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PEACE WATCH <i>Jayadeva Uyangoda</i>	04
THE INTERNATIONAL POST-CONFLICT INDUSTRY <i>Darini Rajasingham-Senanayake</i>	09
WHAT WENT WRONG? <i>Sumanasiri Liyanage</i>	16
THE DYNAMICS OF A STALEMATE <i>Devanesan Nesiah</i>	18
AFTER THE WINNING OF THE IRAQ WAR <i>Eric Hobsbawm</i>	19
JULY 1983	23
COMMUNAL VIOLENCE JULY 1983	25
POWER DRESSING <i>Farzana Haniffa</i>	28
THE TROUBLE WITH CAPITALISM <i>Sarath Perera</i>	31
DOCUMENTS	38

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A NEGOTIATED STALEMATE?

Negotiations between the UNF government and the LTTE continue to remain stalled, despite many efforts made by the international backers of Sri Lanka's peace process to persuade the LTTE to end the boycott of talks. To fulfill the LTTE's preconditions for returning to the negotiation table, the government has been busy preparing proposals for an Interim Administration (IA) for the Northern and Eastern provinces.

Meanwhile, in late April, the LTTE leadership rejected an initial set of preliminary proposals for an IA saying that they were inadequate. What the LTTE insisted was a concrete proposal for an IA, that would offer the rebel movement a clearly defined role in administration as well as reconstruction, economic development and handling of foreign aid. The government's new proposals will sooner or later reach the LTTE through the Norwegian facilitators. The LTTE may not be in a great hurry to either accept or reject them and possibly they might exercise the option of further delaying their response. In such an eventuality, the present negotiation stalemate is likely to prolong.

Why is it that Sri Lanka's negotiation process has reached a stalemate? Some of the essays in this issue of *POLITY* analyze this question, bringing to the focus the structural dynamics of the peace process as a whole. Given the limitations of the larger political process that provide the overall context for government-LTTE negotiations, the continuing stalemate in talks may not be a negative outcome of the Phase I of the peace process. It perhaps has the capacity to provide space for the two sides to review the Phase I of the negotiation exercise, to redesign the process as a whole and work out an agenda for Phase II to address some of the substantial issues that the two sides avoided during Phase I.

It may be recalled that during the first phase of the negotiations, the government and the LTTE both refrained from bringing to the negotiation agenda any of the so-called 'core issues' of the ethnic conflict. Now it appears that core issues need to be taken up for discussion in order for the peace process to go move forward. The LTTE's insistence for an interim administration is the clearest statement of this new reality which the UNF government seems to have mis-perceived. The moment the LTTE reminded the government that a credible proposal for an Interim Administration is their precondition for returning to the negotiation table, the government leaders were compelled to treat the negotiation exercise with the seriousness it really deserved. Actually, the casualness with which the UNF government as well as its peace negotiators approached the peace process during the entire year of 2002 was so inappropriate that they needed a fairly serious wake-up call.

Meanwhile, it appears that both the UNF government and the LTTE have entered a mini arms race. One gets the feeling that the present negotiation stalemate is the cover behind which the two sides have initiated this arms race. This is one of the most unwelcome developments in the government-LTTE political engagement. It appears that the two sides are moving towards establishing a new strategic equilibrium based on military strength. This indicates that both the government and the LTTE have no new, political approaches to address the security dilemmas that have emerged during the past one and a half years of the peace process. The conventional approach, which has led to the new arms race between the government and the LTTE, assumes that the balance of power could be restored only by increasing the military capacity as well as the war-preparedness of each side. This is an extremely dangerous approach to follow

when the negotiation process in crisis. If the two sides do not change the strategic balance approach to negotiations, the new arms race is likely to intensify for some time and in turn the negotiation stalemate might also be prolonged.

The way in which the international custodians of Sri Lanka's peace process have undermined their own role in the negotiation process provides another backdrop to the possibility of a prolonged negotiation stalemate. Beginning early this

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year, two powerful international players, the US and Japanese governments, attempted to seize control of the negotiation process in such a way that it appeared that the two world powers were attempting to impose their agenda on the negotiation process, its time table as well the outcome. While the UNF government quite willingly went along with this external agenda, the LTTE refused to capitulate. The tactic which the LTTE adopted is a political one, to boycott both the Tokyo aid meeting and talks. It worked quite well to the LTTE's advantage in the sense that although the Tokyo meeting went ahead without the LTTE, there was no way to resume negotiations without the participation of the LTTE. To bring the LTTE back to the process, those powerful global powers were compelled to send their representatives to Kilinochchi to plead with the LTTE leadership.

In the post-Tokyo phase of the peace process, the LTTE could thus restore the strategic political equilibrium in its favor. In the process, the leverage that the international community had in the past over the LTTE also became weakened. As a few commentators in Colombo warned even as early as March-April this year, the international community's role in Sri Lanka's peace process was flawed from the very beginning. The assumption that global powers could force a protracted ethnic conflict to end by the promise as well as threat of their intervention is not a correct one at all. As Sri Lanka's unfolding experience has already suggested, a badly designed and politically flawed involvement of global forces in an intrastate conflict can re-define the conflict, pushing it in unmapped directions and exacerbating its complexities.

Overall, there are some positive dimensions of the present negotiation stalemate. It is highly unlikely that it will lead to recommencement of the war, unless of course there is a major breakdown of the political equation in the country. Later than sooner, the two sides will return to the negotiation table under conditions of a new strategic equilibrium. That will constitute the Phase II of Sri Lanka's negotiation process. The period of transition to Phase II is likely to be longer than the well-wishers of peace would like it to be. Yet, prolonged negotiation stalemate without war will have some positive dynamics as well as consequences.

July 1983 – Twenty Years After

Twenty years ago, in July 1983, Sri Lanka experienced what many commentators have described as the darkest week in the island's modern history. In the last week of that month, Sinhalese mobs, mobilized and assisted by some powerful sections of the UNP regime of J. R. Jayewardene, unleashed a systematic campaign of terror against Tamil civilians living in Sinhalese majority areas. The immediate impetus for this campaign of organized violence against the Tamil community was the killing by the LTTE 13 Sri Lankan soldiers in Jaffna. But the 'riot' was not a spontaneous one as such. It was the culmination of a systematic campaign of anti-

Tamil violence that has been in the making from July-August 1977 onwards.

What is most horrendous about the events of July 1983 was the way in which the Jayewardene regime condoned, legitimized and even promoted generalized Sinhalese civilian violence against the Tamils. The UNP leaders at the time appeared to have thought that unleashing of regime-sponsored majority violence would serve as an effective deterrence against an assertive ethnic minority. It was a particularly arrogant strategy to politically manage the island's deteriorating ethnic relations. But the outcome of the violence was that Sri Lanka's entire political process, including ethnic relations, reached a point of no return. The rapid militarization of the Sinhalese-Tamil ethnic conflict was one of the major and immediate consequences of the July 1983 violence. That is the point at which the so-called Eelam War for separation effectively began.

Twenty years after these tragic events, Sri Lanka now is struggling to resolve the civil war through negotiated political means. In both Sinhalese and Tamil societies, the impetus for war and violence seems to be diminishing. If one takes seriously the present negotiations between the Colombo government and the LTTE, an opportunity is there to settle the civil war through an internationally mediated peace agreement. But for a peace process to be meaningful, effective and lasting, inter-ethnic reconciliation is one of the more crucial preconditions.

As the recently released Report of the Presidential Truth Commission that inquired into 1983 violence suggests, there has not been much effort by the political leadership in the direction of peace and ethnic conflict resolution through reconciliation. The approach of the UNP leaders to peace appears to be a pragmatic, managerial one, devoid of space for community participation or bringing together a polarized society through a sustainable process of peace-building and reconciliation. How could a deeply divided society be brought together for peace?

It is time now for all communities in Sri Lanka to promote a culture of peace. In that huge effort, constructive dealing with the recent past of violence, in 1983 as well as after, constitutes one of the most important political as well as psychological dimensions. It appears that in Sinhalese society, there is a pervasive guilt about the 1983 violence. Many people prefer forgetting it. But in Tamil society, such forgetting may not be that easy, because they were the victims. Remembering as well as forgetting are intensely political ways of dealing with a past of violence.

This is where the Sinhalese political leadership can now collectively apologize to the Tamil people for the 1983 pogrom. An apology would be one way of constructively dealing with a destructive past. It would be a constructive way of dealing with an emerging future. Such an apology, not partisan but collective, will take Sri Lanka's quest for peace and reconciliation to a qualitatively higher level.

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I. From Crisis to Paradigm Shift?

The LTTE's 'temporary' withdrawal in early May from negotiations with the UNF government and from the proposed donor meeting in Tokyo created the first major setback in Sri Lanka's peace process of 2002-2003. Attempts made by the UNF government, the Norwegian mediators and the international custodians of peace in Sri Lanka to persuade the LTTE leadership to end its boycott stance have not yet been successful. Whether the LTTE will participate or not in the Tokyo meeting in early June is perhaps not the most important issue at the moment. The real issue is linked to the qualitative nature of the present crisis in the peace process. It concerns the capacity or incapacity of the UNF government to work with the LTTE towards a win-win outcome. This indeed poses a fairly serious challenge to the UNF government leaders to prove what they really meant when Prime Minister Wickramasinghe and Minister Moragoda repeatedly asserted that their peace initiative represented a 'paradigm shift' in thinking.

While the UNF government was preparing its response to the LTTE's latest demand concerning setting up of an interim administrative structure in the North and East, the old paradigm has once again appeared in posters pasted on Colombo's walls. The opposition political posters call upon the UNF government not to 'betray' the country and its 'sovereignty' to the 'murderous' LTTE. Many newspaper editorials as well as commentaries and TV debates on the present crisis of the peace process also indicate that a paradigm shift in thinking is indeed necessary to grasp even the elementary essentials of current conjuncture of Sri Lanka's quest for a political transition from war to peace. It is quite amazing that the old notion of state sovereignty developed in post-medieval Europe has found its respectable presence – one may even say re-hashing -- in the learned political debates in Colombo's English press as well as in Parliament.

Deception

For many critics in the Opposition, the LTTE's action of negotiation boycott is typical of its politics of deception and cunning. This critical reaction in its extreme form presents an analysis which may be summarized as follows: 'Pretending to be negotiating peace, the LTTE has got everything possible from the foolish UNF government. After taking Ranil Wickramasinghe for a good ride, they are now after the pound of flesh. Prabhakaran is merely looking for an excuse to strike back.' Some opposition politicians even appear to think that a re-alignment of political forces in the South, coupled with a regime change, is necessary to arrest what they see as a quick march to an impending disaster.

This rejectionist reaction obviously stems from a partisan and therefore inadequate understanding of the present historical phase of Sri Lanka's ethnic conflict as well as the shift in the LTTE politics it has facilitated. The 'hidden agenda' explanation it offers can only lead one to make, as we witnessed in Colombo during the past few weeks, bad political judgements while legitimizing narrow political perspectives.

An alternative explanation of Sri Lanka's negotiation crisis can be offered by looking at the structural dynamics of the negotiation process itself. When the UNF government and the LTTE began the peace initiative in December 2001, the two sides represented two militarily undefeated entities – one the state and the other a counter-state military-political movement. There was a state of symmetry and the parity of status in military power, as well as the recognition of that shift, providing the structural context for the UNF-LTTE political engagement. Meanwhile, and quite paradoxically, there were subsequent developments within the negotiation process itself that seem to have altered this state of power symmetry in favor of the Sri Lankan state. The so-called international community, both state and non-state, entered the negotiation process in a somewhat spectacular manner, giving the impression that the global state system, led by the USA and followed by Japan, was there to back the Sri Lankan state in its engagement with the 'terrorist' LTTE.

The Washington Aid Seminar in April from which the LTTE was officially excluded and the US-led war against Iraq were two major events that probably dramatically presented to the LTTE leadership a new political reality for which they had not earlier bargained. Concerning the Washington episode, the LTTE appears to have two main grievances. Firstly, it has been treated as a secondary entity to the Sri Lankan government. Secondly, its exclusion was based on the US government's position that the LTTE still remained a 'terrorist' organization. The LTTE's argument is that even after major political concessions they have unilaterally made to the Sri Lankan government, treating them as a 'terrorist' entity would smack a real danger, especially in the post-Iraq war context. This further complicated the LTTE's peculiar security dilemma.

Dynamics

The above developments occurred in the backdrop of another structural dynamic of the negotiation process, namely its excessive internationalization. We may note that it is the internationalization of Sri Lanka's conflict that to begin with made the negotiation option possible. It is also the excessive internationalization of the negotiation process that in turn created a new condition of structural asymmetry between the two negotiation parties. The LTTE leadership seems to have perceived

this shift in balance of power as one that clearly favored of the state. Against this backdrop, we may also note that Sri Lanka's present crisis of the negotiation process can be better understood as one occurred in a context of post-Iraq war conditions, rather than under post-September 11 conditions.

The LTTE's has explained the boycotting of negotiations as well as the Tokyo donor meeting in terms of the UNF government's failure to implement promises made to improve the conditions of civilian life in the North. Indeed, the LTTE's first letter to the Prime Minister on this issue had, in both tone and argument, a remarkable similarity with their letters to President Kumaratunga in March 1995, written just before the PA-LTTE talks collapsed. This appears to have prompted some PA leaders to believe that in May 2003 the LTTE was going to repeat its action of April 19, 1995. However, a closer look at the political conditions under which the LTTE knows it operates now in 2003 would favor the argument that it is not easy for the rebels to unilaterally return to war by totally violating a cease-fire agreement which has a measure of international sanctity. Quite apart from the fact that the LTTE leaders have repeatedly assured the UNF government that their suspension of political engagement did not mean returning to war, it also appears that the LTTE has decided to 'correct' the structural 'imbalance' of the negotiation process primarily by non-military means. The LTTE's action hardly constituted any 'brinkmanship' in a purely military sense, as some foreign correspondents based in Colombo hastened to describe it.

Threat of War

No serious analyst of the LTTE's current politics should miss the point that the LTTE this time has not resorted to the threat of war to achieve negotiation objectives. It is their military strength and military preparedness as a parallel state entity, and not the threat of war of a mere military entity, that the LTTE has deployed to make political gains through the present phase of negotiation. The 'corrective' actions the LTTE has initiated during the past several weeks in order to restore negotiation symmetry indicate that the LTTE leaders are quite sharp and decisive in political engagement as well. From the LTTE's perspective, a mid-course correction is necessary to take the negotiation process to a new level. One wonders whether the Wickramesinghe administration in Colombo too has made a serious political assessment of the negotiation experience.

For the Colombo government to engage in a comprehensive analysis of the negotiation process, it would have required from it to acquire the ability to look at problems from the LTTE's perspective and then take constructive and effective corrective measures. Such an analysis would have enabled the government to quickly grasp what the LTTE leaders meant when they complained that the government had not delivered its promises of improving the civilian life in war-ravaged areas. One can make a number of observations in this regard. The first is that the LTTE

leaders would not want to be treated by Colombo governments in the same way that the latter have treated the parliamentary Tamil parties in the past. As it is strongly put in the Sri Lankan Tamil nationalist lore, the Sinhalese political leaders have only deceived Tamils by making false promises to the Federal Party, Tamil Congress and the TULF. Radical Tamil nationalist critique of the traditional Tamil political leadership – quite similar to the JVP critique of the old Left – is that they allowed themselves to be deceived by the Sinhalese bourgeois political elite. The LTTE is an efficient military force with the semi-state political character that has decided to politically engage the Sri Lankan state. Therefore, it is most unlikely for the LTTE to act on Colombo government's legal-procedural or constitutional excuses for not letting them establish political-administrative consolidation of their power in the North and East during a phase of economic and social reconstruction. This perhaps is one way to understand why the LTTE has given a deadline to the PM to present his concrete proposals concerning an interim administration.

Assessment

The second observation one can make concerning the LTTE's complaints about the non-implementation of promises is that the LTTE may have made a serious assessment of the negotiation outcome so far. Although critics in Colombo have often complained that the LTTE has got 'everything' they wanted through negotiations, from the LTTE's point of view, they have not yet gotten much. Instead, they have made three fundamental concessions which the government has not yet adequately reciprocated. Firstly, they signed a cease-fire agreement at a time when the government had no resources to fund the war, due to economic bankruptcy. Secondly, they unilaterally announced, at the second round of negotiations, that they were seeking a settlement on the principle of internal self-determination. Thirdly, they entered into the 'Oslo Consensus' with the UNF government committing themselves to explore a federalist framework within which to find a political settlement. It is inconceivable that the LTTE leaders at their Central Committee meetings would have ignored a thoroughgoing assessment of the gains of the peace process against these three fundamental concessions they have made to the Colombo government.

It needs to be noted that the LTTE's recent public statements reveal a deep sense of frustration about the negotiation outcomes. Perhaps, this frustration arises from the fact they had initially placed a great deal of trust on Mr. Ranil Wickramesinghe's personal ability to manage the service delivery promises effectively and diligently. But when the issue of managing funds for re-construction emerged, the UNF government too proved itself to be not only ineffective, but also taking refuge in administrative and procedural obstacles. It is quite surprising that three top leaders of the LTTE – Messrs. Prabhakaran, Balasingham and Thamilselvam – repeatedly expressed in public a measure of personal confidence in Mr. Wickramesinghe, even giving the impressions that they were merely

indulging in ego-pleasing politics. But the point is that Mr. Wickramasinghe has not delivered much, contrary to expectations implied in the personal trust.

Internationalism

If one looks at this issue from the LTTE's perspective, one may feel that Mr. Wickramasinghe while failing to deliver promises, has also invited, or at least allowed, very powerful international forces to take over Sri Lanka's peace process. This indeed is the flip side of one of the smartest political achievements Mr. Wickramasinghe gained when he put together a powerful international coalition to back his move to negotiate with the LTTE. The LTTE's present apprehension is perhaps that with the direct involvement of such international heavyweights as the US and Japanese governments and the World Bank, they are compelled to deal with a formidable set of forces which has not been their choice at all. Meanwhile, the LTTE is a hardcore nationalist entity that might not want to see the indigenously mapped out trajectories of the future of Sri Lanka's Tamil polity are being overtaken by the international forces. It would not be surprising if the LTTE leaders suspected that the UNF government had a hidden agenda, in collaboration with the US government. Rebels are always conscious, often in a paranoid mode, of the possibility of traps beneath the negotiation table. This is exactly why Messrs. Wickramasinghe and Moragoda should, in a post-Iraq war world, handle their links with the US government with greater care and sensitivity than they have so far demonstrated. A wrong message given to the LTTE at this very sensitive stage of Sri Lanka's peace process can have far reaching and even irreversible consequences.

This backdrop helps one to make sense of the LTTE's present reluctance to attend the Tokyo donor meeting. The LTTE may or may not go to Tokyo. If they do, they will still have achieved their objective of drawing enough international attention to their argument that the negotiation process as well as the agenda of reconstruction had some crucial flaws. If they do not, they will initially lose international support and sympathy; but the international community will still find it difficult to ignore the LTTE's claims and arguments if the Sinhalese political class continues to waver in its commitment to finding a fair and just settlement to the ethnic conflict. Then, sooner than later, the international custodians of Sri Lanka's peace will be confronted with the issue of LTTE's international de-proscription. Indeed, international de-proscription is at the heart of the LTTE's political maneuverings at this moment, although they have been maintaining a studied silence about it. The LTTE leaders appear to be allowing the logic of political events surrounding their negotiation and Tokyo boycott lead itself to the agenda of de-proscription.

