ETHNIC CONFLICT, HORIZONTAL INEQUALITIES AND DEVELOPMENT POLICY: THE CASE OF SRI LANKA

by

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Abstract

There has been a growing understanding in recent years of the links between conflict emergence and horizontal inequalities and increased focus on the role which development policies can play in both ameliorating and exacerbating the root causes of violent conflict. This study tests the empirical relationship between horizontal inequalities and conflict causation using the Sri Lankan ethnic conflict as a case study. The analysis shows robust support for the empirical relationship between horizontal inequality (which encompasses political, economic, social and cultural dimensions) and the emergence of violent conflict in Sri Lanka. In this context of inequality, Tamil leaders, who faced political exclusion, and their followers, who themselves experienced inequitable access to employment, education opportunities, assets, were inspired to mobilise and engage in armed violence. Thus, the ethnic conflict stemmed from the disillusionment, frustration and increasing radicalisation of Tamils in their attitude towards the Sri Lankan state, rejecting what they perceived as exclusionary policies. The Liberation Tigers of Tamil Eelam (LTTE) emerged as a key protagonist in the conflict, with an expressed view to establish a Tamil homeland in Sri Lanka.

While most post war development policies are strongly aligned to government objectives, there are very little steps taken towards the design and adoption of policies to ameliorate horizontal inequalities. Instead, the government has identified security issues and economic growth as the cornerstone in the post war development process, and they are given greater emphasis in policies compared to underlying causes of violent conflict: inequalities in access to political power, economic resources and/or cultural status. Most Sri Lankan state actors are either not mandated to address equality issues or prefer conflict sensitive approaches to post war development. In general, there is a weak approach to conflict sensitivity in early post war development and reconstruction strategies (from 2009 to 2013). Likewise, there is relatively little attention paid to other conflict sensitive causes and dynamics such as the nature of the political system.
and problems of human rights. The failure to address fundamental issues relating to minority Tamil grievances has the potential to re-ignite the conflict.
The preparation of this dissertation would not have been possible without the help of a number of people. The most important contribution came from my supervisor, Professor HJ. Swanepoel, who read the drafts and provided insightful comments. The dissertation benefited immensely from his perceptive comments.

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<tbody>
<tr>
<td>BOI</td>
<td>Board of Investment</td>
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<tr>
<td>CFA</td>
<td>Ceasefire Agreement</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GOSL</td>
<td>Government of Sri Lanka</td>
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<tr>
<td>HSZ</td>
<td>High Security Zone</td>
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<tr>
<td>IDP</td>
<td>Internally Displaced Person</td>
</tr>
<tr>
<td>IFI</td>
<td>International Financial Institution</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>IPKF</td>
<td>Indian Peace Keeping Force</td>
</tr>
<tr>
<td>JVP</td>
<td>Janatha Vimukthi Peramuna</td>
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<tr>
<td>LLRC</td>
<td>Lessons Learnt and Reconciliation Commission</td>
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<td>LTTE</td>
<td>Liberation Tigers of Tamil Eelam</td>
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<tr>
<td>MP</td>
<td>Member of Parliament</td>
</tr>
<tr>
<td>MDG</td>
<td>Millennium Development Goal</td>
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<td>NEP</td>
<td>New Economic Policy</td>
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<td>NFF</td>
<td>National Freedom Front</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>PA</td>
<td>Peoples’ Alliance</td>
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<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>SLFP</td>
<td>Sri Lanka Freedom Party</td>
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<td>SAP</td>
<td>Structural Adjustment Policy</td>
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<tr>
<td>SLMM</td>
<td>Sri Lanka Monitoring Mission</td>
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<tr>
<td>TULF</td>
<td>Tamil United Liberation Front</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNF</td>
<td>United National Front</td>
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<td>UNP</td>
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<td>UPFP</td>
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Chapter 1. Introduction

1.1 Ethnic Conflict in Sri Lanka

The ethnic conflict of Sri Lanka is a well-known issue in the international arena. From the late 1970s until 2009, the Liberation Tigers of Tamil Eelam (LTTE) waged a violent secessionist campaign against the Sri Lankan government due to decades of unfair governmental policies, political and economic exclusion, and repression (Abeyratne 2000; Bandarage 2009; Hoole, Somasundaram, Sritharan & Thiranagama 1990; Snodgrass 1998; Spencer 1990). Over the course of the conflict, the LTTE frequently exchanged control of territory in the North and East of Sri Lanka with the military, with the two sides engaging in fierce military confrontations. A vicious territorial struggle raged in the Northern and Eastern Provinces over 30 years while the entire island was threatened by suicide bombings and other deadly attacks. Since 1983, between 80,000 and 100,000 people, the majority of them Tamil, Sinhalese, and Muslim civilians, have been killed due to the conflict (Human Rights Watch 2009:n.p.). The LTTE was in control of 76 percent of the territory in Northern and Eastern Sri Lanka at its peak in 2000 (Ministry of Defence and Urban Development 2012a:n.p.). The LTTE was involved in four unsuccessful rounds of peace talks with the Sri Lankan government over the course of the conflict. At the start of the final round of peace talks in 2002, the LTTE, with control of a 15,000 km$^2$ area, ran a virtual mini-state. After the breakdown of the peace process in 2006, the Sri Lankan military launched a major offensive against the LTTE, bringing the entire country under their control and defeating the LTTE militarily. President Rajapaksa of Sri Lanka declared victory over the Tigers on 16 May 2009, and the LTTE admitted defeat on 17 May 2009 (Ministry of Defence and Urban Development 2012a).

1. It should be noted that serious outbreaks of violence between Sinhalese and Tamil communities were frequent between 1956 and 1983; in 1983 this escalated into full scale war between the Sri Lankan government and Tamil separatist militants. The key events of the conflict will be discussed in Chapter five.
Some observers (for example, Dutta 2012; International Crisis Group 2012; Regehr 2012; Sunday Times 2012) have noted that the end of the war does not mean the underlying conflict has been resolved. Three years following the end of the war, they argue that sustainable peace still seems a long way off. The Sinhala-Tamil divide remains wide, with critics arguing that a political solution to the ethnic conflict is not on the government’s agenda. A Sri Lankan analyst has noted that the government’s preferred solution to the ethnic conflict is economic - rapid development and reconstruction of the conflict-affected region - rather than political: “This would be along the lines of the authoritarian democracy visible in countries like Singapore and Malaysia, where the state’s emphasis on economic development has trumped and muted ethno-religious identity conflicts” (quoted in Ramachandran 2010:n.p.). In addition, the minority Tamils’ alienation from the Sri Lankan state remains considerable, indicating that economic development, while helpful, is not sufficient to resolve the ethnic conflict.

