



Sri Lanka: What Lies Ahead?

Sri Lanka's politics have been poisoned by its longstanding ethnic conflict, and recent studies assess the economic burden of the war at upwards of a year and a half worth of the country's GDP. While the government and their principal adversaries have devoted most of their attention to the military conflict since President Chandrika Kumaratunga's peace initiative failed in early 1995, there have been recent signs that a peace constituency is starting to find its voice. Turning this into a real drive for peace will still be an uphill struggle, but one well worth the effort of Sri Lanka's leaders.

The Setting: It is just over a year since Sri Lanka celebrated its fiftieth anniversary since independence from British colonial rule. By the time the Union Jack was lowered in 1948, Ceylon (as Sri Lanka was then called) had been effectively unified into a single entity through a series of reforms effected by the British. Today the unity and the social fabric of Sri Lanka are under severe stress, the result of a protracted and bloody ethnic conflict.

This could hardly have been envisaged at the time of independence. On the whole, the transition was smooth. For centuries Sri Lanka has had a multi-ethnic population. The current breakdown is 74 percent Sinhalese, just under 20 percent Tamil, and 6 percent Muslim, with a 7 percent Christian minority divided roughly evenly between Sinhalese and Tamils. As the date for independence approached, the inevitable jockeying for position and political weight among the island's ethnic groups was largely confined to the parliamentary setting and the respective political elites.

The post-independence Soulbury Constitution rejected the Tamil leaders' demand for balanced representation. It did, however, incorporate constitutional safeguards prohibiting the passage of legislation that either bestowed favors or imposed disabilities on the basis of language, religion, or ethnicity.

Almost immediately, however, the parliament enacted a nationality law that disenfranchised about half of the Tamil population, the "Plantation Tamils". This was followed by successive periods of ethnic reconciliation and a renewed quest for advantage. Governments introduced legislation and policies imposing disabilities on the Tamil minority with respect to language, education, and distribution of public land. The periodic outbreak of anti-Tamil riots further heightened the insecurity of the Tamils.

In the early years, the response of the Tamil leadership was a drive for federalism. Especially after 1977, the cry was for a separate state in the northern and eastern parts of the island, where the greatest concentrations of Tamils lived.

Sinhalese resistance to both federalism and separatism was heightened by their own "minority complex", looking across the Palk Strait to Tamil Nadu in India, which had a population two to three times the size of Sri Lanka's. Settlement patterns in the areas sought by Tamil separatists further complicated the issue. While the Northern region was overwhelmingly Tamil, the East had a mixed population. By the early 1990s, Tamils constituted only about 38% of the population of eastern Sri Lanka, with the rest roughly evenly divided between Sinhalese and Muslims. Government distribution of land to Sinhalese farmers had increased the Sinhalese percentage, an additional source of Tamil resentment against the government.

In 1987, after years of fighting and several failed negotiating efforts, the Indian government intervened, and persuaded the Sri Lankan government and its most relentless Tamil militant adversary, the Liberation Tigers of Tamil Eelam (LTTE), to accept a peace agreement. The Indo-Lanka accord provided for substantial devolution of power to nine newly created provinces, a laying down of arms by both the army and the LTTE, and the introduction of a 100,000 strong Indian Peacekeeping Force (IPKF) to enforce the results. The IPKF was forced out in 1990, soon after a new president took office in Sri Lanka.

The present Sri Lankan government, which took office in 1994, launched a dramatic negotiating effort soon after coming to power. They placed on the table a far-reaching set of proposals for constitutional change, designed to increase local

autonomy and provide more extensive safeguards to the minority community. The negotiations were unsuccessful, however, and since the LTTE returned to the battlefield in April 1995, the emphasis has been largely on the military contest. The proposals themselves became bogged down in parliamentary maneuvers and lost most of their public appeal. It was clear that the LTTE was not using them as the basis for negotiations, and it was equally evident that they had no chance of receiving the two-thirds vote in Parliament required to amend the constitution.

Costs of the War: The Institute of Policy Studies (IPS), a government-funded institution, estimates the approximate cost of the war as 160 percent of Sri Lanka's GDP at 1996 levels or Rs 1,153 billion (\$16.7 billion). Further, the study stresses that defense expenditure, which averages 50 billion rupees (\$725 million) a year, has not only made the desired ceiling on budget deficits unrealizable, but has also imposed severe constraints on productive investments and consumption.

A similar study conducted by the Marga Institute, a non-governmental organization, attempts to assess the indirect costs of the war. Taking into account the non-military costs such as relief and rehabilitation, output losses, and declining levels of tourism, it concludes that, but for the war, economic growth would have risen by seven percent instead of the present 4.3 percent. Further, the study asserts that average household incomes would have been 40 percent higher and the level of unemployment much lower than the prevailing 12 percent.

