as follows by an international NGO co-ordinator in Colombo:

The LTTE are perceived as the aggressors, who unilaterally broke off the peace negotiations. The LTTE is seen as a formidable military or terrorist organisation which lacks the political maturity to convert its military successes into realistic political concessions on regional autonomy...

By contrast the [current Sri Lankan government] People's Alliance Government led by President Chandrika Kumaratunga is seen as a reforming government which came to power committed to a programme of introducing constitutional reform, strengthening human rights safeguards, and negotiating a peaceful solution to the ethnic conflict. For the past two years international observers have continued with this assessment despite the government's failure to implement any of the promised reforms. 80

A significant aspect of the recent international media coverage of the war has been the absence of what is known as the “CNN effect”. At a time when graphic satellite television images of remote and exotic wars are increasingly commonplace, and are becoming instrumental in manipulating global public opinion, it is of interest to note that there are simply no such images available from the north-east of Sri Lanka.

Between 1996-2000, the war had escalated to an unprecedented extent with several major military confrontations in the north-east (Operations Riviresa, Jaya Sikuru, Oyatha-Alaigal), that resulted in thousands of military and civilians lives lost. Throughout the 1990s, a large proportion of the population of the north-east lived as internal refugees under conditions of grave physical and economic insecurity and subject to worsening incidence of malnutrition and disease. But there is virtually no visual record of this reality lodged in the global public consciousness, and consequently, diminished international public attention or political pressure to address or ameliorate it. In part, this is because of the tight government censorship and travel restrictions that placed the north-east out of bounds for both domestic or foreign journalists between 1996-2001. In contrast, there was been considerably more prominent international television and print coverage of the devastating bomb attacks in Colombo during 1996-97, the Dalada Maligawa (Temple of the Tooth) in Kandy in 1998, and Katunayake airport in 2001, all of which contributed towards the characterisation of the LTTE internationally as a ruthless terrorist organisation.

War and Dualism
In economic terms, the two decades of conflict in Sri Lanka in the 1980s and 1990s have paradoxically been a time of strong economic growth and structural transformation. Throughout the war period, governments from different political parties continued to implement economic reforms with relative normality while promoting a relatively successful export-driven industrialisation process. Compared to

other conflict-ridden countries where the disruptions due to war have resulted in negative growth rates and the destruction of the formal economy, the stark dualism of growth amid war in Sri Lanka has made it a curious exception.81

Despite the fact that the war in Sri Lanka is routinely cited in economic analyses as a drag on the economy, and as a source of diminished economic growth, any examination of recent economic statistics would suggest the opposite. During the first 15 years of war between 1983-98, real GDP growth averaged 4.6 percent annually while exports multiplied almost three-fold in real terms.82 In the late-1970s, tea and rubber accounted for over 70 percent of all exports, but by the mid-1990s, this had reversed to the extent that it is manufactured goods (largely garments) that now account for over 70 percent of exports.83 Similarly, the “open economy” policy of market reforms and privatisation which began in 1977 also continued to unfold and expand through the war, proving resilient and even gaining in momentum through periods of economic, political and military crisis.

Furthermore, in a comparative study of the economic and social consequences of civil war in seven countries, Fitzgerald, Stewart and Wang (2001) note that Sri Lanka is unique not just in having experienced economic growth amid war, but in economic growth rates that exceeded the pre-war period, and remark that “the limited spread of violence does not explain why growth actually increased during the war”.84

This curious paradox of relentless economic growth amid relentless destruction can be explained on the one hand in terms of the physical separation of the dynamics of the two processes. In geographical terms, the locus of destruction in the north-east is almost perfectly segregated from the locus of economic growth in the south-west. Although the south has been quite seriously affected by the war, most vividly through the numerous suicide bombings and assassinations, it bears little comparison to the scale, intensity and duration of human suffering and economic dislocation in the north. In essence, the war has largely been confined to the island’s most peripheral economic spaces, leaving virtually all the important sources of linkage to the global economy, such as the export-processing zones, tea plantations, tourist resorts, and workers remittances remarkably well insulated from its direct effects.85 This situation helped to promote economic normalcy and political stability in the south, and has provided the government with a steady and growing fiscal base with which to fund its rapidly escalating military budget.