Several studies (for example, Guardian Development Network 2012; Hogg 2011; Hoole 2012; International Crisis Group 2011a) have noted that as Sri Lanka moves from a ‘post war’ to a ‘post conflict’ era, it will need to find a political solution that involves power sharing, as well as pursuing development that is equitable and inclusive. Many of these studies also point out that the government needs to take decisive steps towards reconciliation. While the government is seen as showing no appetite for a political solution, its reconciliatory gestures are often seen as hollow. Although the government appointed the Lessons Learnt and Reconciliation Commission (LLRC) in 2010,2 few expected anything substantive to come of it. Human Rights Watch (2010:n.p.) has dismissed the commission as “yet another attempt [by the government] to deflect an

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2 The Lessons Learnt and Reconciliation Commission (LLRC) was a commission of inquiry appointed by the Sri Lankan president in May 2010. The commission was mandated to investigate the facts and circumstances which led to the failure of the ceasefire agreement of 2002, the lessons that should be learnt from those events and the institutional, administrative and legislative measures which need to be taken in order to prevent any recurrence of such concerns in the future, and to promote further national unity and reconciliation among all communities. The commission submitted its report to the president in November 2011. The LLRC will be discussed in more detail in Chapter six.
independent international investigation” into allegations of war crimes by
government forces during the final phase of fighting. The LLRC was also
criticised due its limited mandate, alleged lack of independence, and its failure to
meet minimum international standards or offer protection to witnesses. As a
consequence of these shortcomings, many international organisations such
as Amnesty International, Human Rights Watch and the International Crisis
Group refused to appear before the commission.

It is reasonable to state that, in absence of a negotiated political solution, Sri
Lanka is currently in a ‘post war’ phase rather than a ‘post conflict’ environment.
Bateman (2011:n.p.) notes that:

Sri Lanka’s bloody twenty-six year civil war is over. The Sri Lankan
government, led by President Mahinda Rajapaksa, can rightfully claim a
resounding military victory over the Liberation Tigers of Tamil Eelam
(L.T.T.E.). It would be misleading, however, to call Sri Lanka a post-
conflict society. There is no question that the underlying tensions of the
conflict remain.

Post conflict efforts to bring societies together are always fraught with difficulties,
particularly in cases of deep ethnic division. In Sri Lanka, the challenge is even
greater, because the government denies the existence and validity of Tamil
grievances. Many national and international actors have recognised this and they
have called for the government of Sri Lanka to establish the conditions needed
for longer-term reconciliation and to reduce the risk of a return to violence
(Amnesty International 2012; Centre for Policy Alternatives 2012; International
Crisis Group 2011a). The Obama administration in the United States, for
instance, has urged the Sri Lankan government to develop a comprehensive
action plan for implementing steps on reconciliation and accountability for the
alleged war crimes. In 2012, the United Nations Human Rights Council passed a
United States-sponsored resolution in March that also asked Sri Lanka to
develop such an action plan. Almost four years after the end of the war, genuine
national reconciliation in Sri Lanka remains illusory.
1.2 Statement of Problem

Violent conflict in multi-ethnic countries remains a major problem in the world today. What causes ethnic conflict? By itself, ethnicity is not a cause of violent conflict. It is not caused directly by intergroup differences. Most ethnic groups, most of the time, pursue their group interests peacefully through established political channels (Lake & Rothchild 1998:7). Some scholars (for example, Posen 1993) explain the causes of ethnic conflict based on two levels of analysis: the systemic level and the domestic level. Systemic explanations of ethnic conflict focus on the nature of the security systems in which ethnic groups operate and the security concerns of these groups (Posen 1993:28-29). The first and most obvious systemic prerequisite for ethnic conflict is that two or more ethnic groups must reside in close proximity. Conflict arises in a mixed ethnic community within a single state. Ethnic conflict is based on the struggle between different groups for political power and status. This ethnic security dilemma leads to competition between ethnic groups for control of the government. Thus, the potential for ethnic conflict is almost universal because there are very few states with only one ethnic group (Posen 1993:32-33). The second systematic prerequisite for ethnic conflict is that national, regional, and international authorities must be too weak to keep groups from fighting and too weak to ensure their security of individual groups (Posen 1993:34-35). In systems where anarchy prevails, individual groups have to provide for their own defence. These groups fear for their physical safety and survival, especially when groups are more or less evenly matched and neither can absorb the other politically, economically, or culturally (Lake & Rothchild, 1998:13-15). Collective fears for the future arise when states lose their ability to arbitrate between groups or provide credible guarantees for their protection. Posen (1993) concludes that security becomes of paramount concern under this condition.

Other explanations of ethnic conflict focus on factors that operate primarily at the domestic level: the effectiveness of states in addressing concerns of their
constituents, the impact of nationalism on inter-ethnic relations, and the impact of democratization on interethnic relations (Brown 2001; Gayatri 2010). In this context, as seen in many nations (e.g., former Yugoslavia) the emergence of ethnic nationalism makes some form of ethnic conflict almost inevitable. The rise of ethnic nationalism in one group can be seen as threatening by others. In turn, this will lead to the development of similar elements elsewhere (Fearon & Laitin 2000; Lake & Rothchild 1996). Ethnic nationalism also makes groups to field large, highly motivated armies. This will lead others to be more vigilant and to build up their own military forces. In turn, this can make pre-emptive attacks or preventive war between neighbouring groups more likely (Gagnon 2004).

Another factor of domestic level, which impacts on ethnic conflict, is democratization (Gurr 1993, 2000). According to de Nevers (1993), democratization has the potential to help mitigate ethnic tension by allowing for the establishment of an inclusive means of governance to address the needs of all ethnic groups in the state. However, democratization is problematic in multiethnic societies, particularly in the beginning stage, when the old regime is changed to the new democratic regime. This process can impact existing ethnic problems and depends on two factors. The first is the level of ethnic tension. If the old regime used forced assimilation, forced relocation, ethnic expulsion or extermination campaigns toward ethnic problems, the democratization process will be problematic and many ethnic problems will re-emerge (de Nevers 1993:36-37). The other scenario is that if the old regime pursued benign policies toward the ethnic groups, ethnic issues will be less important and, moreover, less problematic.

In contrast, the contemporary rational choice literature on the origins of conflict and civil war offers two possible explanations: (1) grievances; and, (2) greed or opportunities (Collier & Hoeffler 2001). The first refers to historical injustices and inter-group inequalities in economic, social and political rights (Collier & Hoeffler 2001:12-14), and the second explanation emphasises the role of rents, which are
occasionally lootable, in producing inter-group rivalry for their control. Both of these ultimately can result in war (Collier & Hoeffler 2001:6-11). Thus, Collier and Hoeffler (2001) grouped potential causes of conflict into two groups: the quest for justice and the quest for loot. By contrast, primarily influenced by the work of Gurr (1970), Stewart (2000) has advanced horizontal inequalities as the reason behind grievances felt by excluded groups can erupt into violent conflict. Horizontal inequalities support the grievance approach and originate in the theory of relative deprivation.

Horizontal inequalities refer to inequalities between socio-culturally defined groups with shared identities formed around religion, ethnic ties or racial or caste-based affiliations. It is distinguished from vertical inequality, which refers to inequality mostly between individuals within an otherwise homogenous population (Stewart 2004:3). Thus, vertical inequalities focus on individuals, whereas horizontal inequalities refer to inequalities between groups (Stewart 2004:3). Horizontal inequalities are multidimensional and encompass economic, social, cultural and political dimensions as follows: the economic dimension includes inequalities in ownership of assets, income and employment opportunities; the social dimension covers inequalities in access to a range of services and in their human outcomes (including education, health and nutrition); the political dimension consists of inequalities in the distribution of political opportunities and power across the groups at different levels, including political, bureaucratic and military power; and, the cultural dimension refers to differences in recognition and hierarchical status of the cultural norms, customs and practices of different groups (Stewart 2002, 2004).