Interim Administration

Meanwhile, the issue of Interim Administration is shaping up to be a crucial test of the UNF government's willingness to

put into practice any paradigm shift it may have experienced in its political thinking concerning the LTTE and ethnic conflict resolution. The way the LTTE has raised the issue this time leaves hardly any room for the Wickramasinghe administration to take refuge in constitutional obstacles or procedural difficulties. If the government cannot change the Constitution, it has to find out an alternative course of action that will still make the interim administration legally valid. Such a move might be challenged before the Supreme Court. But, the government will have to be bold enough to take a political-legal risk, rather than slipping towards the risk of war. If the government leaders could exercise political imagination and creativity, the issue of interim administration may not be an insurmountable one. If they do not, they should still not explore any non-political options, as some bright young advisors at the US State Department might hasten to offer.

For Sri Lanka's peace process to move forward, the negotiation initiative has to enter into a qualitatively new phase. The primary responsibility in that direction lies with the UNF government and the international community that backs the peace bid. The LTTE's boycott is a telling reminder to the government as well as its international friends that the Phase I of the negotiation process has effectively ended and a Phase II is struggling to emerge. The transition from Phase I to Phase II requires bold, fresh, creative and dramatic political initiatives that can accomplish two immediate goals: re-defining the trust between the UNF government and the LTTE in stronger terms and re-designing the negotiation process in a sustainable manner. Let us hope that the Wickramasinghe administration possesses necessary will and the resources to further pursue that transition.

II. Mapping a Way Out

With the negotiations between the UNF government and the LTTE in crisis, there are some who probably feel vindicated that their predictions of negotiation collapse, made at the very beginning of the peace process, might even be proved prophetic. Indeed, when the UNF-LTTE political engagement began in December 2001, there were very few analysts who could point to any significantly positive outcome. This in a way demonstrates one of the unfortunate ironies inherent in the efforts towards settling protracted conflicts by non-military means. There is a greater likelihood of negative predictions concerning negotiation outcomes becoming a reality than would the possibilities for constructive conflict management through talks.

Most of the negative-outcome analysis of UNF-LTTE talks has had a common thread: an overwhelming belief that the LTTE was not really interested in either a negotiated settlement or an alternative to its goal of a separate state. To the question why the LTTE has joined in negotiations with the government, the answer provided by this perspective is a simple one: 'The LTTE's nature

is exactly that. It negotiates when it is militarily weak and returns to war after re-grouping, re-training and re-arming.' This is probably not an incorrect assessment of the LTTE's past negotiation behavior. But it does not explain much about the structural dynamics as well as politics that may have also shaped the LTTE's decisions concerning both war and negotiation. Nor does it explain why governments in Colombo have repeatedly initiated negotiations with the LTTE against a backdrop of previous experiences of costly negotiation failure. It is not enough to say that politicians in Colombo, when in power, are a naïve bunch of men and women who would usually await to be deceived by the LTTE. Both the UNF government and the LTTE leaders, in initiating negotiations, have responded to certain political imperatives. They are now under pressure from the structural dynamics of a political process which they themselves have jointly inaugurated. After one and half years of a preliminary phase, that process can proceed forward only after confronting some very hard issues of state power.

When we take a long-term view of Sri Lanka's ethnic conflict, we may notice that war and negotiations have been the two main strategies that both sides, the state and the LTTE, have pursued with consequences that have been equally costly to both sides. Unlike the negotiation skeptics would always want to emphasize, both sides have suffered in both war and talks. Meanwhile, what appears to be quite interesting in this history of war and relative peace in Sri Lanka's ethnic conflict is the fact that there have been two conjunctures in which possibilities for a negotiated political settlement through talks have had greater potential than the conflict ending through war. In other words, in these conjunctures, the balance of possibilities and trajectories has been in favor of a negotiated settlement. The moments of 1994-1995 and 2002-2003 constituted such conjunctures. The state and the LTTE irretrievably lost the moment of 1994-1995. There is still time for them not to lose the political moment of 2002-2003.

Analysis

Any government that decides to negotiate with the LTTE should have in its store of ideas some credible explanation as to why the rebel leaders have decided to pursue the option of political engagement while giving a respite to war. That explanation has to be a seriously analytical one, and not a conjecture guided by shallow rhetoric which we often find in media debates. For example, the UNF government should not strategize its negotiation options on the belief that the LTTE has come to talks to bargain the terms of its surrender. Nor should the government view the LTTE's negotiation turn as one necessitated by the need for fresh recruitment and procuring of new weapons etc., in the interregnum of a cease-fire. Moreover, no government in Colombo should think that they could either deceive the LTTE at the negotiation table, or even achieve the same objectives through talks which they failed in war. The LTTE needs to be understood as a counter-state politico-military entity that has been extremely serious about its goals, its methods and even its compromises. An elementary lesson that has

to be learned from Sri Lanka's previous negotiation experiences is that no government in Colombo should engage the LTTE politically if it is not serious about what it is willing and ready to offer to the LTTE in exchange of a possible commitment from the latter to a goal other than a separate state.

Negotiations with the LTTE, as it has already become evident during the UNF government's learning process, entails profoundly complex, and potentially unpopular, compromises, particularly in the short run. For some of them, it may even require re-alignment of political forces in the South. Offering a credible alternative to the goal of a separate Tamil state now is not as difficult as it was until late last year. By unilaterally opting for the notion of internal self-determination and for a federalist framework, the LTTE leadership has indeed simplified the matters for the UNF government. But now, the more complex issues are located in some of the immediate challenges and that is where the UNF government will have to act fast, with both imagination and courage.

Challenges

Two such crucial challenges are linked to the LTTE's not-so-hidden expectation of consolidating its political-administrative control of Northern and Eastern provinces. The LTTE's demand for setting up of an interim administration is one. The other issue has not yet been clearly articulated in the debate, but any observer of LTTE politics would have identified it with relative ease. It entails the LTTE's objective of returning to Jaffna, of which they lost control during the Sri Lanka's army's offensive in late 1995 and early 1996. Allowing the LTTE to return to Jaffna and re-establish its control over the civilian population there under conditions of peace talks is obviously a task more difficult than setting up of an LTTE-led interim administration in the North and East. Meanwhile, the LTTE's demand for de-militarization of Jaffna peninsula can be seen as directly linked to its objective of returning to Jaffna.

These two issues, taken together, represent the short-term political outcome that the LTTE would have expected from their political engagement with the UNF government. Given the utter complexity of these two possibilities, the UNF government, particularly in the absence of a political consensus in the South, may feel unable to engage the LTTE to negotiate a road map to effect a 'transfer' of administrative control of the two provinces. Quite paradoxically, the LTTE is also in a difficult situation in this regard. Having already announced, unilaterally and without a equivalent quid pro quo from Colombo, their partial renouncement of the goal of a separate state, the LTTE's agenda of returning to Jaffna may seem in the public eye an unfair extraction of a unilateral and asymmetrical concession from a weak government running out of options. Incidentally, one way of explaining, partially though, the LTTE's resorting to hard bargaining tactics after mid-April is perhaps the realization that it has not got anything substantial from the UNF government in exchange of compromising the secessionist goal.

Limited Options

Hard bargaining from either side is not likely to help the negotiation process at present. In order to restore the partnership with the UNF government, the LTTE too will have to work hard towards a win-win outcome. If the LTTE continues to put pressure on the government for concessions on the interim administration issue outside the negotiation table, the fragile peace process will be at risk of losing its momentum as well as legitimacy. But, the LTTE's present dilemma lies precisely in the absence of a gun that will have an adequate weight with the suspension of its negotiation boycott.

To return to the issue of the prospect of the LTTE's establishing politico-administrative control over the Northern and Eastern provinces along with its returning to Jaffna, the government in Colombo will have hardly any options to prevent that eventually without putting the negotiation process in jeopardy. While the LTTE is unlikely to resort to military action to regain Jaffna, they may, in the worse case scenario, not find any useful purpose in the continuing political engagement with the government either. This may lead to a fairly long period of negotiation stalemate, with recurring incidents of cease-fire violations in the Jaffna city combined with mass mobilization by the LTTE aimed at demoralizing the Jaffna peninsula. Meanwhile, the Sri Lankan government as well as the international custodians of the island's peace will also be hard pressed to sustain the cease-fire process in a context of increasing uncertainty that will provide a great deal of space for spoiler interventions. Actually, the restoration of the negotiation track is the best way to ensure the political interests of both the government and the LTTE.

Fresh Approach

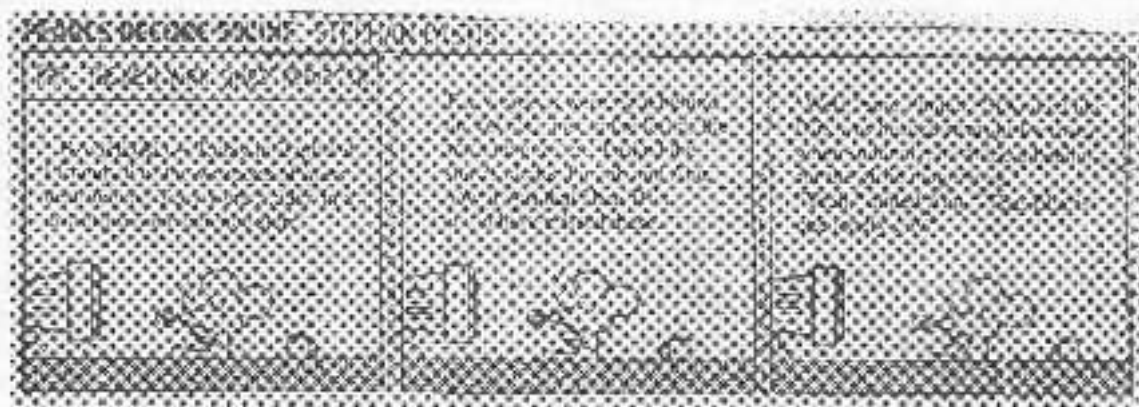
This calls for a fresh approach to the strategy of negotiation. If the UNF and LTTE leaders are seriously committed to a process of conflict settlement through the de-escalation of war, neither party should engage in tactics that endanger the peace

process and bring back the threat of war. One option available to the leaders of the two sides is the opening up of a new, second, negotiation track that can complement the formal talks between the two delegations. Initiation of direct political talks between Messrs Wickremasinghe and Prabhakaran at times of negotiation crisis can be an immensely useful problem-solving alternative. Now is the time for such a courageous move, because the negotiation process, having exhausted all the potentialities of its Phase I as struggling to enter Phase II without a clear road map.

While re-launching the negotiation initiative with the LTTE, Prime Minister Wickremasinghe might want to seriously reflect on the agenda for Phase II of the process. There is no way for him to avoid in the coming phase of negotiations the substantial issue of sharing of Sri Lanka's state power with the LTTE through institutionalizing an interim process. Institution building for transition of political-administrative power in the North and East and eventual democratization of political process there should not be delayed, if the two sides are committed to a political settlement based on power-sharing. Actually, both the UNF and the LTTE should be blamed for avoiding the issue of interim administration during the Phase I of talks. The greatest failure of that phase of talks is the inability, as well as unwillingness, of the two sides to build political institutions for transition to power-sharing in the North and East.

Institution building for transition to power sharing entails a complex road map that should deal with a host of hard issues that would actually constitute the core issues of negotiation. Resolving the high security zone issue, de-militarization of Jaffna, addressing Sinhalese and Muslim fears about LTTE rule in the Eastern province while allowing the LTTE to take control of the administrative functions in the two provinces, setting up of mechanisms for political and administrative accountability and defining the relationship between the emerging institutions in the North and East and the Sri Lankan state will be at the center of negotiation agenda in the coming phase. There is no way to avoid these issues during the Phase II of negotiations. ■

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THE INTERNATIONAL POST-CONFLICT INDUSTRY: MYTHS, RITUALS, MARKET IMPERFECTIONS AND THE NEED FOR A NEW PARADIGM¹

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“Men are caught in webs of meaning that they themselves have spun”

Clifford Geertz

Ritual and symbolic analysis are a good way to understand the series of high profile international pledging conferences for Sri Lanka (Oslo-Washington-Tokyo), and Multilateral Agencies Needs Assessments that have taken place in recent times. Repetition of the same donor conference, albeit with different chairpersons in different world capitals appeared to constitute a coming out party of sorts—a series of debutante balls for the Liberation Tigers of Tamil Eelam (LTTE), and a celebration of a growing relationship with the Government of Sri Lanka (GoSL). The pledging conference in Tokyo without the LTTE was however, the ball without the debutante. By refusing to be present in Tokyo the organization signaled that it would not be bought off by international rituals, pleasures, or false dawns since post-conflict reconstruction and development has been intangible in the north and east in the year of peace. But the international arrangements for the post-conflict reconstruction party in Sri Lanka had developed their own momentum, structure and ‘logic of practice’ as symbolic anthropologist Pierre Bourdieu would have said.

The Multilateral Needs Assessment prodigiously prepared by the UN agencies (UNDP, UNICEF, UNHCR, FAO), World Bank and Asian Development Bank over the last six months, the third such needs assessment in the past four years, had to be launched in Tokyo. The Needs Assessment (available at www.peaceinsrilanka.com) represents the international bill for peace in the island. Repeated needs assessments constitutes a ritual of the multilateral agencies that increasingly seek to control the post-conflict industry in war torn countries in the global south. In Sri Lanka the post-conflict industry is also visible in the networks of Euro-American technical experts ubiquitous in other war zones of the world, recently arrived from South Africa, Eritrea, Rwanda etc. as the neo-liberal peace dawns on the horizon of paradise lost.

Rituals, even secular ones like donor pledging conferences and needs assessments however have non-economic costs. While attention was focused on Multilateral Agencies’ needs and donor time frames, very little was done locally on the ground for those affected by war and the LTTE withdrawal from the Track one process. Though the beleaguered Norwegian mediators play a crucial and remarkably professional role at the Track one level,

the LTTE still learning the ropes about the international post-conflict industry blames the GoSL for the various delays and the inefficiency of the Sub-committee on Humanitarian Needs and the World Bank’s North East Reconstruction Fund (NERF). Thus the international post-conflict industry run by the Multilateral Agencies feeds into Sri Lanka’s current ‘no war no peace impasse,’ albeit at drastically reduced levels of violence. Simultaneously people in the north and east conflict-affected regions of the island complain about the numbers of experts visiting while nothing changes despite the promises of international aid. Core issues pertaining to human security and the return of displaced people remain un-addressed.

Regaining the Peace Process

What the current impasse reflects is an over internationalization of the peace and post-conflict reconstruction process, that is increasingly driven by donors and multilateral agencies. It is in this context that the withdrawal of the LTTE from the negotiating table without recourse to armed violence provides pause for analysis of what has been achieved and what left undone to re-orient the peace process. The current impasse appears to be structured and contoured by three juggernauts: hard line interests within the LTTE, hard line positions and inefficiency within the Government of Sri Lanka (GoSL), and the agendas and inefficiency of the international post-conflict reconstruction industry increasingly managed by the World Bank and UN system that now tend to work in concert at the policy level to advance a neo-liberal, post-conflict agenda.

There are of course several reasons for the impasse in the peace process including the failure of the GoSL to develop a broad-based and bi-partisan peace process in the south, as well as endemic knowledge and information asymmetries in the post-conflict industry. While the interests and constraints on the GoSL and LTTE that structure the impasse have been extensively analyzed, the interests of the international post-conflict industry in Sri Lanka (as in other conflict-torn countries in Africa and Asia), are less well understood. This essay therefore focuses on the role, practice and impacts of the international post-conflict reconstruction industry in Sri Lanka. These observations draw on eight years of ethnographic study of the conflict and experience as a consultant for a number of multilateral agencies and humanitarian and development NGOs and extensive interviews with local and international academics and consultants. Comments are also based

on participant observation in meetings on rehabilitation; reconstruction and reconciliation in the northeast and in Colombo and at the “Multilateral Agencies Needs Assessment Validation Workshop” held in Killinochchi, March 2003.

The international presence has played an important humanitarian, stabilizing and bridging role in the conflict between the GoSL and the LTTE, even as it sustained and subsidized the conflict dynamically during the second decade of the war, and more recently the peace and post-conflict reconstruction effort. Moreover, it is clear that an international presence will be necessary for the peace and post-conflict reconstruction process to continue. What are not clear is what sort of post-conflict reconstruction would bring about a sustainable peace in the island and what role the international presence may best take. Indeed a serious evaluation including a costs-benefit analysis of the international post-conflict industry and its impact on the peace process in Sri Lanka appears to be necessary as the peace process approaches a tipping point.

Media Hype, Ritual Pledging, and Cycles of War

Aside from the LTTE, the collective approach to peace in Sri Lanka appears premised on the idea that promises of funds from international donors accompanied by sufficient media hype would buy time for peace to develop momentum and blunt extremist demands on both sides. While the *laissez-faire* approach paid high dividends in the short term (the first year of the process), it has led to the medium term impasse. It is increasingly clear that the current neo-liberal post-conflict reconstruction approach cannot have any significant or sustainable impact without some of the core political and social issues (e.g. fiscal and administrative devolution), being addressed alongside the immediate humanitarian issues that pertain to the return of the displaced and reconstruction of their livelihoods, including de-mining.

In this context it is worth noting that of the \$70 million pledge at the Oslo donor meeting in March, 20 percent of “aid” was in the form of grants while 80 percent is in the form of loans—payable by the GoSL and the people of Sri Lanka collectively. One does not have to be a Cassandra to recognize that this may be a recipe for long-term indebtedness, impoverishment, and a new cycle of conflict (cf. Rajasingham: 2003). Of course, it is not at all obvious that the pledges made in Oslo and anticipated from Tokyo would actually materialize. The \$70 million pledged at Oslo have now been revised to \$ 40 million and will be probably revised down again. This is not a surprise. In Afghanistan, there was a significant discrepancy between what was pledged and what was actually received for post-conflict reconstruction. This year the Bush regime forgot Afghanistan in its budget. The oversight was only recognized and rectified after a senate democrat pointed it out. At the Tokyo meeting Sri Lanka was promised as much as Afghanistan was. It remains to be seen how much of these funds would actually materialize. As such what is worth asking is who would ultimately benefit from the funds? Is it the people and regions of the country that have suffered the wages of war, the networks of local and

international firms bidding for large infra-structure projects and contracts for the neo-liberal post-conflict reconstruction program favored by the Multilateral Agencies, or the international post-conflict reconstruction industry staff and technical experts that descend on the war zones of the global south, creating new inequalities and mounting debt for impoverished war-torn societies? The answer is probably a combination of all three. It is the proportionality of benefit that is in question, and the size of the peace debt that the country would have to bear. In Afghanistan it is well known that less than 15% of the “aid” actually reached those it was supposed to benefit.

A sense of perspective regarding the inflated dollar figures quoted for post-conflict reconstruction and the (dis)proportionality of the benefits may be apparent from a brief comparison. One displaced family in the northeast would be paid 100,000 rupees (approximately \$ 1,000 per family) to rebuild their homes and restart their livelihoods of the \$3 billion sought. On the other hand, a UN, World Bank or Aus Aid consultant in the post-conflict industry is paid approximately the same amount for less than 2 days of work. UNHCR that handled the assessment for resettlement of displaced persons has quoted a sum of \$332 million in the Multilateral Needs Assessment where no budget assumption or breakdowns of operation and program costs are provided, despite repeated requests from civil societies and NGOs in Sri Lanka. Whither equity and participation of civil society, not to mention transparency and accountability of the Multilateral agencies?