But it is also possible to posit an alternate hypothesis on the relationship between war, reforms and economic growth that explains their prolonged temporal coincidence as arising not from their separation as such, but from some form of functional inter-dependence. Earlier work such as Gunasinghe (1984)

81 See Stewart and Fitzgerald (2001), particularly the comparative studies in volume 1.
82 World Bank World Development Indicators 2001 CD ROM.
83 UNCTAD Handbook of Statistics 2000 CD ROM.
84 An extended analysis of this issue is provided in O'Sullivan (2001).
85 The tourist industry however, has been very vulnerable to any news of the acceleration of the war or to instances of urban bombins. What is remarkable though is not the disruptions to the tourist industry caused by the war, but the very fact that a sizeable tourism industry exists at all, with most beach resorts just 200 kms away from actual fighting.
sought to frame such links in terms of the impact of onset of market liberalisation in 1977 upon the subsequent outbreak of the war in 1983. However, there are grounds to suggest that there is an alternate, but little explored direction of causality at operation here in terms of the functionality of the war for the economic reform process. In other words, this is to suggest that the prolonged and deadlocked conflict in the north has in different ways been an enabling factor for the much contested economic reform process in the south.

There are several mechanisms by which this may have operated. First, the social dislocations and disturbances emanating from the reform process were diffused in that they were earlier directed in the form of violence against the Tamil minority, and later institutionalised into the civil war. Secondly, the war has in perverse ways cushioned the effects of the reforms, partly because of the domestic multiplier effects of the rising military budget. It resulted for example in the rapid expansion of employment opportunities in the security sector, which by 2001 accounted for over five percent of total employment and a much higher percentage of formal sector employment. Thirdly, the increased militarisation of the state under war-time conditions has provided the government with greater authoritarian powers to counter any serious threat of political disturbances. In addition, the heightened sense of Tamil-Sinhala hostility fuelled by the war has provided successive governments with an alternative basis for national unity (at least in the south) to counter the considerable political polarisation emerging around the issue of economic reforms.

The functionalist nature of this hypothesis may render it open to criticism that it is ahistorical, or that while it highlights the inter-dependence of different elements in a static equilibrium, it cannot be extrapolated temporally to explain the origins or subsequent evolution of these very elements. Indeed, it is not suggested here that Sri Lanka’s ruling elites somehow started the war in order to mask their reform agenda, or even that their quest for a peaceful solution to the conflict signifies the end of the reforms. Indeed, the peace initiative that has advanced since December 2001 has occurred at a time when the fiscal pressures due to the war have elevated the reform process to an entirely self-sustaining basis that can survive any threat of disruption due to peace. Rather the purpose here is to suggest that the parallel trajectories of war and economic reforms, the two most important factors behind the transformation of Sri Lanka in the 1980s and 1990s cannot be viewed as contradictory or even detached, but closely related, and even symbiotic. This relationship between reforms and conflict can be viewed as an extrapolation of the links between earlier phases of economic change and the ethnic conflict

4. Conclusions
In December 2001, the election victory of the UNP under Ranil Wickremasinghe brought about the conditions for a cease-fire and subsequently for peace talks aimed at a political settlement. With the
cease-fire having been in operation for the entire year 2002, and the announcement of substantial progress in the face-to-face negotiations being held in Thailand since September 2002, there is unprecedented optimism that some resolution will finally be found to the conflict. The distinct possibility that the Sri Lankan civil war has actually come to an end has created the conditions to study it and analyse its causes and consequences its consequences in historical perspective.

This paper has attempted to construct such a context by embedding the trajectory of the political conflict and civil war within changing historical and global circumstances. Most importantly, the underlying dynamics of the conflict have been traced here to the larger changes that have taken place in the Sri Lankan economy and its relationship to the global economy. Despite claims to its ancient origins, the Tamil-Sinhala political conflict is an utterly modern one, and arose at a very specific moment in the island’s economic history in the late-1950s at a time of rapid social, economic and demographic change. It similarly escalated into civil war at another crucial point of economic transition in 1977-83. Since then, the economy has undergone important structural transformations, often of a controversial nature during an extended period of civil war and displacement. Viewed together, the ethnic conflict in Sri Lanka, through its many phases from 1956-2001 has been integrally linked to the changing integration of Sri Lanka into the global economy. The social repercussions and tensions arising in the context of this integration have been manifest and taken shape through the prism of domestic and international politics. In this paper, these have been viewed in terms of their temporal intersection with changing regional and global power interests, and to the making and unmaking of cross-border geographies of political solidarity and confrontation based on cultural, linguistic and national identity.

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