There is strong evidence to show that armed conflict is not an unavoidable ramification of ethnic difference, rather a product of economic, social, political and cultural inequalities – horizontal inequalities (for example, Mancini 2008; Langer 2005; Cederman, Wimmer & Min 2010). Recent research that looked at conflicts in over 50 countries documents how horizontal inequalities are
frequently motivational triggers for contestation and violence (Østby 2008a). Consequently, Stewart (2005) argues that reducing inequalities between groups should be a significant aspect of policy-making in the post conflict period.

In the case of Sri Lanka, a number of recent studies (for example, Abeyratne 2004; Perera 2001; Shanmugaratnam & Stokke 2004; Stokke & Rynolveit 2000) on the LTTE insurrection have explored underlying causes of violent conflict and the presence of inequalities in access to political power and economic resources. They have revealed a number of disparities that may have provoked feelings of frustration and discontent, which may have caused violent group mobilisation and conflict along ethnic lines. In this regard, Abeyratne (2004:1300-1306) argues that the Tamil insurrection in Sri Lanka has its roots in the contradictions of the country’s post independence development process, created by a mismatch between the welfare policy and trade strategy. He argues that “widespread social exclusion in a stagnant economy, though not a sufficient condition for the outbreak of civil war, created a fertile ground for the emergence and sustenance of political conflict” (Abeyratne 2004: 1313). Shanmugaratnam and Stokke (2004:12-13) hold that one of LTTE’s grievances was that the government’s development policy framework and the Poverty Reduction Strategy Paper (PRSP) did not pay attention to the particularities of the war-ravaged Northern and Eastern Provinces. The LTTE believed that the development policy ignored the North and Eastern Provinces and concentrated on the South, while the PRSP failed to address the poverty of the North and East as distinct from the rest of the country.

Similarly, Perera (2001) writes that the inter-ethnic conflict of Sri Lanka has many root causes and consequences that are closely inter-linked. He identifies ethnic politics and the interpretation of the past, politics of language, politics of  

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3 Poverty Reduction Strategy Papers (PRSPs) are documents required by the IMF and World Bank before a country can be considered for debt relief within the Heavily Indebted Poor Countries (HIPC) initiative. PRSPs are also required before low-income countries can receive aid from most major donors and lenders (International Monetary Fund 2011).
education, and militarisation of ethnic conflict and issues of trauma as root causes of the conflict. Sarvananthan (2007:ix) has compared the economic and social development of the conflict region prior to and during the conflict era in relation to other regions and has observed that very limited “positive change has taken place in the structure, nature, and extent of the region’s economy”. The author identifies a number of direct and indirect causes of this disparity, including the economic embargo imposed by the government on the conflict region, illegal taxation by the LTTE, lack of economic opportunities and poor infrastructure. And, in an analysis of inequalities between groups in access to economic, social and political resources, Stewart (2005b:9-10) attributes the Sri Lankan government’s provocative language policies and high levels of unemployment among educated Tamil youth as factors leading violent reaction. Of the two explanations noted above, the grievance approach is more relevant for explaining the Tamil insurrection in Sri Lanka.

The design of development policies in countries where major conflicts have ended is becoming a pressing issue on the international development agenda. Stewart (2010) holds that post conflict development is salient partly because there are a significant number of countries where such policies are relevant, and partly because their situation tends to be among the most desperate. Post conflict policies receive attention also because the record on post conflict recovery is unimpressive. Forty percent of all post conflict situations, historically, have reverted back to conflict within a decade (Collier 2007:2). In designing post conflict policy, therefore, it is essential to address the main factors that led to the onset of the conflicts, as well as re-establishing conditions for economic growth. If horizontal inequalities are an important element behind mobilisation for conflict and if this is not addressed, there is a danger of renewed mobilisation around those inequalities and further outbreaks of violence are possible.

A number of studies have shown that inequalities have been, and are likely to be, affected by post conflict development policy (for example, Langer, Stewart &
The literature on post conflict development identifies the types of policies likely to reduce horizontal inequalities. Stewart (2010) advocates development policies based on the principle of affirmative action. This is action taken towards the allocation of political and/or economic entitlements on the basis of membership of specific groups, for the purpose of increasing the specified groups’ share of entitlements. The action generally covers the public sector and sometimes extends to private sector activity (Stewart 2010:13). Such action is directed at relatively disadvantaged groups. Collier (2007:22) holds that overriding priority should be given to the reduction in the risk of renewed conflict. In this regard, two policies that can reduce risks are to reduce military spending and to increase employment opportunities for unskilled young men. In terms of political opportunities, the post conflict period may be a particularly good moment for rapid economic reform.

At the end of the Sri Lankan civil war, the Government of Sri Lanka (GOSL) introduced a development policy framework that highlights the need for balanced regional development to ensure that “every household in Sri Lanka equally benefits from economic development” (Government of Sri Lanka 2010:3). The government points to rapid economic growth and numerous new infrastructure projects as signs of positive post conflict development in the country (Ministry of Economic Development 2012:n.p.). Despite its laudable objectives and claims, results of the government’s development policy in addressing horizontal inequalities in the former conflict region show a rather pessimistic picture. In a recent analysis of reconstruction efforts in the North and Eastern Provinces, International Crisis Group (2012: i) has noted:

Since the war ended in 2009, hundreds of millions of dollars have poured into the province, but the local populations, mostly left destitute by the conflict, have seen only slight improvements in their lives. Instead of giving way to a process of inclusive, accountable development, the military is increasing its economic role, controlling land and seemingly establishing itself as a permanent, occupying presence. Combined with what many Tamils see as an effort to impose Sinhala and Buddhist culture across the
whole of Sri Lanka and a failure to address many social aspects of rebuilding a society after conflict, these policies risk reviving the violence of past decades.

In addition, Senanayake (2011:n.p.) holds that militarisation has increasingly deformed democratic institutions and political processes, while foreclosing possibilities for reconciliation and closure and, thus, leaving space for endemic conflict. According to the Stockholm International Peace Research Institute (2012:n.p.), Sri Lanka has become the South Asian region’s highest military spender for 2011. As a percentage of Gross Domestic Production, Sri Lanka has spent three percent on the military and secured the first place among South Asian countries. Sri Lanka increased its defence spending in 2011 by 11 percent in real terms. In 2010, Sri Lanka disbursed US$1,403 million for the military and this made up 2.4 percent of Gross Domestic Production (Stockholm International Peace Research Institute (2012:n.p.). Post conflict development policy making in Sri Lanka seems to dismiss the significance of horizontal inequalities, and has designed policies that will not reduce the horizontal inequalities.