Many countries in the global south suffer from the syndrome of repeated cycles of war and peace. Of the 38 peace processes that occurred during the decade 1989-1999, 31 returned to war within three years as research by John Darby of the US Institute for Peace shows. A number of analysts of peace processes and cycles of war in African contexts have also noted that international intervention, particularly humanitarian aid and post conflict reconstruction, has its own institutional behavior and logic of practice that may both ameliorate and feed into violent conflicts in the global south. It is also recognized that the practice and legitimacy of humanitarian and post-conflict reconstruction is in crisis, particularly after the US awarded contracts to US firms for Iraq’s post-conflict reconstruction before the invasion and occupation of Iraq.

In the context, the delays and inefficacy of SIHRN that partly explains the withdrawal of the LTTE from the Track one process, are not unrelated to the requirements of the international aid industry, including the setting up of North East Reconstruction Fund (NERF) by the World Bank, the need for yet another Multilateral Needs Assessment of the war zone, and the donor conference timetable. Given that the war-affected populations in the northeast complain of the numbers of UN, World Bank and ADB consultants surveying them while nothing changes, and given that previous studies, national expertise, and critical analysis have been marginalized in the current Multilateral Need Assessment isn’t there a question about the international post-conflict industry and its impact on the peace process to be raised? Is the Sri Lankan peace

process also hostage to the inefficient rituals and time frames of the international post-conflict industry? To understand why this may be the case and why a paradigm shift may be required in the global post-conflict industry we need to grasp its political economy.

Multilateral Needs and Validation Rituals

It is increasingly recognizable that the demise of violent conflict constitutes a moment opportune for drastic structural adjustment of economies and societies. Not surprisingly, since the end of the Cold War and the proliferation of violent conflicts in post Soviet states, post-conflict reconstruction has emerged as a growth sector in the world development industry led by the Bretton Woods institutions. The international post-conflict industry is estimated to be worth \$20 billion and rising, with Iraq the latest addition to the list of war-torn countries in the global south, whose resource wars continue to bolster the economies of the global north.

The increased role of the Bank has meant the triumph of the neo-liberal approach in post-conflict reconstruction and the simultaneous closing of other possible models of development, such as, mixed economy models or those that advocate protection of key sectors like agriculture and fisheries also for food security in situations where access to markets may be limited and market imperfections obvious. Broadly, the international post-conflict tool-kit approach consists of neo-liberal institutions, constitution and social capital building. The private sector, the market and structural and sector adjustments promoted by the Washington Consensus (World Bank and IMF) are the mantra for development and peace building. The international post-conflict tool-kit then entails application of a universal set of technical formulas transported from one conflict zone to another. Based on the assumption that conflicts are generically similar, the approach produces a-historical, poorly theorized, a-political and culturally insensitive strategies, many of them failing to effect sustainable solutions.

The international tool kit approach was manifest in the work process and output of the current Multilateral Needs Assessment presented in Tokyo, a document that does not establish any developmental priorities. Though the current Multilateral Needs Assessment is the third such assessment of the war affected region in the past four years in Sri Lanka, mention is made of the assessments conducted by the North East Provincial Council and local GA and Kachcheries.

The current UN led Multilateral Needs Assessment is on a grander scale than in past years, with more international agencies and technical experts participating than in the previous World Bank led study of Rehabilitation, Reconstruction and Reconciliation (RRR Framework study that consulted all stakeholders including the LTTE), or the UN rapid needs assessment. However, no reference is made to previous work in the current document, which ideally should have built on previous work rather than duplicating

it. As it is, the current Needs Assessment reproduces the same information lacuna and appears to be a checklist, without clear local priorities and focus for implementation of post-conflict reconstruction that assists the track one process.² This is largely due to the marginalization of local and national expertise and the fact that the majority of the international experts preparing the Need Assessment lack a basic understanding of Sri Lanka's history, society and conflict, and local priorities.

Given that so many assessments already exist, it is arguable that priority should have been given to developing a poverty and vulnerability reduction strategy (PVRSP) for the north and east to enable proper targeting of assistance to those who most need it, along with a micro-meso-macro analysis of how to develop the two key sectors of the north east economy – the agriculture and fisheries sectors which constitute 80% of livelihoods in the north and east. Such an approach would have enabled commencement of reconstruction projects sooner and spending funds on already identified projects in the first year of peace.

The current needs assessment gives prominence to large-scale infrastructure projects where big contracts are involved, and thus to the business sector, and multinational interests. This emphasis is accompanied by a thin safety net of humanitarian assistance for the displaced and poor in the conflict areas to rebuild their livelihoods. As such, it gives priority to the interests and development agendas of the international agencies, rather than to the communities most affected by the conflict. This is reflected in an urban and large infrastructure projects bias, though 80% of the northeast economy is agriculture and fisheries based.

At the Validation workshop in Killinochchi in March 2003, the Secretary for the North-East Provincial Council, the LTTE representatives, and various members of the public rejected the fisheries sector report in a packed meeting. Community members pointed out that less infrastructure and more emphasis on agriculture and fisheries was needed since these were the “eyes” of the north east economy. In the context, it is unclear that the serious concerns that were raised have been addressed or indeed that the needs assessment has been validated. Indeed this raises the issue of the undemocratic work process of the Needs Assessment and the manner in which the Multilateral Agencies steam role over local opinion and dissenting voices like grand juggernauts. The miss-fit in priorities of the Multi-lateral and the local communities could no doubt become a cause of renewed conflict a few years later, when poor communities realize they have been marginalized again.

Cumulatively, the Multilateral Assessment appears poorly acquainted with the priorities of people most affected by war and the needs of a country struggling to own and manage its own post-conflict, development and reconciliation process. It is however elementary that proper prioritizing and targeting of needs would reduce the bill for post-conflict reconstruction. Rather, it is claimed that the Needs Assessment is a technical exercise and not a policy

document. On the other hand, it is clear that during the marginalization of local expertise also limits it. It is widely recognized that the two decades-long armed conflict in Sri Lanka, real and perceived ethnic grievances were fed by a number of local micro-conflicts over scarce resources arising from poverty and caste based social exclusion. A number of studies have noted that for successful conflict transformation it will be crucial to better recognize and analyze the various links and dimensions of conflict at the local or micro, meso, and national levels, and thus move beyond narrowly technical or ethnicity-based solutions in the post-conflict reconstruction phase.

The Post-Conflict Tool-kit and Neo-Liberal Agenda

The Multilateral Needs assessment exemplifies the international tool kit approach to post-conflict reconstruction and its problems including mismatched local and international development priorities. In the context, the GoSL and the LTTE need to ask whether the country actually needs or can absorb the international funds that are mostly in the form of loans? The current absorption rate of international development “aid” stands at between 17-35 % for various reasons including administrative inefficiency. While it is obviously correct that the north east of the country that has been all but destroyed would require a major fund for reconstruction, particularly for infra-structure, a number of displaced people noted at “Multilateral Need Assessment Validation Workshop” in Killinochchi in March 2003, that what they need is not hand outs and vast amounts of assistance from donors, but rather an improved security situation to enable them to return and get on with their livelihoods.

It is of course elementary that proper targeting and setting of priorities would enable cost cutting and a far less extravagant bill for peace. The Needs Assessment appears premised on the notion that business and the free market will take care of the economics of peace. Issues of corporate corruption and crony capitalism that are endemic in pos-war economies that exacerbate economic inequalities and distort markets is overlooked. Such policies in other conflict-affected parts of the world have demonstrably fuelled inequality and cycles of social violence and conflict. There is clearly a need for a more balanced approach in the international post-conflict reconstruction agenda, where the benefits as well as the shortcomings of globalization and the neo-liberal emphasis on privatization, structural reform and growth are recognized. In many parts of the global south globalization has become a race to the bottom as poor countries compete to lower already low wage rates in order to attract often speculative foreign capital, and education systems are restructured to provide cheap labor at the lower end of the global economy, rather than to generate knowledge and research.

Finally, the intellectual underpinnings of the neo-liberal approach to post conflict reconstruction is theoretically and empirically impoverished. Though business is seen as a catalyst, no mention is made of a fact well known social scientists in Sri Lanka that

small businessmen and Mudalalis often used ethnic disturbances to destroy business competitors from the other community. The tool kit approach derives from an erasure of cultural, historical difference and a trivialization of social analysis, whereby social analysis is reduced to the presence or absence of “social capital”. Thus cultural and political difference between nations, people and histories and appropriate development paths are seen as irrelevant. As Alex de Waal has noted speaking of the politics of international disaster relief industry “the expertise stops where politics begin and the gap between knowledge of technical measures and action that bridges them is not addressed as little attention is paid to the political dimensions of conflict and reconstruction.”

Information Asymmetries and Knowledge Practices

At the higher end, the new global economy is an information and knowledge economy. Nowhere is this more apparent than in the international post-conflict consultancy market that is characterized by global-local knowledge hierarchies, endemic information asymmetries and market imperfections. The ensuing knowledge gaps have significant and often negative impacts for locally sustainable post-conflict reconstruction and development. Within this global-local knowledge dynamic, the multilateral institutions have their own logic of practice. Marginalization of local knowledge is partly the reason post-conflict reconstruction policies have often exacerbated real and perceive regional and income inequalities leading to new cycles of war and violence usually articulated in the form of ethnic or identity conflicts.

At two recent seminars in Colombo organized by the Social Scientists’ Association and Social Science Research Council (New York), and the National Science Foundation several leading social scientists’ noted that the academic and research community have been marginalized from reconstruction and development policy making. Although lip service is frequently paid to consultation with “stakeholders” by the Asian Development Bank, the World Bank and UN agencies, local knowledge, critical analysis and national experts are routinely marginalized and mainly called in to rubber stamp or “validate” studies and needs assessment that have been pre-formulated.

A number of local academics and consultants that I interviewed for this research project complained that they were rarely involved in defining the parameters, priorities, substance and ToRs of the studies being conducted. Indeed, a frequent comment was that national experts are more often than not treated as research assistants and have little say in defining the frame and orientation of the research question or study. At other times, consultations with local expertise by the multilateral agencies appear to be a matter of ex-post facto rubber-stamping. The result is poor quality reports and poor policy formulations that perpetuate the myth of the absence of local capacity. The post-conflict knowledge and policy industry is characterized by over emphasis on international technical knowledge and undervaluing of local knowledge and social and political analysis.

Local Capacity, Sustainable Myths and New forms of Colonialism

The international agencies and their staff sometimes cooperate with, but largely compete among themselves and with local institutions to advertise their work, publicize their deeds, and secure contracts and control of particular sectors and projects. This competition sets up its own dynamic the most obvious being the exclusion of local priorities and approaches that depart from the neo-liberal orthodoxy. The tendency to marginalize local knowledge and the failure to come to grips with the political dimensions of conflicts is often a bi-product of competition between the various agencies. Substantive analysis and solutions and policies adequately prioritized to meet the needs of conflict transformation and de-escalation is the victim of this state of affairs in the post-conflict industry.

There are also various myths about the war zones of the world that sustain the global post-conflict industry. Although it is generally recognized by academics that the 20-year old armed-conflict in Sri Lanka is one of the most highly researched and written wars in the world, there is a pervasive myth in the post-conflict industry that there is very little local capacity, and that “social capital” has been destroyed. This myth of the absence of “local capacity” and “social capital” is curiously reminiscent of colonial constructions of the lands of non-European “others” as terra nueva and tabular rasa, to be both colonized and civilized as per the white man’s burden. Elsewhere I have traced the similarities and breaks in the reproduction of the colonial imagination of conflicts in Africa and Asia in the social imaginary and mythology about the “war zone” that constitutes an embedded culture of those who inhabit the international post-conflict reconstruction industry mission.

While there has been a brain-drain from the north and east of the island this is less the case of the south where throughout the war years a number of citizens’ organizations, NGOs, practitioners, scholars, and academics worked tirelessly to foster peace, build bridges, between the combatant groups, and critically analyze the complex dynamics of the war in Sri Lanka. Moreover, academics and practitioners from the northeast have also moved to other parts of the island and live and work in a range of institutions, governmental and NGO. In the north and east a number of diaspora members have returned. In short, the absence of local capacity is by no means uniform and is itself a perception that marginalizes issues and approaches outside a preconceived frame. It means that the large amount of research and analysis that has already been done on the conflict and the good analysis that exists in Sri Lanka, and the local institutions are systematically and often deliberately elided. Thus despite the multiplicity of studies and needs assessments the same information gaps are reproduced in the industry because institutional memory is short, like the ahistorical time frames of the international consultants. The lack of institutional memory and local knowledge is particularly acute in the humanitarian agencies like UNHCR and UNICEF, given that long-

term local staff have a relatively marginal voice compared to the international staff who determine policy.

Those who do not conform to the neo-liberal approach, which is most of the critical intellectual community in the global south, are forgotten or ignored via the myth of the absence of local capacity and social capital that is endemic in the industry. It is presumed that the people who do not agree with neo-liberal orthodoxy do so because they “lack capacity,” and not because they may disagree fundamentally with the prescribed model of development. Finally, the neo-liberal approach to peace and post conflict reconstruction is based on the absence of history and substantive conflict analysis, and results in the imposition of policies that demonstrably increase social inequality with a high potential for a new cycle of conflict.

A second myth that one encounters in the international post-conflict industry in Sri Lanka is that there are no citizens or nationals who are capable of non-partisan, de-ethnicized analysis, hence external ‘experts’ are needed who can act in an impartial manner. It is also a common belief among external experts that the conflict in Sri Lanka is a more or less primordial ethnic one, rather than a complex modern war about poverty, exclusion from development, and political representation. Elsewhere, I have suggested that the narrowly ethnic reading of the war actually reproduces and mimics the conflict dynamic. For current interests, the ethnic reading of the conflict and the local population’s perceptions also justifies importing experts who have very little local knowledge and ability to engage in substantive analysis for sustainable interventions, but who are perceived to be objective vis-à-vis ethnic hatreds and jealousies. The use of the term ‘ethnic conflict’ to speak of the twenty year old war between the GoSL and LTTE has obscured the extent to which the conflict (like other wars in the global south), was prolonged, sustained and may be resolved by configurations of external and internal political and economic interests.

In the context, guidelines need to be formulated for better work practices and report writing processes for the Multilaterals. Local institutions and experts should be consulted at the outset and actively involved in such process.

Moreover, the emerging political economy of the post-conflict industry in Sri Lanka appears to be leading to an erosion of already existing local capacities, and institutions that have worked for many years on de-escalating the war and for peace, as funding is increasingly withdrawn and diverted elsewhere and for technical experts. Indeed some local institutions and NGOs that have done valuable work in the years of conflict have noted the reduction of funds for low-profile sustainable projects in the context of the emphasis on quick impact capital intensive peace projects. Of course, it is also the case that there is a re-arranging of the equilibrium in the post-conflict phase and that some will gain and others lose. However, what is clear is that in sectors where there are lacuna, there appears to be little effort to build local capacity

and work with local institutions, and for internationals to have a clear exit strategy. Instead there is a scenario of competition emerging between the local agencies and the internationals.

Given the logic of the operation of the international agencies, and the concern with the security of their personnel and international staff, programs and local communities often become a secondary matter. The bulk of the funds for post-conflict reconstruction go for administrative charges, salaries and maintenance and protection of internationals whose lives appear to be more highly valued than the natives that they are supposed to protect and develop. This is often reflected in disproportionate budget allocations for administrative charges and maintenance of internationals that work in the industry over actual programs and local staff. Indeed, a sort of institutionalized apartheid that distorts the value of lives and labour appears to exist in the humanitarian institutions that operate the post-conflict industry where market imperfections and information asymmetries are glaring.

A New Paradigm for Post-conflict Reconstruction? Right to Information Accountability and Transparency of Multilateral Agencies

At a recent conference organized by the Social Scientists' Association and the SSRC several leading social scientists noted the systematic exclusion of institutions of higher education and national expertise from the increasingly donor and consultant driven policy-making process in Sri Lanka. Key policy documents such as the Poverty Reduction Strategy Paper (PRSP) and 'Regaining Sri Lanka' along with the Multilateral Assessments are primarily formulated and drafted by international technical experts who know very little about the country, its politics, society or culture. What the various technical experts tend to have in common is the belief the neoliberal orthodoxy of the Washington Consensus. Thus issues such as food security for conflict prone areas where market access is limited, or how restructuring and privatization of the agricultural and fisheries sectors along with basic resources like water may lead to social conflict and a new cycle of violence, is overlooked.

Ironically, the global post-conflict industry and its technical experts may be one of the main impediments to building locally owned sustainable peace processes in conflict torn societies in the global south. Though listening to the "Voices of the Poor" or IDPs by ADB and World Bank consultants has become fashionable and institutionalized in the post-conflict and development industry, at the policy level, local and national stakeholders are not consulted. Multilateral Agencies like the Bank and UN like donors cannot be assumed a-priori to be disinterested given that they and their staff form part of an international post-conflict reconstruction industry that mainly benefits the economies and industries of the Euro-American world while exacerbating global and national inequality. International post-conflict and humanitarian agencies and interventions aimed at settlement are not always detached,

disinterested, well meaning, and hence inherently effective. Indeed at a policy level, these agencies do not appear to be accountable nor do they have the operational flexibility and necessary expertise to be accountable in a broader sense to the citizens of the country they work in. Hence the need for Validation workshops of needs assessments that constitute local rubber stamps and lip service to civil society!

There is a need for a paradigm shift in the policy frames and operational procedures of these agencies to enable policy-making that is appropriate for the needs of a country rather than international capital. At a policy level these agencies tend to act as if they are only responsible to their respective funders and the interests of multinational corporations, rather than to the people of the country where they work. There are several ways in which the aid industry may have a negative impact on the peace process.

1. The industry's delays are seen by the LTTE as caused by the GoSL and the conflictive relationship between the two parties is exacerbated by donor timetables and lack of access to information and analysis.
2. The industry's programmatic priorities (infrastructure projects) are not that of the people most in need of assistance (fisheries and agriculture sector development). This mis-fit in orientation may lead to war down the road.
3. The undervaluing of social analysis and local knowledge often makes for inadequate policy and projects and programs that are locally unsustainable in the long run.
4. International contractors, administration and technical experts and bureaucracy often on a far larger scale than local government administrators and bureaucrats consume the funds.

One important implication of this situation is that research and intervention in the field of conflict and peace building must be premised on a more sophisticated critique of international political economy, and of the relationship between local and global economic interests and embedded knowledge hierarchies in post-conflict reconstruction and peace processes. The local – global knowledge and information gap in the post-conflict industry is partly an effect of the fact that research and intervention aimed at conflict settlement is often initiated, funded, and carried out by external parties.

The role, value and exit strategies of international actors in the post-conflict reconstruction process needs to be constantly evaluated, monitored and assessed. Indeed the GoSL and the LTTE must co-operate on this issue, if Sri Lanka is to regain the peace process and chart its own post-conflict development policy. This is necessary if the post-conflict process is to benefit the people who have been affected by the war rather than the global post-conflict industry, and if aid is not to become cause for a new cycle of war. The issue of accountability, transparency and responsibility of donors and the multilateral agencies has to be placed up front and center. Likewise for bi-lateral donors.