Likewise, if one takes into account the resources - manpower, financial and natural - which are being mobilized by the LTTE to sustain and develop its own war machinery, the costs of the on-going war are even higher, and the "peace dividend" even more desirable.

A "Hurting Stalemate"? On October 22, 1998 a group of leading industrialists voiced their concerns on behalf of Sri Lanka's business community that "despite over 20 years of open economy, Sri Lanka has still not achieved the desired level of sustained economic progress. Unemployment, poverty, lack of housing and infrastructure development, among a host of other problems, *foremost of which is the ethnic problem*, remain unresolved. We deem it necessary, therefore, to perform its role more effectively, and to ensure that future generations of Sri Lankans can hope for a better life."

With that, the business community launched a series of peace initiatives, starting with an attempt to forge a dialogue between the ruling Peoples' Alliance (PA) and the opposition United National Party (UNP). These initiatives suffered a setback during the recent violence-scarred election in the Northwest Province, although both parties are attempting to set the country on a better path during the remaining provincial elections scheduled for April.

This is the first time that the business community has attempted to take political action aimed at forging a common approach to the ethnic conflict. There is little evidence about whether any comparable group with influence on the LTTE has become similarly impressed with the costs of the war effort. But one can now ask whether Sri Lanka is approaching a "hurting stalemate" - often the greatest incentive for parties to violent conflicts to 'talk'.

A new peace constituency? In this context, the recent visit by religious dignitaries to the Tiger stronghold in the Vanni region in northeastern Sri Lanka needs to be carefully examined. The visit took place with the knowledge and consent of the PA government, and included prominent senior Buddhist and Christian clergy, as well as representatives of NGO's long associated with pro-peace activism. The LTTE responded by receiving the delegation with its top-rung politico-military leadership. Given the prominent position of Buddhist clergy in Sinhalese nationalist circles, the participation of a senior monk in this delegation was especially noteworthy.

Both sides used the meetings to express regrets over the human sufferings by Sinhalese and Tamils affected by the conflict. At a news conference in Colombo on 12th February, Venerable Professor Kumburugamuve Vajira, a senior Buddhist monk and former Vice Chancellor of the Buddhism and Pali University, said that the LTTE had reiterated their readiness for a negotiated settlement with the help of third party mediation. Members of the delegation also indicated that LTTE representatives had expressed regret for their attacks on places of worship, while explaining these attacks as the inevitable consequence of the bombing of places of worship in the northeast by the security forces. The spokesperson of the inter-religious delegation further told the press conference that the LTTE representatives had promised they would desist from such attacks in the future. In addition, the Buddhist dignitary gave a poignant depiction of the plight of the people of Vanni.

Meanwhile, a peace march took place on February 26. The convenor of the National Alliance for Peace, Dr. Tissa Vitharana, a leading member of the Lanka Samasamaja Party (LSSP), an ally of the PA government, and the secretary to the Ministry of Technology and Environment, used the occasion to stress that "permanent peace cannot be achieved through war." His participation further fueled speculation that the Sri Lankan government and the LTTE may be making their opening moves toward eventual negotiations.

A difficult task: The past record of pre-talks maneuvers, as well as the outcome of previous talks between Colombo and the LTTE, confirm the adage that "there is many a slip between the cup and the lip." Turning these developments into a

real peace effort will require hard work; political consensus-building in a country whose Sinhalese and Tamil publics are deeply skeptical of commitments from the other side; preparation for a well-briefed and imaginative negotiating delegation; negotiation with an adversary which routinely uses exasperating negotiating tactics; and the ability to ride out the inevitable crises.

Once before, in the 1994 elections, Sri Lanka's president gambled there was a consensus behind peace. After five years of disillusionment, the peace constituency will perhaps be able to find its voice, and in the process call forth the political leadership and vision needed to attempt this task once again.

Program Notes: A CSIS-Brookings on Kashmir February 22 featured a stimulating analysis of the situation within the state by Professors Sumit Ganguly, of the University of Texas; Akhtar Hassan Rizvi, of Columbia and Punjab University; and Amitabh Mattoo, of Jawaharlal Nehru University; and proposals on how to move toward a solution by Teresita Schaffer of CSIS; Howard Schaffer of Georgetown University; and Stephen Cohen of Brookings. The discussion highlighted a situation that is highly complex as Kashmir includes many diverse religious and cultural groups with differing political aspirations. The broad consensus was that a potential agreement between India and Pakistan would likeliest settle the border along the present Line of Control. All the speakers felt, however, that any lasting settlement would have to include the wishes of the Kashmiri people.