Contemporary discourse on the civil war in Sri Lanka and post conflict development exhibits two important problems. Firstly, although the literature on the Sri Lankan conflict is consisted of claims that socioeconomic factors have contributed to the Tamil insurrection, very few studies of the Sri Lankan conflict have examined the relationship among conflict causation, horizontal inequalities and development policy. The majority of the studies conducted on the causes of the Sri Lankan conflict do not employ horizontal inequalities as tools of analysis. Generally, they have proposed economic inequality (for example, Abeyratne 2004) or spatial inequality (for example, Kumara & Gunewardena 2009) rather than horizontal inequality between ethnic groups as the reason for conflict. In addition, studies have thus far not investigated the relationship between socioeconomic horizontal inequalities, political exclusion of minority Tamils and civil conflict onset. While a positive link between horizontal inequalities and violent conflict has been established by recent studies of other conflicts (for
example, Brown 2008; Langer 2008; Mancini 2008; Murshed & Gates 2005), no systematic study has to date investigated whether and how the Sri Lankan political, socioeconomic and cultural environment affected the ethnic conflict. And, virtually no attempts were made to develop an analytical framework that would account for the emergence of the conflict in a context of horizontal inequalities. An accurate identification of causal factors are important in devising policies appropriate for reducing conflict drivers, as the first requirement in this regard is careful diagnosis to identify whether they were indeed a factor in the conflict, and which elements were particularly significant.

Secondly, the armed phase of the Tamil insurrection ended in 2009. Contemporary studies (for example, Langer & Stewart 2012; Langer, Stewart & Venugopal 2012; Stewart 2005b, 2012) have observed designing post conflict policies, which will reduce the horizontal inequalities, are important because they are often a major source of conflict. Langer, Stewart and Venugopal (2012) point out that, if policies do not address horizontal inequalities, there will be a danger of renewed mobilisation around them and a further outbreak of violence. As it will be discussed in Chapter six, post conflict development policy making in Sri Lanka seems to dismiss the significance of horizontal inequalities, constraining policy primarily to security and economic growth. While it is critical to assess whether the current model of development in Sri Lanka is a conflict sensitive solution, this is difficult to achieve because there is a dearth of studies that explore the intersection between post conflict development policies and their potential impact on horizontal inequalities.

1.3 Objectives of the Study

This study has two primary objectives. Firstly, in devising post conflict development policies, the key requirement is careful diagnosis to identify whether inequalities were indeed a factor in the conflict, and which elements were particularly salient. Therefore, it is essential gather data on groups' position, with
respect to the major socioeconomic, political and cultural dimensions. As noted earlier, most of the studies conducted on the causes of the Sri Lankan conflict do not employ horizontal inequalities as tools of analysis. Given that no attempts were made to develop an analytical framework that would account for horizontal inequalities as the driver of the conflict, this study provides empirical evidence to support the argument that horizontal inequality offered the ground for violent conflict in Sri Lanka. To do so, this study will propose an analytical framework that would link horizontal inequalities, development policy and conflict.

Secondly, contemporary studies (for example, Brinkman, Attree & Hezir 2013; Langer, Stewart & Venugopal 2012; McCoy 2008; Stewart, Brown & Langer 2008) have observed designing post conflict policies that reduce horizontal inequalities are important because they are often a major source of conflict. However, post conflict development policy making in Sri Lanka seems to dismiss the significance of horizontal inequalities. In addition, while there has been a considerable amount of analysis on the development policies on poverty and inequality among individuals in Sri Lanka (or what is defined as vertical inequality), there has been almost none on the impact of development policy on inequality between culturally defined groups, or horizontal inequality. To fill this gap, this study will assess whether the current model of development in Sri Lanka is a conflict sensitive solution by exploring the intersection between post conflict development policies and their potential impact on horizontal inequalities. In this regard, this study will unpack the key components of the government’s post war development agenda to explain how one might expect polices to affect horizontal inequalities.

1.5 The Rationale of the Study

Although the current environment in Sri Lanka could be labelled ‘post conflict’, it does not necessarily mean conflict has ended. One essential prerequisite to addressing post war development is to understand the nature of efforts put in
place to address horizontal inequalities that led to the conflict in the first place. The rationale for this study is threefold: First, as evidenced by the legacy of civil war in Sri Lanka and elsewhere, conflict can reverse development gains. Various actors (e.g., multilateral agencies, civil society groups, etc.) have begun to recognise the complex links between their interventions and conflict dynamics (Chapman, Duncan, Timberman & Abeygunawardana 2009; Fukuda-Parr 2007; Rose 2005; Wood 2001). If policy makers ignore conflict dynamics, their development efforts can distort local economies, skew power relationships, destroy social relations, increase divisions between or within communities, and ultimately fuel conflict recurrence.

Second, the Sri Lanka government’s priority should evidently be to adopt policies to galvanize the post conflict development to reduce the risk of conflict re-emergence. But, as it will be discussed in Chapter six, Sri Lankan policy makers seem to pay little attention to development policies in relation to long-term impact on horizontal inequalities. From an applied perspective, findings of this study will provide empirical evidence for Sri Lankan political leaders and policy makers to work more and to limit the possibility of ‘doing harm’. The evidence will also help them develop different, context specific, conflict sensitive approaches to development. Third, this study will identify and draw on development, inequality and conflict confluences. Literature (for example, Chakrabarti 2013; del Castillo 2012; Langer, Stewart & Venugopal 2012; Stewart 2008) shows that inclusionary development policies are better equipped to withstand conflict risks than those that rely on a few regions, sectors or groups, and are controlled by a few dominant players.

1.6 Significance of the Study

This study is significant for a number of reasons. First, this study is significant because it provides a case study to enhance our understanding of whether post conflict development policies should be distinctive. While most studies focus on
post conflict development in less developed countries (e.g., Somalia, Afghanistan, etc.), very little attention has been paid to post conflict development in middle-income countries like Sri Lanka. From an empirical perspective, this study will provide development practitioners and policy makers valuable insights on types of developmental approaches that can result in conflict sensitive solutions and, therefore, are better able to respond to post conflict development and risk reduction simultaneously.

Second, studies have shown that post conflict societies face a high risk of reversion to conflict, especially if the underlying causes are not addressed (Collier 2007; Langer, Stewart & Venugopal 2012; Stewart 2005b). Thus, a salient question for policy makers during the post conflict period is how post war development and reconstruction may affect the risk of reversion to conflict. Subsuming this issue is the larger one of how much attention should be given to the nature of post conflict development policies relative to other policies. Using Sri Lanka as a case study, this study will comment on the issue whether post conflict development policies should be distinctive from conventional development policies. Third, from a theoretical perspective, this study will contribute new knowledge about the nexus between horizontal inequalities and conflict in multiethnic countries, as well as the role post conflict development policy play in preventing outbreak of ethnic conflicts. The findings of this research explain group dynamics and conflict triggers, and this information will inform better coordination of local and international development efforts to ensure optimal policy sequencing in post conflict settings. It will also give an opportunity to test various alternative theories of conflict causation and prevention.

Finally, the post conflict reconstruction is a significant issue for Canada. Canada and Sri Lanka have strong bilateral relations based upon shared participation in the Commonwealth, and development assistance through the Colombo Plan, in addition to the presence of a vibrant community of Canadians of Sri Lankan origin. Canadian interest in Sri Lanka is also driven by a
foreign policy commitment to the principles of freedom of expression, democracy, human rights, and the rule of law. Canada also has a long-standing development assistance partnership with Sri Lanka dating back to the 1950s, managed largely by the Canadian International Development Agency. Annual bilateral assistance is approximately C$6 million, and in 2009, Canada announced up to C$22.5 million in humanitarian assistance (Government of Canada 2011:n.p.). Additionally, Canada is the home to a large Sri Lankan Tamil community. With the end of the civil war, Canada now looks to the Sri Lankan government to present a viable political solution in order to satisfy the legitimate aspirations of Tamils. Canada co-sponsored the recently passed resolution by the United Nations Human Rights Council that requested Sri Lanka to properly investigate alleged war crimes by government forces and the LTTE in connection with the country's three-decade long civil war.