Recommendations towards regaining the reconstruction process

1. A conflict impact assessment of macro-economic policies including structural and sector adjustment programs (particularly in key sectors such as fisheries and agriculture), focused on increasing inequality, that renders societies and regions vulnerable to conflict and violence. Currently INGOs and donors conduct conflict impact assessments of particular projects but there is little attempt to analyse macro-economic policies and their conflict implications.

2. Capacity building for policy making and ownership: priority must be given to local capacity and institution building at the research development and policy-making level as well as at the grass roots level. International experts must be required to work with national experts particularly in framing questions and identification of priorities. Cooperation should be fully consultative rather than a matter of lip service to "local stake-holders." This is especially so if the people of Sri Lanka are to own the post-conflict agenda and process and benefit from it. The effort should be to knowledge transfer and training of local persons and institutions to take on responsibilities of technical nature (e.g. de-mining, mine risk education), with clear time frames and exit strategies for internationals.

3. Rationalizing the industry and elimination of knowledge hierarchies. Compile a roster of local institutions, social scientists and technical expertise and organize a dialogue on donor responsibility, accountability and transparency in partnership with

national academic institutions and policy NGOs. There is a need to rationalize consultancy fees and to eliminate gross disparities in remuneration and undervaluing of national and local knowledge in the interests of international expertise and technical knowledge. Guidelines for payments for consultants need to be jointly formulated in a manner that rationalizes and eliminates glaring information asymmetries that result in dramatic market imperfections, with priority given to national expertise. Consultant hiring processes and tender processes to be made transparent. True humanitarians with skills often work at local rates with local NGOs and community based organizations.

4. Budgets of the multilateral agencies and of the current Needs Assessment should be clear about budget assumptions and have clear program and administrative costs breakdowns.

Notes

1 This paper is part of a study undertaken with the Fulbright New Century Fellows 2003 Working Group on Mapping Peace Processes and the Global Post-Conflict Industry.

2 The Multilateral Agencies Needs Assessment is of a technical nature and its focus and priorities appear to be of a different order than the needs of the communities of the north and east, and more in keeping with the developmental focus and emphasis of these agencies. This is reflected in an urban bias and a focus on big business and large-scale infra-structure projects. For instance though fisheries and agriculture constitute the backbone or eyes of the economy, the fisheries sector is given little emphasis. ■



lines

lines is a magazine that engages with the political spaces of Sri Lanka. We seek to provide a forum that inspires and challenges us to critically scrutinize the terms of received debates, and enable alternative political imaginaries.

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WHAT WENT WRONG?

The LTTE's pull-out from the Peace Talks –A comment

Sumanasiri Liyanage

Suspension of the peace negotiations for “the time being” by the Liberation Tigers of Tamil Eelam (LTTE) may have been a bolt from the blue for some observers of the peace process. The initial reaction to it of the head of the government’s negotiating team, Minister G. L. Peiris, as told to the BBC was complete surprise. However, for those who have been following the events closely and objectively since the Oslo talks, the development is not surprising. Just before the sixth round of talks in Hakone, Japan, in my article entitled “Will the Peace Talks Collapse?” I doubted that the negotiating parties were not addressing issues with a view to find an agreeable solution. Moreover, the developments that have taken place since the sixth round of peace talks have raised problems regarding the peace process, and of the peace talks in particular.

The LTTE’s decision to pull out for the time being appears to be a tactical move that will not lead to an inevitable or immediate breakdown of the ceasefire agreement already reached between the GoSL and the LTTE. In his letter to the Prime Minister, Dr Anton Balasingham has reiterated the LTTE’s “commitment to seek a negotiated political solution to the ethnic question”. President Kumaratunga expressed her “deep dissatisfaction” at the LTTE’s unilateral suspension of negotiations with GoSL, but hoped that “better sense would prevail” and that the rebels would re-enter negotiations. The Prime Minister noncommittally stated in his letter to the rebels: “I have noted your concerns and will be responding to them in full”. So far the Norwegian facilitators have not commented. Though the negotiation process may be resumed, and may deal with some of the contending issues, the final and basic question concerning the peace process would remain unresolved.

Concerns of the LTTE

What factors have led the LTTE to withdraw from the talks? The proximate cause seems to be its exclusion from the pre-donor meeting held in Washington. Dr Balsingham in his letter to the Prime Minister explained that the meeting should have been organized in another country as it was clear that the LTTE as a banned organization in the USA would not be given visas for its members to enter the country. Participation at the talks seemed less important for the LTTE than establishing its stature worldwide as a liberation movement. It is for this reason that its participation at international meetings and fora are very important. Irrespective of the outcome of such meetings, its presence at them may be an indication of its recognition by the international community, especially the Western industrial countries. Dr Balasingham

charged the GoSL with trying to ‘marginalize’ the LTTE in the eyes of the international community. Conscious of discriminatory treatment of the LTTE vis-à-vis the international community the LTTE has been wanting to assert itself as an equal partner of the GoSL. However, this alone may not sufficiently explain its withdrawal from the talks.

The negotiation process appears to have held four main objectives for the LTTE:

1. Gaining international recognition and revoking the proscription of the organization in the USA, UK, Canada and Australia;
2. Gaining access to government-controlled areas in Jaffna under the normalization clause of the MoU;
3. Freedom of movement at sea, without any ban on fishing;
4. Full control of rehabilitation process in the Northern and Eastern Provinces.

The peace process in the last 14 months, involving six rounds of talks between the LTTE and the GoSL, has not shown a clear progress in achieving these aims. First, the LTTE is still a banned organization in those countries, with the likelihood of its de-proscription reviewed in the light of an alteration in its conduct in the coming period. Secondly, rehabilitation of IDPs in high security zones especially in Jaffna has been postponed because of the security concerns of the GoSL security forces. This has significantly blocked the LTTE’s access to Jaffna, ‘the cultural capital of the Tamil people’. Thirdly, the LTTE’s sea movements have been hindered; 14 LTTE sea tigers were killed, and one of its ships was destroyed in a naval confrontation with the Sri Lankan Navy. Finally, regarding the reconstruction of the North and East, the international community seems to be imposing conditions on the granting of assistance. Such a perspective appears to be incompatible with the politico-military aims of the LTTE, in regard to the enlistment of military cadres – and of children especially, resource allocation, and monopoly of power. Restoring the multi-ethnic character of the Northern and Eastern provinces through rehabilitation of Muslim IDPs might have been seen by the LTTE as a threat in this regard. All these might have disturbed the LTTE cadres as well as its leadership, although these problems seem partly to have been produced by its own strategies.

The LTTE in its peace negotiations has adopted a two-stage strategy that emphasizes humanitarian needs first, while deferring the issues relating to the Tamil national question after realizing the

humanitarian needs. This strategy is inherently illogical since the two needs are not totally exclusive. Humanitarian needs cannot be totally realized without discussion of the question of the transfer of power to the people. People cannot reap the benefits of peace (the so-called peace dividend) unless they are allowed into the process of political decision-making. The problem here is of representation. No one can be a sole and responsible or authentic representative of another; for representation to become representative, a continuous democratic engagement is essential. There is thus a convergence between immediate humanitarian needs and the political needs of the Tamils when the military confrontation comes to an end. In a non-military situation, Tamils would want other forms of intervention to realize their humanitarian needs. The LTTE either does not recognize the presence of this convergence of demands or it deliberately separates them to strengthen their negotiation strategy. Unless the LTTE recognizes the convergence and adopts an appropriate strategy, this question would become increasingly as the peace negotiations advance significantly.

Other Factors

In addition to problems arising from the LTTE strategy, there seems to be other reasons to which the stalling of talks may be attributed. The impasse may thus be attributed to (1) the faulty strategy and approach of the GoSL and (2) the unrealistic approach of the Norwegian facilitation. First, the negotiation strategy of the GoSL was a classic example of “soft” negotiation. The resolution of issues would require the parties concerned to be able to develop new options regarding the process of negotiation. Therein lies the difference between the “soft” approach and the “integrative” approach – of which there was clear evidence in the way the GoSL negotiators handled the issue of high security zones. In an earlier article, I emphasized that the problem of HSZs may be resolved if the two parties deviate from their original position and try to develop fresh alternatives that secure their mutual interests. Sweeping issues under the carpet would affect the process adversely. Secondly, for there to be positive results by way of an agreement, the process should gradually be widened and deepened. The press communiqué issued by the Royal Norwegian Government after the talks in Hakone declared that “the parties re-iterated their commitment to develop a federal system based on self-determination within a united Sri Lanka”. The idea of federalism was flagged first in the

third round of talks in Oslo; the issue of gender participation was raised at the fourth round of talks in Thailand; and the issue of human rights was taken up at the fifth round of talks in Berlin.

Although these issues were taken up, it appears that no attempts were made to discuss them seriously and at depth. I wrote in February: “The way in which issues were taken up in the last three rounds of talks appears to be unsatisfactory. Of course the issues of federalism (Oslo talks), gender participation (Thai talks), human rights and child soldiers (Berlin talks) were taken up: but they were taken up not in [a] substantive manner but in a cosmetic fashion” (*The Island*, Midweek Review, February 19, 2003). This was equally evident from the report submitted by Ian Martin to the discussion in Hakone. Only Minister Rauf Hakeem wanted it to be discussed. A widening of the process involves bringing in new stakeholders and new issues to the scene, while the process of deepening include addressing the problems in their complexity. In what took place there was neither widening nor deepening, in consequence of which at Oslo there was only a sort of stagnation. Thirdly, the two parties at present seem to be serious only about foreign assistance and its allocation. The inclusion of fiscal federalism as the principal subject at the sixth round of discussion reveals a lack of seriousness in dealing with issues. The term ‘fiscal federalism’ is used to denote simply the allocation of foreign funds for North-East reconstruction.

The LTTE clearly has come to suspect that the GoSL has been trying to use them and the peace process in order to get foreign financial assistance – in Sinhala ‘*kade yema*,’ and as part of a broader strategy of economic liberalization and development. “**Regaining Sri Lanka**”, the document Dr Balasingham has criticized, demonstrates that for the GoSL peace and North-East reconstruction are part of another goal. There has been no recognition that the specific issues pertaining to the peace process are important in their own right and are not a means of realizing other goals. Finally, there is a basic flaw in the Norwegian facilitation methodology, the shallowness of which Edward Said has clearly shown a propos the Norwegian-led peace process in the Middle East. In the dark tunnel to which the Norwegian approach has taken the two parties, there is no realistic conflict resolution. I will deal with this last aspect in more detail in a separate article. ■

THE DYNAMICS OF A STALEMATE

Devanesan Nesiah

For negotiations to progress, for justice and security to be established, for normalcy to return, for the peace dividends to reach the populations most affected, several critical reforms need to be adopted. Some of these may require the retraction of steps unilaterally decided on purportedly in the interest of security. For example, the crippling restrictions on fishing in the seas off the North and East may need to be relaxed after negotiating arrangements for mutual security. Further, the bulk of the northern High Security Zone which covers vast tracts of once densely populated areas with fertile agricultural lands may need to be vacated to permit the resettlement of thousands of displaced families, after negotiating required security provisions. Similarly, Sinhala, Tamil and Muslim populations displaced from many parts of the North and East may need to be helped and encouraged to resettle in the lands they vacated or, even if they are reluctant to do so, to reclaim their property, after ensuring the safety of all concerned. A large, varied range of other essential reforms are also needed to be undertaken early but carefully and in consultation with the parties involved. Care and consultation are necessary to ensure that these essential reforms are speedily implemented but in such a manner as not to lead to disaster.

There are other questions that warrant even greater circumspection. Should the Sri Lankan Armed Forces totally vacate their presence in the North and East? Should the Sri Lankan Navy scale down its presence in the seas off the North and East? Should the LTTE disband its Navy (Sea Tigers)? Should the LTTE dismantle its administrative, policing and judicial structures and its control of the Kilinochchi and Mullaitivu districts and other areas now effectively under their charge? In the context of the MOU and continuing ceasefire, should the Sri Lankan Armed Forces and the LTTE sharply scale down their military capacity and levels of combat preparedness to pre-conflict norms? If either party is willing to take such steps unilaterally, would that strengthen the peace process? Or could it precipitate war?

Overall, the ceasefire declared by the LTTE in Dec. 2002, promptly reciprocated by the UNF government, and sealed by the MOU of Feb. 2003 has held. There have been many instances of breaches of the ceasefire and MOU by both parties, but none of these has led to either party repudiating the ceasefire or MOU. On the other hand, both sides appear to have retained virtually all of the military capacity they possessed in Dec. 2002; their military camps and areas under their control; their military cadres, augmented with fresh recruitment; their weaponry, supplemented with new purchases; their military intelligence gathering and morale boosting activities, etc. Is there a contradiction between the ceasefire and

MOU on the one hand, and sustained preparedness for war on the other?

To address this question we need to remind ourselves of the circumstances in which the ceasefire and MOU emerged. Would these have materialized if either side had (or even believed that it had) the capacity to win militarily? After seventeen years of a terrible war that had inflicted massive losses to combatants on both sides and, even more, to helpless civilians, would it have made sense for either party to renounce the war if achieving victory seemed possible? The answer, surely, is no. As in many such instances elsewhere, a critical factor, as in the Sri Lankan case, was a prolonged, mutually hurting military stalemate.

In a game of chess, it is possible to win, lose or draw without erratic play on either side. The superior skill of one player may be so overpowering as to secure a win, or may be adequate only to ensure a draw. Often in a drawn position (i.e. one in which neither party has the capacity to force a win without erratic play by the other), play could go on indefinitely till either party makes a fatal error or the two parties agree to a draw. A stalemate is a very special situation in which the two players are deadlocked with neither party having a move available to break that deadlock; no further play is possible and a draw is forced. But in conflict situations, unlike in chess, moves could be retracted and erratic steps could transform a stalemate position into a crisis point or a watershed with multiple possibilities. These could include progress to negotiations (hopefully leading to a solution to the crisis), or a regression (back to war); or the parties could remain deadlocked (e.g. as in Cyprus) in no win – no loss, no peace – no war positions.

Why did the two parties persist in terrible, mutually agonizing combat for 17 years? Because winning the war was, by far, each side's first preference. It appears that both sides have now set aside this option, not because it has become less desirable but because it has proved to be unattainable. What they are now engaged in, negotiating a settlement, is a difficult and risky venture – perhaps even more difficult and more risky than waging all out war, and less attractive in that whereas in a war the victor could expect to enjoy the spoils, in the case of a negotiated solution or a bloodless coup, those responsible for success are seldom the main beneficiaries. Frequently the outcome may be unpredictable and some of the key negotiators may even disappear from the scene during or after the negotiations, even if they had played a critical role in its success. There have been many instances, in many parts of the world, of this happening through assassination, or deposition, or marginalization for one reason or the other. Gandhi in India,

Mossadeq in Iran, Naguib in Egypt, Lumumba in the Congo, and Allende in Chile are a few of the numerous examples that could be cited. Thus prolonging the status quo undisturbed by a prolonged, low intensity conflict with or without inconclusive negotiations may be the second preference of the leadership. But this option too has proved to be unbearably costly to both parties in Sri Lanka. Abandoning war altogether and engaging in decisive negotiations may be only the third preference, eventually resorted to when the other options (a decisive win, and a prolonged low intensity conflict) have closed. This appears to be the situation now in Sri Lanka.

In instances in which a military stalemate is an essential precondition for successful negotiations, any unilateral dropping of defences by either side could dislodge the stalemate and be counter productive. It could be not only suicidal, but also the trigger for the resumption of war. Every step needs to be taken carefully and without disturbing the military stalemate. But, subject to this caution, many urgent initiatives are needed to quickly and substantially reduce the military build up and level of combat preparedness so as to sustain progress towards a just and lasting peace. ■

AFTER THE WINNING OF THE IRAQ WAR

Eric Hobsbawm

*F*or those with a long memory and an understanding of the ambitions and history of previous empires—and their inevitable decline—the present behaviour of the United States is familiar and yet unprecedented. It may lead to the militarisation of the US, the destabilisation of the Middle East and the impoverishment, in every way, of the rest of the world.

THE present world situation is quite unprecedented. The great global empires that have been seen before, such as the Spanish in the 16th and 17th centuries, and notably the British in the 19th and 20th centuries, bear little comparison with what we see today in the United States empire. The present state of globalisation is unprecedented in its integration, its technology and its politics.

We live in a world so integrated, where ordinary operations are so geared to each other, that there are immediate global consequences to any interruption—SARS, for instance, which within days became a global phenomenon, starting from an unknown source somewhere in China. The disruption of the world transport system, international meetings and institutions, global markets, and even whole economies, happened with a speed unthinkable in any previous period.

Technology

There is the enormous power of a constantly revolutionised technology in economics and above all in military force. Technology is more decisive in military affairs than ever before. Political power on a global scale today requires the mastery of this technology, combined with an extremely large state. Previously the question of size was not relevant. Britain that ran the greatest empire of its day was, even by the standards of the 18th and 19th century, only a medium-sized state. In the 17th century, Holland, a state of the same order of size as Switzerland, could become a

global player. Today it would be inconceivable that any state, other than a relative giant—however rich and technologically advanced it was—could become a global power.

There is the complex nature of today's politics. Our era is still one of nation-states—the only aspect of globalisation in which globalisation does not work. But it is a peculiar kind of state wherein almost every one of the ordinary inhabitants plays an important role. In the past the decision-makers ran states with little reference to what the bulk of the population thought. And during the late 19th and early 20th century governments could rely on a mobilisation of their people which is, in retrospect, now quite unthinkable. Nevertheless, what the population think, or are prepared to do, is nowadays more directed for them than before.

A key novelty of the US imperial project is that all other great powers and empires knew that they were not the only ones, and none aimed at global domination. None believed themselves invulnerable, even if they believed themselves to be central to the world—as China did, or the Roman empire at its peak. Regional domination was the maximum danger envisaged by the system of international relations under which the world lived until the end of the cold war. A global reach, which became possible after 1492, should not be confused with global domination.

The British empire in the 19th century was the only one that really was global in a sense that it operated across the entire planet, and to that extent it is a possible precedent for the American empire. The Russians in the communist period dreamed of a world transformed, but they knew well, even at the peak of the power of the Soviet Union, that world domination was beyond them, and contrary to cold war rhetoric they never seriously tried such domination.

Bases

But the differences between today's US ambitions and those of Britain of a century and more ago are stark. The US is a physically vast country with one of the largest populations on the globe, still (unlike the European Union) growing due to almost unlimited immigration. There are differences in style. The British empire at its peak occupied and administered one quarter of the globe's surface⁽¹⁾. The US has never actually practised colonialism, except briefly during the international fashion for colonial imperialism at the end of the 19th century and the beginning of the 20th century. The US operated instead with dependent and satellite states, notably in the Western hemisphere in which it almost had no competitors. Unlike Britain, it developed a policy of armed intervention in these in the 20th century.

Because the decisive arm of the world empire was formerly the navy, the British empire took over strategically important maritime bases and staging-posts worldwide. This is why, from Gibraltar to St Helena to the Falklands Islands, the Union Jack flew and still flies. Outside the Pacific the US only began to need this kind of base after 1941, but they did it by agreement with what could then genuinely be called a coalition of the willing. Today the situation is different.

The US has become aware of the need directly to control a very large number of military bases, as well as indirectly to continue to control them.

There are important differences in the structure of the domestic state and its ideology. The British empire had a British, but not a universal, purpose, although naturally its propagandists also found more altruistic motives. So the abolition of the slave trade was used to justify British naval power, as human rights today are often used to justify US military power. On the other hand the US, like revolutionary France and revolutionary Russia, is a great power based on a universalist revolution—and therefore based on the belief that the rest of the world should follow its example, or even that it should help liberate the rest of the world. Few things are more dangerous than empires pursuing their own interest in the belief that they are doing humanity a favour.

The basic difference is that the British empire, although global (in some senses even more global than the US now, as it single-handedly controlled the oceans to an extent to which no country now controls the skies), was not aiming at global power or even military and political land power in regions like Europe and America. The empire pursued the basic interests of Britain, which were its economic interests, with as little interference as possible. It was always aware of the limitations of Britain's size and resources. After 1918 it was acutely aware of its imperial decline.

But the global empire of Britain, the first industrial nation, worked with the grain of the globalisation that the development of the British economy did so much to advance.

The British empire was a system of international trade in which, as industry developed in Britain, it essentially rested on the export of manufactures to less developed countries. In return, Britain became the major market for the world's primary products⁽²⁾. After it ceased to be the workshop of the world, it became the centre of the globe's financial system.

Not so the US economy. That rested on the protection of native industries, in a potentially gigantic market, against outside competition, and this remains a powerful element in US politics. When US industry became globally dominant, free trade suited it as it had suited the British. But one of the weaknesses of the 21st century US empire is that in the industrialised world of today the US economy is no longer as dominant as it was⁽³⁾. What the US imports in vast quantities are manufactures from the rest of the world, and against this the reaction of both business interests and voters remains protectionist. There is a contradiction between the ideology of a world dominated by US-controlled free trade, and the political interests of important elements inside the US who find themselves weakened by it.

Arms Trade

One of the few ways in which this weakness can be overcome is by the expansion of the arms trade. This is another difference between the British and US empires. Especially since the Second World War, there has been an extraordinary degree of constant armament in the US in a time of peace, with no precedent in modern history: it may be the reason for the dominance of what President Dwight Eisenhower called the "military industrial complex". For 40 years during the cold war both sides spoke and acted as though there was a war on, or about to break out. The British empire reached its zenith in the course of a century without major international wars, 1815-1914. Moreover, in spite of the evident disproportion between US and Soviet power, this impetus to the growth of the US arms industry has become much stronger, even before the cold war ended, and it has continued ever since.

The Cold War turned the US into the hegemon of the Western world. However, this was as the head of an alliance. There was no illusion about relative power. The power was in Washington and not anywhere else. In a way, Europe then recognised the logic of a US world empire, whereas today the US government is reacting to the fact that the US empire and its goals are no longer genuinely accepted. There is no coalition of the willing: in fact the present US policy is more unpopular than the policy of any other US government has ever been, and probably than that of any other great power has ever been.

The Americans led the Western alliance with a degree of courtesy traditional in international affairs, if only because the Europeans should be in the front line in the fight against the Soviet armies: but the alliance was permanently welded to the US by dependence on its military technology. The Americans remained consistently opposed to an independent military potential in Europe. The roots

of the long-standing friction between the Americans and the French since the days of De Gaulle lie in the French refusal to accept any alliance between states as eternal, and the insistence on maintaining an independent potential for producing hi-tech military equipment. However, the alliance was, for all its strains, a real coalition of the willing.

Effectively, the collapse of the Soviet Union left the US as the only superpower, which no other power could or wanted to challenge. The sudden emergence of an extraordinary, ruthless, antagonistic flaunting of US power is hard to understand, all the more so since it fits neither with long-tested imperial policies developed during the cold war, nor the interests of the US economy. The policies that have recently prevailed in Washington seem to all outsiders so mad that it is difficult to understand what is really intended.

Global Supremacy

But patently a public assertion of global supremacy by military force is what is in the minds of the people who are at present dominating, or at least half-dominating, the policy-making in Washington. Its purpose remains unclear.

Is it likely to be successful? The world is too complicated for any single state to dominate it. And with the exception of its military superiority in hi-tech weaponry, the US is relying on diminishing, or potentially diminishing, assets.

Its economy, though large, forms a diminishing share of the global economy. It is vulnerable in the short term as well as in the long term. Imagine that tomorrow the Organisation of Petroleum Exporting Countries decided to put all its bills in euros instead of in dollars.

Although the US retains some political advantages, it has thrown most of them out of the window in the past 18 months. There are the minor assets of American culture's domination of world culture, and of the English language. But the major asset for imperial projects at the moment is military. The US empire is beyond competition on the military side and it is likely to remain so for the foreseeable future. That does not mean that it will be absolutely decisive, just because it is decisive in localised wars. But for practical purposes there is nobody, not even the Chinese, within reach of the technology of the Americans. But here there will need to be some careful consideration on the limits of technological superiority.

Of course the Americans theoretically do not aim to occupy the whole world. What they aim to do is to go to war, to leave friendly governments behind them and go home again. This will not work. In military terms, the Iraq war was very successful. But, because it was purely military, it neglected the necessities of what to do if you occupy a country - running it, maintaining it, as the British

did in the classic colonial model of India. The model "democracy" that the Americans want to offer to the world in Iraq is a non-model and irrelevant for this purpose. The belief that the US does not need genuine allies among other states, or genuine popular support in the countries its military can now conquer (but not effectively administer) is fantasy.

The war in Iraq was an example of the frivolity of US decision-making. Iraq was a country that had been defeated by the Americans and refused to lie down: a country so weak it could be easily defeated again. It happened to have assets—oil—but the war was really an exercise in showing international power. The policy that the crazies in Washington are talking about, a complete re-formulation of the entire Middle East, makes no sense. If their aim is to overthrow the Saudi kingdom, what are they planning in its place? If they were serious about changing the Middle East we know the one thing they have to do is to lean on the Israelis. Bush's father was prepared to do this, but the present incumbent in the White House is not. Instead his administration has destroyed one of the two guaranteed secular governments in the Middle East, and dreams of moving against the other, Syria.

The emptiness of the policy is clear from the way the aims have been put forward in public relations terms. Phrases like "axis of evil", or "the road map" are not policy statements, but merely sound bites that accumulate their own policy potential. The overwhelming newspeak that has swamped the world in the past 18 months is an indication of the absence of real policy. Bush does not do policy, but a stage act.

Officials such as Richard Perle and Paul Wolfowitz talk like Rambo in public, as in private. All that counts is the overwhelming power of the US. In real terms they mean that the US can invade anybody small enough and where they can win quickly enough. This is not a policy. Nor will it work. The consequences of this for the US are going to be very dangerous. Domestically, the real danger for a country that aims at world control, essentially by military means, is the danger of militarisation. The danger of this has been seriously underestimated.

Instability

Internationally, the danger is the destabilising of the world. The Middle East is just one example of this destabilisation—far more unstable now than it was 10 years ago, or five years ago. US policy weakens all the alternative arrangements, formal and informal, for keeping order. In Europe it has wrecked the North Atlantic Treaty Organisation - not much of a loss; but trying to turn Nato into a world military police force for the US is a travesty. It has deliberately sabotaged the EU, and also systematically aims at ruining another of the great world achievements since 1945, prosperous democratic social welfare states. The widely perceived crisis over the credibility of the United Nations is less of a drama than it appears since the UN has never been able to do more than

operate marginally because of its total dependence on the Security Council, and the use of the US veto.

How is the world to confront—contain—the US? Some people, believing that they have not the power to confront the US, prefer to join it. More dangerous are those people who hate the ideology behind the Pentagon, but support the US project on the grounds that, in the course of its advance, it will eliminate some local and regional injustices. This may be called an imperialism of human rights. It has been encouraged by the failure of Europe in the Balkans in the 1990s. The division of opinion over the Iraq war showed there to be a minority of influential intellectuals, including Michael Ignatieff in the US and Bernard Kouchner in France, who were prepared to back US intervention because they believe it is necessary to have a force for ordering the world's ills.

There is a genuine case to be made that there are governments that are so bad that their disappearance will be a net gain for the world. But this can never justify the danger of creating a world power that is not interested in a world that it does not understand, but is capable of intervening decisively with armed force whenever anybody does anything that Washington does not like.

Against this background we can see the increasing pressure on the media - because in a world where public opinion is so important, it is also hugely manipulated⁽⁴⁾. Attempts were made in the Gulf war, 1990-91, to avoid the Vietnam situation by not letting the media near the action. But these did not work because there were media, for example CNN, actually in Baghdad, reporting things that did not fit the story Washington wanted told. This time, in the Iraq war, control again did not work, so the tendency will be to find yet more effective ways. These may take the form of direct control, maybe even the last resort of technological control, but the combination of governments and monopoly proprietors will be used to even greater effect than with Fox News⁽⁵⁾, or Silvio Berlusconi in Italy.

How long the present superiority of the Americans lasts is impossible to say. The only thing of which we are absolutely certain is that historically it will be a temporary phenomenon, as all these other empires have been. In the course of a lifetime we have seen the end of all the colonial empires, the end of the so-called Thousand Year Empire of the Germans, which lasted a mere 12 years, the end of the Soviet Union's dream of world revolution.

Empire's Future

There are internal reasons why the US empire may not last, the most immediate being that most Americans are not

interested in imperialism or in world domination in the sense of running the world. What they are interested in is what happens to them in the US. The weakness of the US economy is such that at some stage both the US government and electors will decide that it is much more important to concentrate on the economy than to carry on with foreign military adventures⁽⁶⁾. All the more so as these foreign military interventions will have to be largely paid for by the Americans themselves, which was not the case in the Gulf war, nor to a very great extent in the cold war.

Since 1997-98 we have been living in a crisis of the capitalist world economy. It is not going to collapse, but nevertheless it is unlikely that the US will carry on with ambitious foreign affairs when it has serious problems at home. Even by local business standards Bush does not have an adequate economic policy for the US. And Bush's existing international policy is not a particularly rational one for US imperial interests—and certainly not for the interests of US capitalism. Hence the divisions of opinion within the US government.

The key issue now is what will the Americans do next, and how will other countries react? Will some countries, like Britain - the only genuine member of the ruling coalition - go ahead and back anything the US plans? Their governments must indicate that there are limits to what the Americans can do with their power. The most positive contribution so far has been made by the Turks, simply by saying there are things they are not prepared to do, even though they know it would pay. But at the moment the major preoccupation is that of—if not containing—at any rate educating or re-educating the US. There was a time when the US empire recognised limitations, or at least the desirability of behaving as though it had limitations. This was largely because the US was afraid of somebody else - the Soviet Union. In the absence of this kind of fear, enlightened self-interest and education have to take over.

Notes

(1) *The Age of Empire 1875-1914*, Weidenfeld and Nicolson, London, 1987.

(2) Op cit.

(3) Chalmers Johnson, *Blowback: The Costs and Consequences of American Empire*, Owl Books, 2001.

(4) "France protests US media plot", *International Herald Tribune*, 16 May 2003.

(5) Eric Alterman, "United States: making up the news", *Le Monde Diplomatique*, English language edition, March 2003.

(6) "US unemployment hits an 8-year high", *International Herald Tribune*, 3 May 2003. ■

JULY 1983

In July 2001, President Chandrika Kumaratunga appointed the Presidential Truth Commission on Ethnic Violence (1981-1984). The Commission's report was published in September 2002. The following are excerpts of the Report, dealing with violence in July 1983.

Ten days of widespread of violence

107. From Monday 25th July, for ten days, widespread violence directed against the Tamils sent Tamil men, women and children nowhere to go except the refugee camps and the homes of kind Sinhala and Muslim neighbours. It is necessary to emphasise the difficulties of giving a complete picture of these events, firstly because no official records of any investigations are available; secondly, almost all reports were censored at that time from publication and thirdly most of the victims are still living outside the country – some in south India, most of the others in Western countries. We have restricted these records to those who made representations, almost all of which were verified by a competent team of Investigators appointed by the Commission and to the accounts of those who were able to give oral testimony before the Commission. We are in no position sitting as we do, nearly 19 years after these events of July 1983 to give even a reasonably complete picture of the events of 1983.

108. The violations of human rights directed against the Tamils were unquestionably the worst in Sri Lanka's modern history. Killings, tortures and harassment of unarmed Tamils went hand in glove with the more widespread destruction and damage to Tamil homes, businesses and industries. Over 75,000 Tamils in Colombo alone and nearly a 100,000 in all, were temporarily located in nearly 27 refugee camps. Refugees in large numbers were sent to the North by ships since the government had failed to stop the violence which raged over a period of 10 days.

109. The government acknowledged a death toll of nearly 350 in all, but Tamils claimed the number of deaths to be over a thousand. We have no basis to report on the number of deaths or the extent of damage to properties, with any degree of accuracy, for reasons referred to elsewhere in this Report.

110. Amongst the more prominent of the events of July 1983 were the killing of 51 Tamils in the North of 24th July by army personnel, the destruction of 175 Tamil houses, with one death and a dozen injured in Trincomalee on 25th July by Navy personnel, the killing of 35 Tamil prisoners by fellow prisoners at Welikada Jail Colombo on 25th July, followed by the killing of a further 18 Tamil prisoners at the same prison on 27th July. We have dealt with the killings inside the Welikada Jail elsewhere. (Vide paragraphs 152 onwards).

No appeal to stop violence

111. We have faulted the then government, in several places of this report for both acts of omissions and commissions, in the run up to

the events that resulted in the communal conflagration of July 1983. But more importantly, the government was guilty of gross negligence in failing to appeal to the people for restraint, peace and calm on July 25th, 26th and until the evening of July 27th. There was not a single leader of Cabinet rank to at least appeal to the law-breakers to stop violence apart from the government's failing to perform its fundamental obligations to protect the life and property of its citizens, even by recourse to force. There were witnesses who testified that this was due to the complicity of a section of the government in 'teaching the Tamils a lesson,' for the terrorism in the North.

112. The Government appears to have awakened to its responsibilities only on the evening of 27th July – the third consecutive day of extensive violence, perhaps following the call from the Prime Minister of India Mrs. Indira Gandhi to the Sri Lankan president, informing him that she thought it fit for her Foreign Minister Mr. Narasimha Rao to personally visit Sri Lanka the following day, to get a first hand assessment of troubles in Sri Lanka, which he did the following day.

President's speech with no apologies

113. The Cabinet which met the same night of 27th July 1983, was appraised of the Indian Foreign Minister's visit. It was only on the evening of 28th July 1983 that President Jayawardena made a televised speech to the Nation and appealed to the people 'to lay down their arms.' The 'Dawasa' a Sinhala daily of 29th July 1983, reported in banner headlines, the President's speech as follows:

“Sinhala Abhilashaya itu karami)
Rata dekata kadannata ida nothem) in Sinhala

“I will fulfil Sinhala aspirations.
I will not allow the country to be divided.”

114. In the President's speech there was no message to the victims and no apologies. The President however acknowledged the Government's failure to solve the Tamil problem as promised in the 1977 manifesto of his party. In the President's Speech there was a message that the government understands the feelings of those who created trouble. Shortly thereafter on 20th July, Minister of State Mr. Anandatissa de Alwis blamed the JVP, the Communist Party and Dr. Wickremabahu Karunaratne's NSSP as being behind the violence, alleging the existence of 2nd Naxalite plot. But, there was no evidence of any left complicity in the events of July 1983 and the allegation was soon given up, without a single prosecution but only after the detention of large numbers of left leaders and activists.

115. If the Indian Prime Minister's despatch of her Foreign Minister to Colombo did give a surprise to the Sri Lanka government, it did not appear to have softened President Jayawardena's tough stand on the question of Tamil terrorism. Going by the text of the headline given by the 'Dawasa' daily, 'Sinhala aspirations will be fulfilled and the country will not be allowed to be divided' – "Sinhala Abhilashaya itu karami. – Rata Dekata kadannata ida nodemi" It would appear that four days of intense violence against innocent Tamils in the country did not bring about any remorse or regret upon the President to convey the apology of a nation to the plight of a section of its people, even as a large number of well meaning Sinhala neighbours protected the Tamils. Indeed, the Dawasa lead story of the President's televised address to the Nation itself would have given the trouble-makers encouragement and comfort that the head of the State was truly with them, if there had been any doubt about it. The attacks on Tamils continued for five more days, even after the Head of state addressed the Nation. Sad to record that the 'Dawasa' as well as most of the other media failed to douse the flames by reflecting on the horrors suffered by the innocent Tamils, in their hour of need. To give prominence to 'Sinhala aspirations' at a delicate time when the innocent women and children would have doubtless given the message that the media too was united with the political leadership and the hoodlums in 'teaching lessons.' We need add, only that, the nation was at its lowest ebb with a total breakdown of its moral responsibilities.

Separatism and the Sixth Amendment to the constitution

116. When the need of the hour was to appease the Tamil people and their leaders, notwithstanding the terrorism at that time of an insignificant number of Tamils, the parliament of President Jayawardena however moved swiftly on 4th August, 1983 to enact the Sixth Amendment to the Constitution after a single day's debate. The Sixth Amendment was to disavow Separatism, but the new result of the amendment was to compel the 16 TULF MPs to vacate their seats in Parliament and to throw the political leadership of the Tamils into the 'Tiger's lap.' The amendment further reinforced the belief that there was 'no remorse nor regret' for the events that had occurred.

The Report concludes with the following recommendations:

1. the President and the Prime Minister must give leadership to a new era of ethnic reconciliation and national unity;
2. the support and participation of the people of the country in the towns and the villages must be obtained and sustained by the country's leaders for the above purpose;
3. legislation similar to the South African, Promotion of National Unity and Reconciliation act No. 32 of 1995 be enacted to establish the legal framework for sustaining the process of ethnic reconciliation and to provide for the

elimination of all forms of racism and ethnic related discriminations:

4. the leadership, support and cooperation of religious leaders, the civil society, the media, the schools the police and the armed forces be ensured in the process of reconciliation and national unity;
5. the national unity and ethnic amity be fostered with due regard and recognition for pluralism and diversity;
6. the establishment of a just and fair governance that will eliminate all forms of racism and discrimination be promoted with perpetrators of discrimination losing the right to hold any public office for specified periods of time;
7. the media be made to recognize that sections from amongst them did contribute to the sustenance of ethnic misgivings and that they have a major responsibility to support and promote national unity and ethnic reconciliation with due regard for pluralism and diversity advertising on media which fail to promote ethnic reconciliation must be discouraged by the State as well as the private sector;
8. the government must pay; full compensation to the victims (or their dependents) on the basis of the Commission's Recommendations by publicly recognizing the trauma and sufferings the victims had to endure and as a warning to the perpetrators that economic destruction will be fully compensated; and strongly recommend that the government includes legal interest on the determined compensation as from 1983 till payment in full;
9. an Investigation Division of officers with police powers functioning entirely under the direction of the Human Rights Commission to apprehend and prosecute persons holding public office acting in violation of fundamental rights with particular reference to ethnic related discriminations be established with adequate legal powers;
10. the Human Rights Commission, in all cases on its own or upon complaints of unsatisfactory investigations by Police relating to ethnic violations or issues must take over and conduct investigations through its Investigations Division and ensure appropriate action;
11. the perpetrators of ethnic violence whether they be members of the public the police, the armed forces or the public service be prosecuted whenever any ethnic violence occurs in the future. The government must on the occurrence of any ethnic violence in the future forthwith appoint a high level National Committee reflecting as far as possible an equivalent number of persons of all ethnic groups and comprising the Attorney-General, Inspector General of

Police, Service Commanders, Secretaries to the relevant Ministries, Retired Judges of the Appellate and High Courts Chairman of Human Rights Commission, the Civil Society and the Media charged with the task of ensuring immediate action on all ethnic related violence. The national Committee must ensure that there is no cover-up of prosecutions;

12. Truth Commissions be appointed mandating to cover ethnic violence during the post-1984 period and to compensate all victims of ethnic violence and to achieve national unity and ethnic reconciliation. ■

COMMUNAL VIOLENCE JULY 1983

Statement by the Civil Rights Movement made in July 1983

The shock and horror of recent events when many Sri Lankans were hunted out, assaulted, killed, their homes and possessions destroyed, and places of business burnt, for no other reason than that they belonged to the Tamil community, permeate our lives today and will continue to do so for a long time to come. CRM expresses grief and concern at the suffering which so many have undergone. The breakdown of law and order on certain days when armed mobs roamed the city entering houses in search of Tamils, stopping cars and forcibly extracting petrol with which to set alight buildings, and commandeering vehicles, imperilled the safety and shook to the core citizens of all communities.