1.7 Limitations of the Study

It is also important to stress the exploratory nature of this study and its limitations. First, the study covers post conflict development policies in one country, namely Sri Lanka; as such the results may not apply directly to all post conflict environments across the world. Second, fieldwork for this study was conducted in January, February and July 2013, approximately four years after the end of the civil war. Although the civil war has ended, state surveillance and suppression of the activities of researchers, journalists, social activists and others were clearly evident in post war Sri Lanka. As noted earlier, the post war period has seen a sharp decline in freedom of expression in Sri Lanka. This situation was even more severe in the former war zone (to be discussed in Chapter six). Many respondents felt that even commenting on historical events is somewhat risky in the present climate. In variably, these concerns influenced the sharing of information by key interviewees. Second, given the increasingly important role the military play in the development process in the North and East, the researcher attempted to interview senior Sri Lankan military officials. The
researcher encountered difficulty gathering information necessary to conduct a comprehensive assessment of the role of the Sri Lankan military in post war development, as the information was restricted and therefore not available to researchers. Sri Lankan military officials declined to participate in this study, citing national and security interest. Fourth, because of the time and financial resources available, the field research was of limited scale and scope; as such, the results may not be fully representative of the views of all relevant policy makers and stakeholders in Sri Lanka. Finally, Strauss and Corbin (1990) describe two different levels of theory generated by grounded theory methodology: grand theory and substantive theory. The purpose of this study is not suited to the development of a formal or grand theory of post war development and reconstruction. According to Strauss and Corbin (Strauss & Corbin 1990:172-173), grand theory evolves from exploring a phenomenon in a variety of contexts. In this study, this would require the exploration of conflict causation and post conflict recovery in a variety of similar country settings. In contrast, the theory generated in this study is a substantive theory, because the theory evolved ‘from the study of [a] phenomenon situated in a particular situational context’ (Strauss & Corbin 1990:174).

1.8 Organisation of the Study

This study will be organised in seven chapters. Chapter one draws attention to the Tamil insurrection in Sri Lanka and outline issues related to conflict causation and the post conflict development policy and its implications. This section will outline the problem statement and provide an outline of the study. Chapter two reviews literature on conflict causation and post conflict development as a basis on which to consider the causal factors of ethnic conflict in Sri Lanka and the potential impact of the post conflict development policy on conflict drivers. Chapter three outlines the key aspects of research methodology in detail: data collection mechanisms, interview protocols, sampling, reliability, validity, and limitations. Given that this research is conducted in an intensely political
environment, this chapter also outlines relevant ethical and accountability issues. Chapter four provides a brief background of Sri Lanka’s demographic characteristics; it also outlines the key events related to the ethnic conflict, and reviews the nature of inequality in Sri Lanka. Given that socioeconomic, political and cultural outcomes are intrinsically linked to the conflict in Sri Lanka, this chapter will also outline the major developmental policy shifts that have been taken place in Sri Lanka since independence in 1948. Chapter five considers the application of the concept of horizontal inequality to understanding the violent conflict in Sri Lanka. It explores causal connections between political, economic, social and cultural inequalities and ethnic conflict in Sri Lanka. Chapter six provides a brief overview of Sri Lanka’s post war political environment. It also reviews the emerging post war development policies and their implications. Given that socioeconomic, political and cultural inequalities were linked to the conflict in Sri Lanka, this chapter also examines the major post war development and reconstruction efforts in the North and East since the end of the war and their implications on horizontal inequalities. It also explores to what degree the former war zone has fared in relation to horizontal inequalities to assess whether current policies are sufficiently equitable to prevent future conflict. Chapter seven provides a discussion of key findings and conclusions.
2.1 Introduction

It is possible to assess the viability of Sri Lanka’s policies in promoting post war development, reconstruction and peace, once it is understood what factors might be involved in causing the conflict in the first place. To do so, this chapter explores various theories of conflict causation and post conflict development. The purpose is to assess contemporary perspectives of conflict causation and post conflict recovery and their prospects for understanding post conflict development and stability in Sri Lanka. The chapter is structured as follows: Following the introduction in Section one, Section two explores the relevance of economic, social, cultural, political, and structural issues in conflict causation. It presents a number of theories of conflict causation to explain the causal mechanism by which socioeconomic and other grievances can lead to violence. The set of approaches highlighted is not exhaustive but does capture most of the range and also illustrate key aspects of conflict causation. Section three draws attention to literature on post conflict reconstruction. The focus here is on perspectives on post conflict development policies to assess how they affect reconstruction while reducing the risk of reversion to conflict. The purpose of this section is to explore contemporary perspectives on conflict causation as a basis from which to consider the applicability of the current development approach to reconstruction. Section four provides a discussion and conclusion on theoretical perspectives reviewed and their application to understanding Sri Lanka’s ethnic conflict.

4 In addition to the theoretical models analysed here, there are other scholarly approaches and concepts devised to explain contemporary political conflicts. These include approaches and concepts such as diaspora politics, identity politics, etc. While they hint at important elements of conflict causation, they are not dealt separately in this study. The rationale is that these approaches and concepts are underlying considerations in many theoretical models reviewed here, and they seldom act as the dominant models of analysis in literature.
2.2 Theoretical Perspectives on conflict Causation

This section is concerned with perspectives advanced by different writers on the causes of violent conflicts. By understanding conflict causation, it will be possible to assess whether solutions to conflicts are possible and what shape they might take. As Adedeji (1999a:10) points out:

Understanding the origin of conflict means, therefore, developing a framework for comprehending (a) how the various causes of conflicts fit together and interact; (b) which among them are the dominant forces at a particular moment in time; and (c) what policies and strategies should be crafted to address these causes in the short, medium and long term.

The attempts to find determinants and conditions in order to explain violent conflicts and civil wars, and ultimately their causes, are approached in literature using a variety of perspectives. Generally, they point to economic, social, cultural, political, and structural issues as sources of conflict causation. The review of literature below will detect various causal factors that make violent conflict more likely.

2.2.1 The Role of Economics and Rational Behaviour in Conflict Causation

A key strand of literature on conflict causation is what may be described as a ‘rational choice’ school of thought. Represented primarily by the works of Collier and Hoeffler (2001), this approach is based on the ‘greed’ versus ‘grievance’ model over the causes of civil war. This perspective is founded on the proposition that economic factors often shape the calculations and behaviour of parties to a conflict, giving rise to a particular conflict economy (Berdal & Malone 2000; Collier 2000b). The arguments of Collier and others centred on demonstrating how conflicts act as an opportunity for state elites and rebels to appropriate resources under their control. In this context, the scholars play down the role of the grievances of groups as a cause of conflict.
Literature has produced important findings on the political economy of contemporary conflicts. This research has drawn attention to the rise in combatant “self-financing” through access to regional and global networks, illicit trade and finance, and diaspora remittances (Berdal & Keen 1997; Collier & Hoeffler 1998). Much of the academic debate on the economic causes of contemporary armed conflict has become centred on the ‘greed’ versus ‘grievance’ dichotomy, juxtaposing ‘loot seeking’ with ‘justice seeking’ rebellions, and the significance of economic versus socio-political drivers of civil war (Berdal & Malone 2000; Berdal 2005; Collier & Hoeffler 2001). Among the many important findings in these studies, the most widely reported was that a moderate to high natural resource dependence of a country (measured in terms of primary commodity exports as part of GDP) is correlated with a higher risk of violent conflict (Auty 1993; Ballentine 2003; Basedau & Lay 2009; Collier 2000b; Fearon 2005; Humphreys 2005; Ross 2006).