Background

An analysis of the recent disturbances and their background will take time; it will necessarily have to take into account the deterioration of relations between the Sinhala and Tamil ethnic groups to the point where it exploded in violence of a hitherto unprecedented degree. In recent years violence has been used by extremist elements on both sides. Such elements, among the Sinhalese, have, several times since 1958, resorted to generalised violence against the Tamil community resulting in great loss of life and property. Extremist elements among the Tamil people have, since the 1970s, resorted to various acts of violence primarily against the security forces and state institutions and property.

The present government has made certain attempts to meet the demands of the Tamil people. Tamil was declared a national language in the Constitution of 1978. Development Councils were established in 1980 with the avowed intention of devolving power in certain areas of activity to the district level. However, it was unfortunate that for one reason or another none of these measures were effectively implemented.

In this context, the hands of those who maintained that the aspirations of the Tamil people could be achieved only by violence were strengthened and acts of violence escalated. The state, then, armed itself with extraordinary powers in the form of the Prevention of Terrorism Act and set out to repress the violence by military force. Since the political and other causes for the growth of violence remained unsolved the efforts of the state to stamp it out were unsuccessful; in fact, it is probable that even more Tamil people

were embittered as a result of retaliation by some elements in the army and other security forces against the civilian population.

CRM has on numerous occasions drawn the attention of the government and the country to this deteriorating situation.

The continued existence of a violent separatist movement has contributed to an increasing state of irritation in the Sinhala community; encouraged by anti-Tamil racist propagandas which has been freely disseminated, it began to see the Tamil desire for self-determination as a threat to itself and to the country. The fact that violence has been used to meet criticism and political dissent in the country as a whole, including the Sinhala areas may well have encouraged the belief among certain sections of the population that the ethnic problem could be dealt with in a similar manner. However, CRM does not propose, at this stage, to embark on a comprehensive analysis of the reasons for this present outbreak of violence, which might to some extent explain but certainly not justify it.

CRM's Concerns

CRM will concentrate on some specific human rights issues – issues which relate directly to the responsibility of the state in protecting the basic rights of all persons within its territory without discrimination on the grounds of religion, race or political opinion.

(A) The massacre in the Welikada Prison

CRM is outraged at the massacre of the 53 Tamil prisoners and detainees who had been held at the Welikada Prison under the Prevention of Terrorism Act; in two separate incidents, the first on 25 July 1983, and the other two days later. It cannot be emphasised too strongly that the safety of persons in the custody of the State is a paramount responsibility of any government.

In the first incident, about 300 to 400 armed prisoners had allegedly broken out of their cells and attacked 35 Tamil detainees with iron bars and knives, killing them. The failure of the state in particular of the prison administration, to ensure safety of the prisoners and to quell the riot is aggravated by the second massacre in which 18

Tamil detainees were battered to death reportedly by other prisoners in a second prison riot. These 53 detainees included a few convicted of offences some others against whom charges were pending, and several against whom no charges had been levelled at all, but were being detained under the Prevention of Terrorism Act on suspicion or on alleged grounds of national security. At the magisterial inquiries into both incidents the deaths were held to be cases of homicide; the magistrate directed the police to make further inquiries as the prison officials who testified said they were unable to identify any of the persons responsible for the killings and to report the facts to Court producing before it any suspects.

CRM urges the government to expedite the police investigations of the 53 killings; in view of the larger issues involved. CRM urges the government also to order a comprehensive inquiry into these two alleged prison riots.

(B) Allegations of army retaliation against the civilian population in the North and of participation of elements in the army in the disturbances in the South

Allegations have been made of retaliation by the security forces against civilian persons and property both in the North and the East in the recent disturbances. A government spokesman has reportedly admitted the killing of 20 civilians by troops "on the rampage. In the Jaffna peninsula shortly after the ambush in which 13 soldiers were killed. CRM understands that no inquests were held in respect of these 20 deaths, the usual legal requirement being suspended under a recent emergency regulation.

In the Trincomalee district, according to an official report 130 sailors broke camp and caused extensive damage to houses and business establishments, including arson and were also responsible for one death and several persons receiving minor injuries.

These incidents need to be investigated immediately and the offenders brought to book.

Allegations have also been made of complicity by sections of the security forces in some of the unlawful activities of the recent weeks in Colombo district and elsewhere. It has now been officially admitted that this was so in the early days of the disturbances and that there had been reluctance on the part of some service personnel "to restrict the activities of the wrongdoers." Both sets of incidents now admitted tend to undermine public confidence in the integrity and reliability of the armed services in the maintenance of law and order.

CRM has always been conscious of the problems of law and order faced by the government in the North and does not deny the responsibility of the government to bring to book those responsible for violence against the state, including the killing of police and army personnel and civilians. It is equally conscious of the frustrations that may be felt by security forces called upon to face the results of unresolved problems that have their basis in the

political sphere. CRM, however, as any civil liberties organization must necessarily do, stresses that it is precisely at times when the security forces are faced with such difficulties and provocations that a government has a special responsibility to see that its forces act with discipline, that they do not retaliate against the civilian population, that even suspected "terrorists" are dealt with according to law and are not tortured or killed in custody, and that members of the minority community in other parts of the country are promptly and effectively protected against senseless and vicious "retaliatory" acts.

(C) Encouragement to lawlessness – the use of violence to solve political problems

CRM stresses that in assessing the reasons behind the recent holocaust, the alarming trend in recent years of a rapid erosion of respect for the law and for the rights of persons, often manifested in a resort to violence, should be seriously considered. An atmosphere has been created wherein persons who believe they have political protection feel they can break the law with impunity. As the government controlled newspaper the Daily News stated in its editorial of 20 August 1983: "We have seen men enjoying positions of responsibility conniving with hoodlums and rowdies in some cases actively inciting violence... The law, to be respected, must be enforced without fear or favour. There are people, probably, who fancy that they have the wit to flirt with thugs and thuggery, take what they want out of them, as one might of people of easy virtue, and then maintain a firm hand over them. To be so deluded is to ignore the lessons of history."

This phenomenon was certainly not unknown under previous governments – for instance, the earlier instances of post-election violence, the then ruling party's resort to thuggery at the Dedigama by-election in September 1973, and the Attanagalla events of May 1974. However, after 1977, it has assumed increasing proportions and a new dimension.

CRM lists in the annexure to this statement some examples which, taken in their totality, form a frightening picture and are a grim augury for the future.

In some instances, government responsibility is clear (for instance the promotion on two occasions of police officers found by the Supreme Court to have violated fundamental rights, and the disregard by the ruling party of the flagrant breaches of the law during the December 1982 referendum); in other instances, the complicity of the government or of elements within the ruling party must remain a matter of inference or conjecture. Such complicity is often given credibility in the public eye by allegations of police failure to intervene or to bring the miscreants to book. The history of such acts of unchecked thuggery has led to a general belief that the law can be broken with impunity if one is on the right side. The possibility cannot be discounted that the mobs which assaulted and killed Tamils in the days following July 23rd, burnt their homes

and possessions and places of business, and terrorised the general public in many places and the looters who followed in their wake, may well have been encouraged by the knowledge that many earlier instances of law-breaking have gone unpunished.

The above-cited editorial makes a similar point: "It is a known truth that people who have used devious methods to discredit the law and its institutions, staged massive attacks on men and houses under cover of curfew. Either we admit to these facts and correct them, or we will deceive ourselves again until there is another breakdown of law and order."

(D) Proscription of political parties and banning of newspapers

The government has alleged complicity, at least in some part of the events, of certain left parties, has taken the extreme step of proscribing them, is holding a number of their leaders in detention incommunicado without access to relatives or lawyers, has banned opposition papers and sealed presses (including the Dinakara press of the Sri Lanka Freedom Party against which it has NOT alleged any complicity, and has also suggested the involvement of an (unnamed) foreign power. However, the government itself did not feel it necessary to make a prompt public condemnation of the anti-Tamil riots and appeal for the maintenance of law and order and for protection for the Tamil community a circumstance which CRM finds extremely puzzling.

CRM at this stage makes no comment on the government's allegations or on the justifiability of the banning of the three

opposition parties, just as it made no comment at the time on the credibility of the alleged "Naxalite plot" which in November 1982 was given as the reason for extending the life of Parliament by means of a Referendum.

CRM does, however, point out that the steps taken are extreme: that banning political parties without revealing the reasons to the public is a very serious matter, which practice could lead in the future to a one-party state being created by emergency regulations; that no person should be detained a day longer than strictly required by the exigencies of the situation, and that detainees should be permitted access to relatives and lawyers and to proper and effective review of their detention by an impartial advisory board. In a situation of stringent censorship under the emergency providing for the pre-censorship of material for publication as well as imposing penalties of unauthorised publications or publications detrimental to national security, the banning of newspapers and sealing of presses appears excessive. The censorship powers appear more than sufficient to meet the needs of national security.

Conclusion

In view of the constitutional ban on the promotion of separatism, by word or deed, it is perhaps ever more urgent and necessary to enact legislation to prevent the public utterance or publication of material likely to incite hatred against the Tamil minority. ■

SECRETARY

NEVER AGAIN!

An Appeal to begin a process of reconciliation and healing!

Twenty years ago, on July 24th 1983, Sri Lanka experienced an outbreak of unprecedented and catastrophic violence against the Tamil people, which changed the entire destiny of our country. The scale of violence perpetrated against helpless people, the loss of lives and property, but above all the psychological harm it has done to victims and our society as a whole have been incalculable. The blatant violation of the rule of law and the killing of Tamil prisoners in custody in the Welikada prison on 25th and 27th of July reduced society to a state of lawlessness and brutality. The events of that period, remembered as 1983 Black July, created deep divisions of fear and insecurity amongst all peoples of the country. Black July generated a mass exodus from the country. It helped to nurture Tamil militancy, swell the ranks of Tamil militants and produce violent reprisals. These events have had many ramifications to date. It was the beginning of the civil war. It resulted in inhuman and brutal types of violence which engulfed our entire country and in which innocent Tamils, Muslims and Sinhalese, women, children and men underwent immense suffering time and again during the last twenty years. The perpetrators of the violence of July 1983 have gone unpunished.

The long silence and inaction of successive Governments are a shameful revelation of the state's unwillingness or incapacity to maintain the rule of law. After a lapse of 18 years, the Truth Commission was appointed by the last government to inquire into the violence during this period including the events of Black July. The report it has recently issued uncovers the criminal complicity and involvement of the various political actors and segments of society in the events of this period and acknowledges that a grave crime has been committed against a people. It is a belated acknowledgement. But shorn of any partisan recriminations, it can still mark the first step towards reconciliation and healing.

We should as a people and as distinct communities, have the resolve to say NEVER AGAIN!

All leaders of this country especially the President and the Prime Minister should apologize for the wrongs that have been committed. Such a public apology will go a long way in healing the deep wounds, fears and insecurity that continue to afflict our people. It will also set in motion a process of reconciliation and healing among the peoples of all three communities. We urge that the Government apportion due compensation to all affected directly by the violence of '83 July riots as a token of acceptance of responsibility.

We call upon the people of all communities in all parts of the country to set aside a few moments of silent remembrance and mourning on the 27th of July, recalling in particular those who suffered in Black July and also making it the occasion to remember all the innocent victims of the brutal civil conflict of the last twenty years.

National Anti-War Front
2003 July, 23

S. Sivaurunathan
Wimal Fernando

POWER DRESSING¹

Farzana Haniffa

‘You don’t look like a Muslim.’ This has been told to me in the past few years by neighbours, shopkeepers, sales persons and my driving instructor. Looking at my jeans and T-shirt and my uncovered head what they were really saying, of course, was that I didn’t dress like a Muslim.

It is certainly true that many Muslims today look and dress like Muslims. The veil or the hijab, with its corollary of the beard and Kurtha clad male, has taken over the landscape and made Muslim identity codefiable and identifiable through a particular form of dress. Since its introduction to this country in the early 1980s the hijab has mutated from an unbecoming table cloth like garment worn by a few zealots to an elegant costume with flowing lines that allows for endless variations of colour, shape and style. There are many thousands who wear it today and there are now shops dedicated solely to the sale of Abhaya and scarves. The irony of course is that there are hundreds and thousands of Muslims who are very clear about their identity as Muslims that do not subscribe to the new form of dress. However, they, and I think they are in the majority, are invisible and not the subject of today’s exposition.

The Sinhala nationalism and Tamil separatism of the 1980s saw the concomitant rise of extreme Islam in the country. In addition, the open economic policies of the late 1970s caused huge social disruptions and upheavals, chief amongst them the exodus of both skilled and unskilled Muslim labour to the middle east. During this time the Iranian and Saudi Arabian embassies provided funding for Islamic events and gifted Qurans to Islamic groups and schools. Together with the move to transform Islamic dress, people began to practice segregation of the sexes, abolish all “rituals” as unquranic and purge customs of “outside” influences. For instance, the thali was considered Indian and no longer relevant to Sri Lankan Muslims. Birthdays were not observed. Photography was said to be haram and idolatrous. There were groups who would visit the houses of “lapsed” Muslims and advise them on proper Islamic conduct. Finance company owners were urged to seek different avenues of business. Muslims were discouraged from working in banks.

Internationalized Islamism

Though the fervour of the late eighties and early nineties has subsided somewhat, Islamism has institutionalised itself in parts of the community. The very real threats to Muslim life and limb that took place in the north and east, the permanently displaced community in Puttalam only exacerbated many Muslims’ move towards reasserting their own identity. Dress remains the most visible of its manifestations and Hijab has many forms. Some

wear it as a signature scarf worn with everyday attire that cover wrists and ankles. Others wear the scarf with the Abhaya or cloak in different colours. The most orthodox wear the black cloak with a black headscarf and face veil. Whatever its permutation the “look” is very particular, the manner in which a scarf is worn clearly marks the Muslimness of the wearer. Today it has become a regular feature of Muslim life. Families that are otherwise quite liberal, or on the fence with regards to many practices of the new Islam, make the token gesture of having female members of their household wear the scarf.

The appeal that women personally feel towards the hijab is formidable. Several women I spoke to felt that, by wearing hijab they were contributing to the maintenance of Muslim society’s moral order. They also felt they were making a great personal sacrifice by cloistering their bodies for the sake of Islam.² Many conservative commentators on Islam have been very emphatic that hijab is in place to circumvent the possible damage to society posed by rampant sexuality. To the women who wear the Hijab this is a perfectly legitimate justification of their practice. One woman, Homa, an accounts assistant, told me that women were responsible for preserving the morality of the social order and that therefore it was up to them to refrain from throwing temptation in the way of men. Nisa, a teacher, stated that in matters of the body men are the weaker sex and that it was the women’s social responsibility to wear the hijab. In fact, Nisa also stated that seeing women dressed provocatively, she thinks not of the women but of the men, and how they must be dealing with such spectacles. However Nisa, the mother of three sons, also said that there was much about today’s practices of segregation that was troubling. Her boys rarely socialised with their girl cousins. She said she remembered her own childhood, playing cricket in the open and spoke of the close connection that she still feels with her cousins. She felt that the younger generation was missing out on something valuable about family life. But to Homa, a younger, more strident voice for the new Islam, this was a small price to pay. “Better safe than sorry,” she said. When I asked Nisa if she would feel the same way if she’d had girls, she smiled and admitted that she probably would not. Marina Rifai, an ophthalmologist stated that she believed in the segregation of the sexes. She said that human beings were wont to stray and that it was best to avoid practices that could lead to “improper” behaviour.

Stereotypes

The stereotypical rendition of Muslims as backward seem to have found their realization in the rigidity of some communities. “Fundamentalist” Islam, wherever it is practised,

often becomes a textbook example of institutionalised subjugation of women. The simplistic rhetoric of “liberation” used by the west in the case of Afghan women and the Taliban is a telling example of this confluence.³ It was even used as a part justification of the bombing of Afghanistan in the wake of the September 11th attack on the United States. Such analyses are often dangerous and capture little of the complexities of women’s lives.⁴ When speaking with so many women, the sense of purpose that they felt when choosing to wear the hijab was inescapable. In addition to the social responsibility that they seemed to feel was theirs, there was also the feeling of martyrdom that goes with the belief that one is making the supreme sacrifice for God. There was never at any moment a claim that wearing the hijab was a pleasure. Shahila, a thirty-year old mother of two who was not wearing hijab, said quite fervently that she admired those who did but that she, unfortunately, did not yet have the strength to make that sacrifice. Her feeling was that she would eventually do so. When I asked women how they felt to be wearing hijab they usually said, “I haven’t had any problems,” “I always thought I should get into it,” or “I didn’t find it too difficult.” There was no positive response, no embracing of the garb with any feeling of pleasure. Marina Rifai in fact said that “if Allah was to say, tomorrow, that hijab was no longer necessary, I would be the happiest.”

Dr. Marina Rifai is an ophthalmologist who is also a founder member of Al Muslimath, an Islamic educational institution for women. She is also the community’s most diligent proponent of the new dress. Her position on Hijab was unequivocal. “Hijab is a Wajib,⁵ a Farl,” she told me. “It is an obligatory duty that nobody has questioned. I know there are some people who question saying interpretations are different and so on... If so there must have been some ulema who said something ...(but) for the past 1500 years there hasn’t been a single ulema or for that matter a female ulema who has said that hijab is not (required) because it is a direct straight forward very clear order from Allah.”⁶

Hijab

Disputing my claim that hijab was a recent introduction to the country, Rifai insisted that the hijab had always been a part of the garb of Muslim women and was lost only because of colonialism, modernisation and the historically more recent moves towards female education. She says that there was only about 30 years or so (from the 50s to the 80s) during which Sri Lanka saw a lapse in the practice. Today with the refocusing on the Quran it has re-emerged. And this, she said, is happening all over the world.