Collier (2000) points out that the above line of thought has been coalesced into a new type of war called ‘resource-wars’. According to the ‘resource war’ hypothesis proposed by Collier (2000b), groups engaged in violent conflict globally are not primarily motivated by grievance (i.e., ethnic discrimination, inequality, historical animosity), but essentially by economic agendas and therefore greed. In diametric opposition, Porto (2002:8) views that in resource war hypothesis “issues of identity and self-determination are dismissed in favour of a focus on the role that resources, by and of themselves, play as the main objectives of groups engaged in war”. Similarly, Le Billon (2000:23) views resource wars as a “violent expression of a distributional conflict associated with the paucity of resources,” not as the expression of greed-motivated groups. The reductionist nature of the greed theory is also criticised by Cilliers (2000:2):

... although war may have both intended (i.e. planned) and unintended economic consequences, any analysis that seeks to reduce the study of extensive social conflict to a single determinant should be treated with care. War profiteering, or the economic benefits that may arise during a conflict, is not a new phenomenon but as old as war itself. Historically, economic considerations have been an important cause of wars,
commercial agendas (the profits made during war) have often served to perpetuate conflict, and motivations to prosecute war also change over time. But economic considerations have not always pre-dominated and can seldom be used as single-factor explanation.

Therefore, these authors conclude that the resource-war type, product of ‘greed theory’, does not seem to allow for a comprehensive understanding of contemporary on-going armed conflicts.

2.2.1.1 Economic Dimensions in Civil War: Greed versus Grievance

One strand of the ‘resource war’ hypothesis is known as the ‘greed’ theory and articulated through the work of Collier and Hoeffler (for example, Collier 1999; Collier & Hoeffler 2001). They argue that it is mainly greed motivated economic opportunity that motivates rebels to pursue a path of conflict. According to this perspective, rebels pursue conflict for economic gain; as such, countries with significant natural resources (i.e., lootables) are at a high risk of conflict. In this perspective, rebels are not motivated to generate public goods or the betterment of society, but rather seek private gain. Thus, violence becomes a mechanism to generate wealth. On the other hand, the ‘greed’ thesis is countered by a body of long-standing literature which holds that collective violence can be the result of ‘relative deprivation’ (Birrel 1972; Davies 1973; Gurr 1970; Oberschall 1969). In this respect, the grievances that relative deprivations produce amongst members of a group lead to collective violence (Hutchful & Aning 2004). For grievance accounts of conflict, socioeconomic factors are of central importance. Other factors such as lack of political rights and state led repression of groups can also be involved; but, as Stewart (2000:9) notes, “in general if there is a group conflict, we should expect sharp economic differences between conflicting groups associated (or believed to be associated) with differences in political control”.

It should be noted that some greed thesis literature also recognises that grievances could play a role in conflict causation. Collier and Hoeffler (2004), for instance, note that many economic conditions (low income, slow growth, and
especially severe economic downturns) are correlated with the outbreak of conflict, and that the causal direction runs from economic conditions to conflict. However, Collier is cautious about endorsing grievance as a real source of conflict causation. Collier considers that there is a strategic reason for the insurgents to frame a conflict in grievance terms. According to Collier (1999:1):

Narratives of grievance play much better with this community than narratives of greed. A narrative of grievance is not only much more functional externally, it is also more satisfying personally: rebel leaders may readily be persuaded by their own propaganda. Further, an accentuated sense of grievance may be functional internally for the rebel organisation. The organisation has to recruit: indeed, its success depends upon it…. By playing upon a sense of grievance, the organisation may therefore be able to get additional recruits more cheaply. Hence, even where the rationale at the top of the organisation is essentially greed, the actual discourse may be entirely dominated by grievance.

This argument is also supported by Sanín (2004) and Linnett (2009) who use case studies from Columbia and Papua New Guinea to explain how rebels strategically frame their movement in a discourse of grievance. Collier's (1999) argument suggests that both greed-motivated and grievance motivated rebels will frame their movement in a discourse of grievance. The downside is that it provides no evidence as to the true motivation for insurrection (Collier 1999:1). Part of the reason for this is that some aspects of grievance (e.g., inequality in the distribution of income) do not have a statistically significant impact on the likelihood of conflict causation (Collier & Hoeffler 2004, 1998; Sambanis 2004). Similarly, Dabalen, Kebede & Paul (2012) do not find statistical evidence that income inequality and land inequality have determined the level of civil conflict war in Côte d'Ivoire. Instead, these studies suggest that grievances over the distribution of resources tend to provide the rationale to rebellious groups pursuing their own economic agendas.
2.2.1.2 Beyond Greed and Grievance: Poverty-Conflict Trap

Paul Collier and his colleagues have recently shifted their focus to exploring the nexus between conflict and poverty (Collier, Hoeffler & Rohner 2009; Collier & Hoeffler 2004). Collier emphasises the “poverty trap” as a critical element in understanding armed conflicts. According to them, poverty makes rebellion less unattractive, more generally lowering the opportunity cost of war in poor nations. In turn, other studies have shown that conflict serves to perpetuate poverty because of war’s destructiveness (Bloomberg, Hess & Thacker 2000; Collier, Elliott, Hegre, Hoeffler, Reynal-Querol & Sambanis 2003; Collier, Hoeffler & Rohner 2009; Justino & Verwimp 2006; Kim & Conceição 2010; Verner & Heinemann 2006). As a consequence, a vicious cycle of poverty-conflict-poverty ensues. Countries such as Liberia and Sierra Leone have found themselves unable to escape the poverty-conflict trap (Nooruddin & Flores 2007). In this regard, growth rates are also strongly associated with risks of conflict in developing countries. If the growth rate in a developing country is increased by one percentage point from the mean, the risk of conflict decreases by 0.6 percentage points to 4.0 per cent (Nooruddin & Flores 2007). According to Collier et al (2003), the high rates of recurrence of conflict, along with the economic determinants of conflict, suggest the possibility of the existence of poverty-conflict traps. Given that poverty and low per capita income are also correlated with worse human development outcomes (e.g., health and education), and also that these outcomes suffer as a result of conflict, the conflict trap can be conceptualized in the framework of a low human development-conflict trap (Collier & Hoeffler 2004). It should be noted this argument might have limited methodological rigour to account for contemporary conflicts. A crucial problem

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5 Chambers (1983) outlines what he calls the ‘deprivation trap’, in which five ‘clusters of disadvantage’ interact with each other to trap people in a situation of disadvantage. One of the five clusters is poverty and it is used in the narrow sense of lack of assets. The others are powerlessness, physical weakness, isolation and vulnerability, which are the wider dimensions of poverty. The ‘deprivation trap’ was designed to represent the rural context, but many of the themes are relevant in conflict contexts as well.
noted by Hegre and Sambanis (2006) is that the direction of impact between the income per capita and conflict can run both ways.