There are a great many practical benefits to wearing the hijab. At the level of class there is a certain solidarity that the uniform garb, and the sentiment of martyrdom brings about among women. Further, for lower middle and working-class women the hijab makes sound economic sense. One woman, Zakiya, said that she sews her own hijabs for roughly about Rs.500.00. This is less than the cost of a saree. She also said “I don’t have to worry about what to

wear to weddings.” Zakiya also claimed that the Hijab gave women a certain feeling of safety. “Men don’t press against you in buses like they used to,” she told me.

Today Islamism’s initial fervour has abated. Those that feel they have a personal relationship to God continue to wear the hijab, consider themselves especially blessed, as “true” Muslims and fear for the after-life of those who don’t. Those who refuse the hijab embrace the conviction that theirs is a kind God, who has better things to do than constantly police potential lapses. They speak of the “Spirit” of the religion and find it ridiculous that it has been reduced to a puritanical preoccupation with sex. The less kind amongst them make fun of the cloaked “heebie jeebies” and wonder about the personal hygiene of wearing black layers in the Colombo heat. The most zealous Islamists still take it upon themselves to tell others that they should reform or suffer in the hereafter. These others are now less embarrassed about sticking to their skirts and blouses, jeans and t-shirts or sarees and salwar kamis.

However, to appear in public as a Muslim woman it has become necessary that one should cover one’s head.⁷ In some instances it is necessary that women are veiled.⁸ Further, the institutionalisation of the veil as uniform in Muslim schools has helped spawn a generation for whom hijab is the norm. This generation is not aware of the fact that their parents made a conscious choice to practise their religion in this manner. The fact that there are multiple ways in which one can have a relationship to ones faith, that there are enormous and perhaps unnecessary sacrifices that women are called upon to make in the pursuit of piety is not something that the new generation is aware of. The freedom of movement and of enjoyment of their bodies that women in Hijab deprive themselves of has completely fallen out of the equation. For many today things are as they should be, and always have been. There is a flowering of madrasas, the practice of Jamaath or teaching pilgrimages on which men go for days has become a popular pastime amongst young Muslim men. Muslim women find recourse to women’s study circles like those organized by Marina Rifai’s Al Muslimath. Thereby a wide religious education is being imparted to the community as a whole.

However, there is little room for criticism, and debate takes place only in relation to different details and levels of practice. These debates are often very emotional and sometimes turn violent. As a result of this resurgence in activity social life within these sections of the Muslim community becomes inevitably segregated and women become relegated to a role inside the household. Recently a rule regarding women’s travel, where they should not travel anywhere for more than three days unless accompanied by a father, son or a husband has been discussed. In this day and age it is distressing to think of what such practices will augur for women’s future access to rights and resources if unmediated by men. It is also a telling comment on the division of communities. The interaction between many of these Muslim women and women of other communities is becoming minimal. Unfortunately the more

liberal sections of the community offer no real public challenge to these developments and a level of polarisation is taking place. Today, Muslims subscribing to different dress codes hardly recognise each other.

A friend of mine recently related the following story to me. While relaxing at a hotel down south one afternoon my friend encounters a little Muslim girl and her father on the beach. The little girl in her long pants, kurtha and scarf is allowed to play in the surf while her veiled female relatives hover by the pool side sipping cool drinks and tending their babies. She gets into conversation with my friend relaxing on the beach in her bathing suit, and after a little while asks her what her name is.

“Zainub,” my friend tells her. The little girl is shocked.

“That’s a Muslim name no! That’s one of our names, that can’t be your name!”

“Yes it is,” Zainub replies.

“But you are not a Muslim!”

“But I am,” my friend tells her.

Notes

1 A version of this piece appeared in *Options* No 31. 3rd Quarter 2002, Women and Media Collective, Colombo, Sri Lanka.

2 I spoke to several veiled and non-veiled Muslim women about Hijab. They included professionals, housewives, women of different ages and class backgrounds, those who were clearly against wearing the hijab and those who were proponents of the dress.

3 It is well known today that it was not just the Taliban that was the problem in Afghanistan. The Northern Alliance according to the Afghan women’s group RAWA was said to be as bad if not worse.

4 It is in fact worth asking if Muslim regimes of various sorts derive any rhetorical value from positing themselves in such oppositional terms.

5 A farl or a wajib is a term used to indicate practices that are required of Muslims. Sunnah indicates actions taken by the prophet and those that are therefore recommended for all Muslims and haram indicates those that are forbidden.

6 Interview with author 11th March 2002.

7 Prominent non-veiled Muslim Women, Ms. Jezima Ismail, Chancellor of the Eastern University and Ms. Ferial Ashraff, MP both stated that they consider covering their head a necessary part of their public persona.

8 A comment had been made recently that the two Muslim representatives on the Women’s Committee, Faizun Zakaria and Fazeela Riyaz were both unveiled. ■

A press release by several women’s groups states:

WOMEN APOLOGIZE FOR THE EVENTS OF JULY 1983

We recall with deep regret and remorse the tragic events of July 1983 in which thousands of Tamil women, men and children lost their lives and homes due to politicized and organized ethnic violence.

We express our deep sadness at the bereavement, loss and grief suffered by families who lost loved ones, friends and cherished memories and acknowledge the wounding and scarring fear and trauma that has haunted the Tamil community since then.

We deeply regret the consequence of the violence that led to large scale displacement and forced thousands of Tamils to flee the country of their birth and seek refuge in countries across the world causing painful fragmentation of the Tamil community.

In this year which marks 20 years since the events of July 1983, one of the most horrendous ethnic pogroms of modern Sri Lanka, we wish to strongly condemn all the acts of commission and omission in July 1983 and its aftermath. We also strongly condemn the two decades of official silence with no acknowledgement or reparation to the Tamil community. We wish as women who have been working for a peaceful and just political solution to Sri Lanka’s ethnic conflict to apologize for the events of July 1983 and promise to make every effort to ensure that such a pogrom will never again be the fate of any ethnic community living in Sri Lanka.

It is our sincere hope that we, as women from all ethnic communities, can work together to sustain the current peace process and search for a lasting peace in our country which will protect the human and democratic rights of all our peoples. This is the real hope of the Sri Lankan Tamil community and all Sri Lankans who do not wish for a 1983 to ever happen again.

MOTHERS AND DAUGHTERS OF LANKA
WOMEN’S COALITION FOR PEACE
WOMEN’S FORUM FOR PEACE

THE TROUBLE WITH CAPITALISM

Sarath Perera

Harry Shutt, 1999, *The Trouble with Capitalism: an inquiry into the causes of global economic failure*, London: Zed Press, p. 256.

The historical backdrop Harry Shutt's objective in this book is to expose the grim realities of the evolution of the global capitalist system over the last half century and thereby dispel "the illusions which lie behind the neo-prospectus," as stated in the introduction. The objective of this book review is to ascertain whether his analysis captures essential aspects of the economic reality and the extent to which it does that. Given the rather large scope of the subject, it is unreasonable to expect a full, comprehensive coverage of this complex subject in a volume of 238 pages. The task undertaken here is to identify the strengths of his analysis, flag arguments not well grounded in contemporary economic research and also indicate important issues ignored or mis-diagnosed. The reviewer subscribes to Shutt's broad claim that the reality of globalization falls far short of the rose-tinted rhetoric of the apostles of globalism.

The book starts with a brief review of the emergence of the modern capitalist order in Western Europe, the USA and Japan in the late 19th and early 20th century period.

This is followed by an account of the worldwide depression of 1930, the events leading up to the second world war and the post-1945 world order under US hegemony. He briefly traces the political and economic institutions set up, nationally and globally, to rebuild and stabilize the international capitalist system in the wake of the cataclysmic events of the preceding years. Shutt describes and explains the reasons for the particular institutions and policies adopted and how they laid the foundations for the long post-war boom. Key features of the new order were the international financial system based on the dollar-gold exchange standard, a commitment to trade liberalization in the long run and political stability for the capitalist nations underwritten by American hegemony.

Shutt shows how post-depression and post-war reforms led to a strong, proactive role for the state as ultimate guarantor of economic stability and social security. Crises, instabilities, such as those that beset advanced countries in the previous period, would henceforth be managed by the new Keynesian stabilization policies. The new technologies launched from 1900-45 were linked to rapidly growing mass markets after 1945, which generated a near two decade upswing in productivity which supported rapidly rising incomes

that served to further stabilize the new high-productivity, high-consumption economy. Many then believed that the capitalist system had permanently stabilized itself through new, superior institutional and technological innovations and the use of Keynesian demand management policies to prevent or curb slumps.

However, in the 1970s, instabilities re-emerged and growth slowed down throughout the world capitalist system. Keynesian policies also ceased to work as demand stimulation merely led to high inflation appearing alongside sluggish economic growth, the phenomenon of "stagflation." Other symptoms of the breakdown of post-war stability were the collapse of the Bretton Woods fixed exchange rate system and the oil-price hikes. Apart from the first two chapters, Shutt's book is primarily an analysis of the unravelling of this post-war system of regulated capitalism. In particular, he examines the theoretical and political responses to these events and how these have forged the neo-liberal consensus that has dominated establishment thinking from 1979/80.

The neo-liberal reaction (from 1979/80) to Keynesian policies gave way to monetarism, market liberalization and the privatization of public enterprises in the UK and US. However, monetary targeting was quickly abandoned and inflation brought under control only by raising interest rates and precipitating the deep 1980-82 recession which did considerable damage to the real economy. Shutt's argument is corroborated by the famous economist Paul Krugman (1994; ch. 1), but Shutt brings out the inconsistencies in the neo-liberal ideology more clearly. Unfortunately, Shutt persists in using the term "neoclassical" when he likely means neo-liberal, making a distinction between "neoclassical" and "Keynesian." In the US, the term "neoclassical" is commonly applied to mainstream economic thinking which includes the Keynesian-neoclassical synthesis and even more recent schools of macroeconomics (see Weintraub at <http://www.econlib.org/library/Enc/NeoclassicalEconomics.html#further>).

The 1980-82 recession and the elevated interest rates also gave rise to a chain of debt defaults in Latin America, starting with the Mexican debt crisis of 1982, which ushered in the famous "lost decade" of the 1980s for many developing countries, a point taken up later in the book.

Shutt goes on to describe how other aspects of the neo-liberal agenda were pushed through by the Thatcher and Reagan administrations. These were then taken up widely abroad starting with the nominally socialist governments of Australia and New Zealand. Again he points out the practical and conceptual inconsistencies in the policies followed and the great difficulties encountered in scaling back the role of the state. The Thatcher government was able to reduce fiscal deficits on account of North Sea oil. Not having a similar windfall, the Reagan administration presided over massive increases in budget deficits as its supply-side tax reduction policies failed to stimulate growth sufficient to offset the tax reductions and increases in defence spending.

While fiscal orthodoxy and monetary restraint figured strongly in the neo-liberal rhetoric, Shutt shows that it was more about institutional reform, trade and financial liberalization, privatisation and deregulation. While these policies failed to roll back the state, the broader market-promoting reform agenda gathered momentum and has now spread widely across the world as official policy if not actual practice. Shutt, however, fails to identify adequately the cogency and coherence of the political-intellectual current that supplied the underlying rationale for this fundamentalist, neo-Austrian alternative to Keynes, developed by Friedrich von Hayek. While the Thatcher and Reagan administrations had already been won over to the neo-Austrian agenda by 1980, China's increasing turn to markets and the collapse of "Socialism" in the Soviet Union and East Europe by 1990 strengthened and widened its appeal. By century's end, a sea-change in economic policy has been carried through by pressures exerted over various channels. The story of that revolution in ideology is related with some neo-Austrian bias by Yergin and Stanislaw (1998).

What Shutt does well is to highlight the practical and theoretical contradictions arising out of the above policies, problems blithely ignored in neo-Austrian market triumphalism. He shows that despite rhetoric about shrinking the state, corporations and conservative governments turn to the state to resolve these contradictions. A prominent example is the Savings and Loan crisis in the USA which has its roots in earlier financial liberalization; the bankrupt financial institutions were bailed out by the Federal government. In fact the role of government in the economy has grown steadily from the 1930s to the present directly in response to various market failures which have been identified and addressed by governmental action and new regulatory institutions.

Financial liberalization and rising instability

An important outcome of the Reagan-Thatcher reforms well described in the book is deregulation of financial markets and its consequences. With safety constraints removed, such as separation between commercial and investment banking, banks have undertaken much riskier behaviour in the drive for higher profits, including highly speculative investments in property development. The Savings and Loan debacle in the USA, described

above, is one example. Another was the activities of corporate raiders. Many companies have also been induced to take on excessive debt which undermines financial stability. Overall, Shutt points out that a new speculative climate has been created in which the viability of major companies and the livelihood of millions of workers have been mortgaged to give free rein to speculative orgies bordering on financial piracy. Though not so apparent at the time the book was published (1998) these warnings have been amply borne out by recent scams at Enron and other major companies.

Another consequence is the enormous expansion of speculative foreign exchange transactions, which destabilize entire countries. A particular problem is the short-selling of wobbly currencies by hedge funds which try to make very large profits from forced devaluation of target currencies. Shutt also notes the proliferation of offshore financial centres which facilitate money laundering, organized crime and large-scale corruption. Caught up with the imperative of maintaining laissez faire conditions for international financial transactions, the G7 countries often wring their hands about these abuses but fail to take any concrete action.

Implications of technological change

One of the most important issues raised by Shutt is the effect of technological change on demand for labour and capital. He observes that from around the early 1980s a great deal of investment in the services as well as in manufacturing, has been directed at cutting cost—that is raising labour productivity—without expanding capacity very much. As a result the real demand for capital and labour to support any particular expansion of output, has fallen from the norm for earlier periods in all industrial countries. This has led to "jobless growth" and contributed to a glut of financial capital. These are well known consequences of the revolution in information technology that has been sweeping through the world.

The new technologies associated with computers, communication and the internet, identified as the "information technologies," are radically changing the organization of business, the demand structure for skills, business information patterns and productivity in service and manufacturing operations. Managerial hierarchies are being flattened and personnel previously engaged in the processing of business information are drastically cut in numbers since now much of this work is done by computers running resource planning software. While the demand for personnel skilled in computer-related operations has risen, the demand for run-of-the-mill managerial, clerical and even manufacturing jobs has fallen. We see countries such as Germany and the USA seeking software engineers in India and Russia, while aggregate unemployment rises. This is because displaced workers cannot be absorbed in the new jobs being created since they do not have the training or even the aptitude for it. Shutt notes accurately that retraining schemes have generally failed to have any significant impact in bridging this skills gap.

The long-term changes described by Shutt are characteristic of transitions in the techno-economic paradigm (see Perez 2002) when the core technologies underlying the economic system undergo a fundamental change, such as from the age of steam and coal to the internal combustion engine and electricity and now to the information age. The old sets of skills are devalued and new skills are required. But since the re-investment in new “human capital” takes much longer, an increase in structural unemployment results. Shutt does not identify this phenomenon in these terms. But he correctly identifies a new feature, i.e. reduced demand for investment in physical capital with reduced incremental capital/output ratios. The other feature is that computers and new software systems are significantly raising productivity in service operations and even managerial activity which reduces employment and flattens managerial hierarchies.

These trends are seen not just in Europe, Japan and the United States, but all over the world. This is one reason why globalisation with its intensified drive for higher productivity in all production and service operations that are internationally competitive, is so unpopular: unemployment rises along with productivity. Even in fast growing China where East Asian-style productivity growth is transforming millions of rural folk into industrial workers on a scale not seen before in history, there is rising frustration directed against the Party leadership. In the drive for productivity the social support system of the “iron rice bowl” has been removed; the least skilled and least capable workers are thrown on the scrap heap to roam around its big cities, vainly looking for

The glut of financial capital

A central problem is that capitalism does not smoothly move from the initial phase of a transition in the techno-economic paradigm (a concept that is not clearly identified by Shutt) to a later and more mature phase in which rapid economic growth and increasing education and training lead to rising employment and even an excess demand for immigration. In the previous transition, the new technologies that were introduced in the early 20th century coalesced into a mature phase of high demand for labour only after 1945. This was preceded by social chaos, systemic breakdown in the worldwide depression of the 1930 and the second world war, which eventually cleared the economic and social ground for the new techno-economic paradigm to establish foundations that were resilient.

Of course, conditions were vastly different at that time: capitalism had been in political crisis from the First World War itself and the Russian Revolution; liberation struggles had broken out in most of the colonial world and the legitimacy of capitalism was threatened by the worldwide rise of interest in socialism. It is well understood today that capitalism survived the social-political crisis mainly because working people in Europe, North America and even in the colonies, saw the need to join with the ruling classes in the struggle against fascism and also because the barbaric nature of Stalinism

effectively killed any interest in moving towards similar political experiments. Stalinism remained attractive only in emerging Third World revolutions where a new class of Jacobinist radical intellectuals seized state power and created authoritarian political systems which paid lip service to socialism but recreated medieval-style autocracies.

All that is past now, as global capitalism enters the present crisis. But new contradictions have arisen and Shutt traces some of these competently. A central theme in his book is the oversupply of financial capital which from the mid-to-late 1970s has been finding inadequate opportunities for profitable investment in the heartlands of industrial capitalism. What this means is that the supply of new technological innovations within the prevailing techno-economic paradigm is not adequate to absorb the mass of finance seeking investment opportunities.

Additionally there is the problem of maintaining adequate returns on existing investments; these returns tend to be driven down over time by rising competition from new domestic investments and international sources as trade gets liberalized. Shutt’s analysis is particularly useful here because the systemic problems relating to global finance are rarely raised in mainstream analyses and even when they are, the true nature of the problems are shrouded in arcane terminology. Another irritant here is Shutt’s failure to distinguish carefully between financial capital and physical capital.

Shutt also describes other ways in which surplus funds have been used. From the late seventies there had been a flow of funds to many “emerging markets” particularly in Latin America. After the Mexican default of 1982 there was an abrupt drop in capital flows to Latin America which led to the “lost (development) decade” of the 1980s. Capital flows revived again in the early 1990s until the 1994-5 crisis in Mexico and elsewhere.

These flows of short-term capital were then directed to East Asia where their abrupt withdrawal in 1997 again led to the Asian crises of 1997-8, just as in Latin America. These triggered the currency crises in Russia (1998) and Brazil (1999). The Brazilian crisis contributed to economic collapse in Argentina in December 2001. Shutt identifies the problems posed by this excess of footloose funds sloshing around the world economy, but does not adequately analyse the destabilizing effect of short-term capital flows on vulnerable “emerging economies” possibly because at the time this book was being written, the problem was not well recognized. Today, however, the destabilizing effects of short-term capital flows are being hotly debated in many international fora (for details see *Economist*, 2003).

An important distinguishing feature of Shutt’s analysis is the linking of the wave of privatization to the need to find adequate investment opportunities for excess financial capital. There are other reasons as well, such as the need to plug gaps in public finance. He shows that privatization has been sold to the public as necessary to raise productivity in the privatized sectors, but questions this justification.

He notes that rising public sector debt deriving from declining tax revenues and rising fiscal deficits brought about by neo-liberal policies, have also served as another investment opportunity for footloose finance seeking adequate returns. Other investment opportunities have been created by allowing private investment to fund public infrastructure and move into services such as postal, prison and garbage collection services, hitherto confined to the public sector. In the US, companies can now buy back stock, thereby raising the stock price to the advantage of top executives who are compensated partly with stock options.