The conflicts in Angola, Sierra Leone and the Democratic Republic of the Congo (DRC) have been the focus of literature on how exploitation of natural resources by rebels contributes to civil wars (Balimo 2001; Campbell 2004; Cilliers & Dietrich 2000; Le Billon 2000, 2001; Lujala 2005; Renner 2002). Le Billon (2000, 2001) points out that resources such as diamonds and gold may be the source of violence between two or more competing parties. Le Billon (2000) further notes that the forces of greed and grievance can only degenerate into violence where processes that weaken the subsisting social arrangements have been at play. In similar fashion, Cater (2003) argues, that these conflicts were both caused and sustained by the interplay between complex political and economic factors. He argues against causal models directed solely at presumed economic factors. Cater (2003) also examines a range of theoretical approaches to the causes of armed conflict. He provides different explanatory models according to their subject of analysis (e.g., rebellion or state failure), and respective focus on economic or political factors. While each approach has some analytic utility, he argues that an accurate understanding of the broad political economy of conflict requires a more comprehensive approach.

To what extent does evidence on the significance of greed for conflict causation is present in literature? The dominant role that violent contests over natural resources have played in the conflicts in Civil wars in Angola, Sierra Leone and the Democratic Republic of Congo illustrate the greed model of conflict causation (Campbell 2004; Cilliers & Dietrich 2000; Le Billon 2001; Lujala 2005). Some studies have shown the statistical correlation between resource abundance and conflicts (Brunnschweiler & Bulte 2008; Collier 2000b; Franke, Hampel-Milagrosa & Schure 2007). They point to rebel aspirations for self-enrichment and/or the opportunities that create access to natural resources as causes of insurgency (Collier, 2000a). Yet, while access to natural resources contributed to the
possibility of insurrection in both Sierra Leone and the DRC, Cater (2003) suggests that these insurrections were not initiated simply to capture economic assets for self-enrichment. Rather, resource exploitation was also a means to finance insurrections driven by socioeconomic and political grievances (Ballentine & Nitzschke 2005; Cater 2003; Ikelegbe 2005). Thus, theories of conflict causation that explain group mobilisation for insurrection in terms of intergroup or ‘horizontal’ socioeconomic or political inequalities also have significant explanatory power (Stewart, 2002). As Reno (2003) and Lemarchand (2003) have argued, before natural resource exploitation became the dominant focus on armed conflict in Sierra Leone and the DRC, horizontal inequalities often manifested in the form of unemployment and lack of access to education among the youth (Reno 2003); and, in the DRC in the form of regionally and ethnically defined poverty and insecurity (Lemarchand 2003).

2.2.1.3 Resource Appropriation and Tamil Insurrection in Sri Lanka

As discussed above, the rational choice literature on the causes of conflict offers two possible explanations: grievance and greed. With regards to Sri Lanka, a few analysts have pointed at likely economic and rational behaviour of the LTTE as contributing factors to the insurrection: For example, Vije (2004) notes that the LTTE has been accused of extracting taxes from residents in the North and Eastern Provinces, as well as appropriating humanitarian assistance.6 Amnesty International (2006) has noted that Tamil and Muslim businessmen, as well as persons with a substantial income were targeted for extortion by the LTTE. According to the report, the LTTE taxed businesspeople and high-income earners between five and ten percent of their income; those who were unwilling to pay "faced the threat of being harassed or abducted". The Amnesty International reported that:

6 According to Hafeez (2009) taxation on goods passing through areas controlled by the LTTE, sales tax on goods sold by merchants, tax on individual households, extortion and protection money paid by businessmen and voluntary contributions from sympathisers accounted for approximately 20 percent of LTTE’s total revenues.
As noted earlier, Collier and Hoeffler (2001) suggest that explanations for civil wars fall in two categories: Those that focus on the grievances of rebels and those that focus on their funding. They argue that rebel organisations are more likely to launch a civil war if significant funding opportunities exist for them, ranging from extraction and selling resources to extortion. The behaviour of the LTTE, viewed from this perspective, falls into the latter category (Amnesty International 2006; Human Rights Watch 2006; McDougall 2008). As Flynn (2011:7-15) note, the literature, however, does not make it clear if resource predation by the LTTE is the primary motive for violence, and the literature does not distinguish between looting as a motive and looting as a means to sustain the insurrection.

2.2.1.4 Economic Dimensions of Civil War: Limitations

In a review of literature on natural resources and conflict, Mildner, Lauster and Wodni (2011) and Ross (2006) note that it is reasonable to argue that both greed and grievance models of conflict causation have merit. However, they also note that taken individually, greed and grievance models often fall short of addressing some key elements of what drives conflict. Greed may play a pivotal role in driving conflict, but the presence of grievance is also necessary for a group to coalesce and collective violence to take place (Renner 2002; Cater 2003). In this context, conflict cannot take root without clearly perceived group grievance (Mursheed & Tajoeddin 2009). For some observers like Collier (2000a), many of today’s insurgencies, such as the guerrilla war in Colombia, have devolved into criminal enterprises and should be considered accordingly. However, as United Nations Office on Drugs and Crime (2009) notes, much insurgency and related criminality overlap in today’s conflicts, and they are not the same. Whereas criminal organisations employ violence in the sole pursuit of profit, some analysts
posit that rebel groups engage in economic activities to pursue military and political goals (Sanin 2004). Thus, as Ballentine and Nitzschke (2005:11-34) note, framing rebellion as a simply criminal rather than political activity may mask the reality of the situation (Ballentine 2003; Berdal 2005).

There has also been increasing recognition of the methodological and analytical shortcomings of the greed thesis that make Collier’s findings and interpretations problematic (Ballentine 2003; Ballentine & Nitzschke 2003, 2005). As Ballentine and Sherman (2003:3-10) note, there is a danger in inferring individual motivations from statistical correlations. The fact that combatants engage in predatory economic activities (loot seeking) is seldom a reliable guide to their fundamental motivations. While some may participate in war economies to benefit from the conflict, others may do so for survival (Ballentine & Nitzschke 2003). As evidenced in Nepal, others may be coerced for their labour and land (Murshed & Gates 2005). Furthermore, individual motivations may change over time as conflicts evolve. Conflicts that begin as primarily grievance-centred may over time could be transitioned to economic motives. In fact, such mutation can be witnessed in conflicts of Colombia and Angola (Malaquias 2001; Röhl 2004).

Another important argument against the greed thesis of conflict causation is that at the root of greed theory is the rational choice model of decision making by insurgents. The inadequacy of the rational choice model is highlighted by Nicholson (1987):

… as a more general approach to human motivation, in particular when violence is relevant, it is seriously flawed. People’s attitudes to the use of violence are often ambiguous, ambivalent and complex, and one cannot treat violence simply as an unambiguous cost (cited in, Porto 2002:12).

Thus, determining just which motivations matter is a complex issue and involves more careful exploration of various motivational factors and rigorous empirical validation (Nicholson 1987; Porto 2002).