There are some problems with this utilitarian justification of the neo-liberal programme started by the Thatcher and Reagan administrations. It is commonly known today that this missionary free-market zeal was inspired by neo-Austrian thinking transmitted to Thatcher via Keith Joseph. Shutt's story needs to be supplemented by the saga of ideological evolution told by Yergin and Stanislaw (1998) which has been briefly stated above. This reviewer believes that history is made as much by ideological waves as much as by perceived material interest. Otherwise it is hard to explain the short-sightedness of capitalist ideologues and Stalinists, whose gross misperceptions eventually undermine their own long-term interests. Ideas are certainly influenced by the concrete material conditions in which they arise, but they cannot be explained comprehensively by these conditions in a deterministic way. Thus ideological currents owe as much to the peculiar ideas of their founders as much as the material challenges they confronted. Shutt unfortunately largely ignores the ideological dimension as noted earlier; thus his explanations remain incomplete.

Transitional Economies and the Third World

Shutt also analyses the recent evolution of the former planned economies into more "emerging markets" and the "emerging" or more often "submerging" markets of the Third World. He does identify many weaknesses of the Soviet System and other planned economies. These include use of administratively determined priorities and quantitative targets rather than signals emanating from the market, poor cost accounting and control, unwieldy organizational hierarchies and distortion of information flows, corruption, suppression of criticism and other bureaucratic ills. He also points to crumbling public infrastructure, capital stock that has not been renewed for decades, increasing fiscal anarchy in public enterprises and the rise of organized crime, as major causes—and symptoms—of social breakdown. Rising defence expenditure was the crucial burden that broke the camels back and this derived largely from competition with the US in global power politics. Yet for this reviewer at least, he misses the most crucial issue leading to Soviet decline, the inability of that society to generate endogenous technological innovation unlike the more successful capitalist societies. This major lacuna in Shutt's conception of economics is discussed elsewhere in this review.

Shutt discusses the different modes of transition to market economies exhibited by Russia, China and Eastern Europe. He shows how "shock therapy" liberalization in Russia, inspired by illusions about market forces being able to instantly spring into action and operate as in mature capitalist nations, led to a disastrous collapse of production from which the country is still recovering. In the meantime, mismanaged privatisation has led to oligarchic control over industrial companies and set back the process of democratization. The lesson is that market forces operate best within a strong institutional structure which takes decades to build up, a point that appears to have been unknown to the various Western gurus that guided shock therapy strategies. Additionally, Russia has generated an extraordinary amount of lawlessness, including organized crime, which will be very hard to shake off now on account of the political and economic power amassed. He also shows that the transition worked better in Poland and the Czech Republic because policies there were quite different. He points out that China, the best performer of all, has totally ignored shock therapy ideas and gradually liberalized markets, concentrating on promoting FDI and exports without dismantling the administrative structures of the bureaucratic state. China was of course helped a great deal by the proximate East Asian examples from the early 1980 and by the readiness of the Chinese diaspora to bring productive investment to its coastal regions.

In a separate chapter, Shutt covers the evolution of Third World economies over the last 50 years or so. Except for East Asia, the general picture is one of catastrophic decline, particularly after the debt crises of the 1980s. He shows that the public sector in many countries has failed to meet up to the challenges of development, the growth of population, environmental decay and the rise of lawlessness and separatism. Many of the reforms foisted on developing countries by the World Bank and the IMF have not succeeded in generating economic dynamism in the private sector in most countries. The flow of finance to developing nations and the instabilities generated by hasty liberalization of financial institutions, leading to a series of financial crises in Latin America and Asia, have been described earlier. Shutt sees the "Third World catastrophe" as the broader playing out of the contradictions that beset the capitalist system worldwide.

While it is hard to quarrel with the broad thrust of his analysis of the Third World, he is probably somewhat over-pessimistic. Latin American nations have indeed made some progress in cutting down deficits and getting better control over macroeconomic management. Though enormous problems remain in Brazil, Argentina and Mexico, they have learnt some lessons from mistakes of the past. If one is to judge by recent postings on their web-sites, so also have the IMF and the World Bank, at long last. They are now less likely to impose disastrous policies on client states. Furthermore these countries are now much stronger exporters, so much so that Brazil faces many trade disputes with the USA, Canada and Europe. Nevertheless, Shutt is right to point to serious weaknesses in these countries, growing inequality and lawlessness.

The recent privatization wave in most countries, has also generated a great deal of corruption.

Many Asian countries have made much more progress than Latin America, particularly the first tier East Asian tigers. This is another blind spot with Shutt. He argues that South Korea, Taiwan, Hong Kong and Singapore have grown on the basis of imported capital and technology and by exploiting cheap domestic labour. Here he completely misses the scope and scale of the East Asian achievement. Since 1960, labour productivity and wage rates have grown steadily and very rapidly on the basis of the fastest building up of technological capability seen in recent times. Hong Kong and Singapore now boast standards of living higher than Spain, Portugal or Greece and Taiwan and South Korea are close behind. These four countries are developed countries by any measure and labour is highly skilled there and no longer so cheap.

Obviously any developing country must grow initially on the basis of adapted technology, but today, except for Hong Kong, they are fully integrated with the networks of technology development of the advanced industrial world (see Rodrigo, 2001 for details). One has only to see the products exported by South Korea and Taiwan to see the extent of their technological mastery. Finally these nations have exhibited the highest savings rates in history and are a large source of capital and FDI for the rest of the world. They also have the largest foreign currency reserves in the world, next to Japan and China. It is hard to understand how someone as critically observant as Shutt could be so profoundly wrong about East Asia. In his eagerness to develop the case for general capitalist collapse, he dismisses East Asia without any serious assessment of their achievements.

Technology as a public good: a lacuna in Shutt's conception

Another major issue on which Shutt is out of touch with contemporary research on the advance of technology is in his conception of state support for technology advancement. He sees this as another case of private companies relying on the state to bail them out. That is profoundly false. The advance of technology is a very complex kind of human activity. At the surface level we see companies developing commercially exploitable technologies to produce goods and services for profit. They are after all motivated by profit, not by philanthropic considerations. Commercially exploitable technologies, however, arise out of an underlying stratum of generic technologies, also called general purpose technologies. This stratum in turn develops out of more fundamental advances in knowledge carried out in universities and research institutions. Therefore knowledge advance in science and technology takes place at roughly three distinct but interconnected levels. The bedrock stratum of knowledge advancement is clearly a public good or even more a global public good. The development of scientific knowledge is clearly the responsibility of public, not-for-profit institutions like the universities and government research

labs and programmes. Even if carried out by private firms, they need to be funded by public investment, since firms cannot turn these into profit-making activities. The intermediate layer of generic technologies also has many features of public goods. Even if developed by individual firms, they generate technological spillovers to other firms within the nation and also to firms outside. In short the development of generic technologies is rife with what economists call "positive externalities" in which the social returns are much greater than the private returns that can be secured by the firm initiating the innovation. In the case of a "negative externality" such as industrial pollution, the social costs are higher than the costs borne by the polluting firm; hence society must exact clean-up costs from the firm. The crucial outcome of this conception is that private firms will invest insufficient effort in developing generic technologies since they cannot capture most of the returns.

Hence if a society wants the optimum development of technological innovation, the public sector needs to get involved in the development of generic technologies. Ever since the late 19th century governments in Germany, Britain, France and the USA have shouldered this responsibility to a greater or lesser degree. Public-private cooperation in the development of generic technologies has been most spectacular in the USA during and after the second world war, under Federal, i.e. central government leadership. Thus was developed advances in semiconductors, computers, aerospace technologies, electronic communications, the internet, biotechnology and many others. There is another important consequence of state involvement in technological change. Since the progress of technology is evolutionary, it is rife with uncertainty, especially at the beginning of a techno-economic paradigm. Even firms that operate at the leading edge of technology are liable to make disastrous mistakes as evidenced from a casual reading of business journals. The guiding hand of the state can greatly reduce the uncertainty associated with technical change.

Hence state involvement in technology development is a necessary function under capitalism, not just a class-conspiracy as seen by critics on the left or an unnecessary interference with market forces as charged by market fundamentalists on the right. If the private sector is to be induced to undertake risky investments in innovative generic technologies, it is entirely appropriate that part of the risk and investment cost be borne by the public sector, since society will draw much larger benefits than will accrue to the firm alone. It is hardly an accident that in the USA where public-private cooperation in the advancement of technology has been developed to a higher level than elsewhere, we also have the strongest advance of technological innovation in general. An explicit goal of the European Union project has been to mobilize public and private productive resources of the aggregate of nations to match technological innovation in the US. One example of success is the European aircraft producer Airbus Industrie, which has now achieved competitive parity with the US giant Boeing, directly as a result of organized support from European states.

Conclusion: many strengths and some weaknesses

Shutt concludes his book by emphasising the crisis of political legitimacy for the profit system as presently constituted, on account of its manifest inability to address the growing contradictions of the system as a whole. Thus rising inequality and technology-related unemployment in advanced and developing countries is accompanied by more frequent episodes of systemic macroeconomic instability. Corruption and internationally organized crime are definitely on the rise, with Russia and other transitional economies contributing a disproportionately large share. Additionally, there is increasing international discord over trade, investment and intellectual property rights issues and about appropriate global collective action to safeguard the environment and restore shrinking fish stocks caused by overfishing. Developed nations seem to be facing increasing difficulty in maintaining health care benefits, adequate education, social security for the unemployed and the aged, keeping crime under control and so on.

If Shutt were to be update his book today in the light of developments over the last 5 years or so since his book was published, he would undoubtedly strike a more pessimistic note. Global problems have got intensified and a few new ones have been added. He is likely to see the rise of militant Islamic fundamentalism as a failure of leaders of hegemonic nations to address historic injustices and resolve contemporary conflicts. Drug related crime and corruption have got worse as has the exploitation of Eastern European women for prostitution. Separatist violence has not got better and crime and violence in Brazil, Mexico, China and elsewhere has risen alarmingly. Following the stock market collapse in 2000 in the USA, recessionary conditions have appeared throughout North America and Europe. Japan continues in recession, unable to fix its major economic and institutional problems and now Germany has slipped into the same quagmire. Serious problems have arisen about malfeasance by corporate executives relating to gross manipulation of financial statements for their personal benefit, an issue that Shutt deals with briefly in his book. From the perspective of 2003, his 1998 claims seem excessively cautious.

At the very end, Shutt also discusses some of the political issues arising out of the major storm he sees on the horizon. He goes on to enumerate some guidelines for a more viable, equitable world order. This is not the place to critically review the brief framework he has laid out in his last chapter since he seems to have developed this theme more fully in a later book (Shutt,2002) which is probably well worth reading. One crucial point is worth highlighting: Shutt does not appear to suggest that a more sustainable world economic order would do away with market forces completely. Instead, he sees market forces and profit incentives being redirected squarely towards serving major social ends. This approach can be interpreted as an attempt to redirect productive activity strongly towards the production of crucially important public goods, away from the present excessive production of private goods for private

consumption. At least that is the interpretation that this reviewer imputes to Shutt in accordance with his own prejudices.

To sum up, Shutt does manage to capture many of the essential features of the world economy in its evolution over the last half century. He does seem to understand economic issues much, much better than most of the critics of globalization. Because he understands the economic logic and political exigencies behind major events such as the formation of the IMF, the World Bank and the WTO, he rarely needs to conjure up fantastic conspiracy theories, such as are purveyed in some of the left literature. This book will provide the reader a sober and plausible account of how the post-war system evolved and its major problems and shortcomings. There are some serious flaws in his analysis, particularly his conception of technological change, which have been identified above. A better understanding of this issue will explain why capitalism has so far muddled through despite serious contradictions. It is also crucial to understanding why planned economies were not able to develop the productive forces beyond a certain level.

The major weakness is the conception of technological innovation and the central, symbiotic linkage between innovation and capitalist dynamism. Though Shutt talks about technology from time-to-time and even has a chapter titled "technological nemesis," he seems to implicitly believe that innovation is an exogenous process, i.e. it is something that happens "outside the system." This is a weakness of mainstream economics as well; even most professional economists have the vaguest notion of the role of technological innovation. Neoclassical growth theory actually models technological change as if it were manna dropping from heaven, using this exact phrase to explain why this is treated as an exogenous input. New growth theory, developed since 1986, tries to endogenize innovative activity. But it has hardly shed any new light on this problem, as pointed out by experts of technology such as Richard Nelson (1997).

There is a much better understanding of technology now within a small circle of economists who specialize in the analysis of technology. These include distinguished economists such as Nelson who are respected across the profession. As a result more realistic ideas about technological innovation are diffusing through the profession. Schumpeter is back in fashion, since he was the first economist to see the central role of innovation and the entrepreneur, in the progress of capitalism. Actually, Marx was the first major economist to understand the role of technological innovation in regenerating the dynamism of capitalist processes. Schumpeter, who was a great admirer of Marx, acknowledged this. But Marx did not arrive at the more comprehensive insights of Schumpeter, possibly because the processes of innovation were in their infancy up to 1870.

A major theme that runs through Shutt's analysis is the implicit presumption that the global capitalist system is moving inexorably towards a catastrophic breakdown. While this is a distinct

possibility, this reviewer takes that position that a softer landing may also be within the realms of possibility. There are many complex, self-regenerating processes within capitalism. For example crises often lead to reforms that strengthen the system, making it more resilient. This is what has happened in South Korea and Taiwan after the 1997-8 crisis. As pointed out earlier, capitalist dynamism waxes and wanes over long periods of time as new technological paradigms replace existing ones. Currently we are witnessing the spread of information technology replacing and transforming the older industries at the same time that industrial capitalism is spreading rapidly into a broader swathe of developing countries, particularly in Asia and Latin America.

To make sense of these processes, it is necessary to suspend, or at least relax, some of the mental models of the past, such as the implicit belief that capitalism has been in “permanent collapse” from the beginning of the twentieth century, which is manifestly false. The historical process is more complex than we can imagine and its prudent to be prepared for a range of possible outcomes. The transition from the present predicament of capitalism to a superior social order need not be contingent on a catastrophic collapse, though that outcome cannot be ruled out by any means.

For the present this book provides a pretty good account of the problems that need to be fixed.

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SRI LANKA'S PEACE PROCESS—2002 CRITICAL PERSPECTIVES

Edited by

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and
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SUMMARY OF WOMEN'S CONCERNS

SUBMITTED TO THE TOKYO DONOR CONFERENCE 9th and 10th June 2003

The undersigned women's coalitions and networks represent a cross section of groups working on women's issues in the country who are committed to the peaceful resolution of the conflict in Sri Lanka. We are pleased to note the progress made thus far in the search for a negotiated political solution to Sri Lanka's ethnic conflict and urge the parties to resume peace talks. As part of our support for all efforts at peace making and peace building and in the search for ensuring that the process is inclusive and involves all sectors of civil society, we have engaged in a series of consultations with women's groups.

In July 2002, we presented a memorandum to the government of Sri Lanka, the Liberation Tigers of Tamil Eelam (LTTE) and the Norwegian facilitators. In December 2002, the International Women's Mission to the North & East of Sri Lanka also made various recommendations which were widely circulated at that time. In light of the forthcoming donor conference to be held on 9 & 10 June 2003 in Tokyo, we are reiterating those concerns and recommendations and are making this appeal to the Government of Sri Lanka, the LTTE, the facilitators of the peace process and the community of bi-lateral and multi-lateral donors to Sri Lanka.

1. Include Women in all aspects of the Peace Process

We welcome the establishment of the Sub Committee on Gender Issues (SGI) to explore the effective inclusion of gender concerns in the peace process and its status as an advisory body to the plenary of the peace process. We wish to stress the importance of continuing to recognise and incorporate women's concerns and needs in the process towards peace with particular reference to the different ways in which conflict and its consequences impact on women. We also call for the recognition of women's specific experiences of dealing with conflict and conflict situations and request that these experiences be brought to bear in the process of conflict transformation.

We reiterate the recommendation in United Nations Security Council resolution No. 1325 that a gendered approach to peace building, conflict transformation and reconstruction is essential in contexts of transition. We therefore urge the parties, their facilitators and the donors to fully implement this resolution.

2. Ensure that issues of concern to women are given due consideration during the process

We are alarmed at the lack of sufficient consideration given to most issues of major concern to women in the proposals being made at the donor conference including in the Government's "Regaining Sri Lanka" document and the Report of the Needs Assessment exercise undertaken by the Multi Lateral Donor agencies. Therefore we urge the parties and the donors to ensure that all structures that are set up to implement and monitor the use of the monies granted to the country as a result of this conference include a component on gendered participation and insist on consultation with women's groups in the finalisation of plans for implementing programmes.

3. Human rights must be fully protected at every stage of the peace process.

Consultations reveal that violations of women's rights continue to occur throughout the country during the ceasefire between the two parties. We call upon the parties, the facilitator and the donors to ensure that all efforts toward peace take place within the norms and standards of human rights and humanitarian law which are not compromised in the negotiation and implementation of peace agreements and/or in any interim structures that are introduced, especially as a result of this Donor Conference.

We strongly urge the following:

- § We urge the Government, the LTTE, and Humanitarian Agencies to take special measures to ensure the participation of women in decision-making in all phases of the reconstruction, rehabilitation and transformation process including in the setting up and work of the community level institutions.
- § liaise with and consult the various women's organisations representing the many constituencies of women throughout the island to develop and implement programmes which are appropriate to the needs of the different constituencies
- § disaggregate all statistics compiled in relation to peace and reconstruction according to gender.
- § all institutions responsible for public security and welfare must be made aware of gender issues and be converted into effective

mechanisms to address women's concerns, taking into consideration the special needs of women. specialized programmes must be developed for areas that are of particular concern to women. the rights of local communities, and ethnic minorities groups and the rights of women within these communities must be protected in the process of reconstruction and rehabilitation. The participation of the Muslim community in the peace process must be ensured to guarantee that all sections of society are duly represented. Protection of diversity and the special needs of different communities including those living in the 'border areas', the plantation community, and other cultural minorities in all programmes.

§ call upon respect for the autonomy and independence of the media and civil society institutions including women's organizations.

§ inclusion of women in all constitutional deliberations and the views and the preferences of Sri Lankan women which should be actively solicited and taken into account in the formulation of a constitutional settlement.

Efforts must be taken to directly address the problem of militarization and special measures should be taken to counter militarization and its negative effects.

Sponsored by –

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Mothers and Daughters of Lanka
Women's Coalition for Peace
Women's Forum for Peace ■

FREE AUNG SAN SUU KYI

We the undersigned women of Sri Lanka express our deep shock at the continued detention of Aung San Suu Kyi, the leader of the National League for Democracy in Myanmar and Nobel Prize winner. We are also concerned about the reports of the conditions of her detention and the deteriorating state of her health. We urge that she be released immediately. We also request the permission of the embassy of Myanmar and the government of Myanmar to allow a delegation of Sri Lankan women to visit Aung San Suu Kyi.

Name

Sunethra Bandaranaike
Radhika Coomaraswamy
Jezima Ismail
Sithie Tiruchelvam
Upekha
Suriya Wickremasinghe
Manel Abeysekera
Deepika Udagama
Kumari Jayawardena
Selvy Tiruchandran
Faizun Zackariya
Manouri Muttetuwegama
Chitra Maunaguru
Sunila Abeysekera

Name

Sepali Kottegoda
Malathi Alwis
Neloufer de Mel
Anberiya Haniffa
Dulcy de Silva
Yasmin Tambiah
Vimali Karunaratne
Saroja Sivachandran
Kamala Liyanage
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