The poverty-conflict trap hypothesis has also been criticised for the non-incorporation of data relative to distributional aspects within the case studies.
used to demonstrate the poverty-conflict nexus (Gleditsch, Knudsen, Suhrke & Urdal, 2003; Suhrke, Villanger & Woodward 2005). The unavailability of data prompted Collier and Hoeffler (2004) to rely on per capita income as one of the independent variables. This, as Porto (2002) argues, leads to the conclusion that higher per capita income reduces the duration and the likelihood of civil war. This implies that civil war is overwhelmingly a phenomenon of low-income countries. The poverty-conflict hypothesis excludes distributional aspects of conflict in the analysis, and by doing so they are neglecting the role that the distribution of resources (i.e., inequality) within countries and among groups plays as a source of grievance (Ballentine & Nitzschke 2003; Cilliers 2000; Le Billon 2000; Porto 2002).

In studies reviewed above, economics has become the primary explanatory framework for conflict analysis. Consequently, these explanations pose various implications for policy development and action. Increasingly, scholars accept that a nuanced understanding of any conflict should recognise that both greed and grievance could play central roles in driving collective violence (Ballentine & Nitzschke 2003, 2005; Berdal 2004; Cilliers 2000; Porto 2002). And, also that drivers of conflict should be understood more in terms of greed–grievance continuum rather than an either/or dichotomy (Korf 2006). Thus, while the relative importance of greed or grievance may vary from situation to situation, what is evident in literature is that socioeconomic grievances are a major contributing factor to the causation of armed conflict (Goodhand 2001; Justino & Verwimp 2009; Kanbur 2007; McCoy 2008; Sen 2008; Stewart 2008). This literature review will now turn to a brief review of the contemporary debate on the causes of conflict services to illustrate the importance of socioeconomic, political and cultural factors to contemporary conflict causation.
2.2.2 The Role of Relative Deprivations and Inequalities in Conflict Causation

Theories of grievance can be divided into two theoretical domains: relative deprivation (for example, Birrel 1972; Davies 1973; Gurr 1970); and, horizontal inequality (for example, Gubler & Delway 2012; Stewart 2005, 2008, 2009; Østby 2004, 2008). Although these theories are distinct, there is also a high degree of overlap between them. For instance, central to both theories is the notion that it is the relative position rather than the absolute that is more often the key determinant of conflict. This means that inequality (real and perceived), deprivation and injustice fuel the likelihood of violent conflict (Stewart 2009; Østby 2008; Brown 1996).

Gurr (1970) articulated one of the most influential initial elucidations of relative deprivation. He explains the emergence of violent group mobilisation and violent conflict. His hypothesis was that grievance-induced discontent is the main determinant for political mobilisation, often leading to violence. Gurr (1970:24) defines relative deprivation as “[a]ctors perception of discrepancy between their value expectations and their value capabilities”. This highlights the disparity between people’s expectations and the reality of their situation. According to Gurr (1970:47), there are two salient factors at play: ‘value expectations’ (i.e., the goods and conditions of life to which people believe they are rightfully entitled) and ‘value capabilities’ (i.e., the goods and conditions which they can presently maintain, or believe themselves capable of attaining and keeping in the future). A group’s point of reference for their value expectations may be a reference group, the expectations articulated by a leader, an abstract ideal or their own past condition. The proponents of the relative deprivation argue that if people believe their current value capabilities are at odds with their reasonable value expectations, there is increased likelihood for collective violence, especially if the imbalance in expectations is unlikely to be mitigated in the future (Birrel 1972; Davies 1973; Gurr 1970; Oberschall 1969). Gurr (1993) also finds a positive
relation across countries between minority rebellions and protests and relative deprivation, both in economic, political, and cultural terms. However, the presence of deprivation, either absolute or relative, is no guarantee that groups will pursue their goals using violent behaviour (Kendal 2005; Kriesberg 1982).

On the other hand, if everyone in a society were uniformly at some disadvantage, this would be less likely to lead to armed conflict than a society with greater wealth but sharp socioeconomic disparities. The rationale, as Runciman (1966) states: “if people have no reason to expect or hope for more than they can achieve they will be less discontented with what they have, or even grateful simply to be able to hold on to it” (cited in Gurr 1970:24). Thus, the uniformity in poverty would bring despair but not motivation for violent action. Instead, it is the relative position rather than the absolute situation that is the key determinant of conflict causation. Perception, therefore, play a critical role in theories of deprivation and grievance. As Gurr (1970) notes that individuals may or may not actually want certain goods; but, the salient factor is that they perceive themselves to be deprived. Gurr (1970) points out that an objective observer may not view the individuals to be at any disadvantage. As Ahearne (2009:10) notes, “value expectations need not be based on any tangible or reasonable prospects.

Sharp socioeconomic imbalances do exist and do contribute to conflict but we must also be prepared to consider that even when imbalances are small or socioeconomic grievances seem insignificant perceptions of injustice and inflated value expectations can contribute to violence”. Sambanis (2004:268) argues that emotional and economic theories can be combined with “emotion-based explanations as focusing on the demand side of the equation and economic models as focusing on the supply side. As we develop more of the demand side, it becomes obvious that ideology and psychology cannot be ignored as explanations of civil war”. The role perceptions play in conflicts is also highlighted in the rationalist literature where support for violence does not provide an obvious material benefit, in fact, the violence leads to a predictable material loss
Fearon and Laitin (2000) observe that one potential explanation for what would appear to be irrational support for violence would be the role of emotions in group conflict.

### 2.2.2.1 Disparities and Civil War: The Role of Horizontal Inequalities

Stewart (2000) has introduced the concept of ‘horizontal inequality’, which refers to the inequality between groups, rather than the inequality that may exist amongst an ethnically homogenous population (i.e., vertical inequality). Primarily influenced by the work of Gurr (1970), Stewart (2000) advanced horizontal inequalities as the reason behind grievances felt by excluded groups. It is based on the notion that “when cultural differences coincide with economic and political differences between groups, this can cause deep resentment that may lead to violent struggles” (Stewart & Brown 2007:222). Vertical inequality in a homogenous population does not seriously increase the risk of conflict (Stewart 2000). Thus, conflict cannot proceed without the presence of real or perceived group differences, or grievance, which may have historical dimensions. Horizontal inequalities relate to “the existence of severe inequalities between culturally defined groups” as distinct from vertical inequalities (Stewart 2002:2), and the fact that they “affect individual wellbeing and social stability in a serious way”. In this regard, inequalities can be multi-dimensional and complex, linking the welfare of the individual within a group to the stability and development of society (Stewart 2002). Most literature on the role horizontal inequalities play in conflict causation focus on four types of inequalities: economic, social, political and cultural (Gradstein & Milanovic 2004; Langer 2005; Langer & Brown 2007; Murshed & Gates 2005; Stewart, Brown & Langer 2007). However, Østby (2004) notes that these elements are not equally significant in every situation - some may matter to people in some societies, but not in others.

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7 Horizontal inequality differs from vertical inequality in that the latter is a measure of inequality among individuals or households, not groups; furthermore, measurement of vertical inequality often is confined to income or consumption (Stewart 2010).
While horizontal inequalities are considered as important factors in the literature reviewed above, some authors have argued that they are not the only variables involved in the vast majority of contemporary conflicts (Brown 1996; Humphrey 2003; Østby 2003). They note that the role of horizontal inequalities must be understood with other factors that affect armed conflicts. Recognising that the conflict situation will be the result of many inter-connected factors, Brown (1996) proposes looking at both the ‘underlying’ as well as the ‘proximate’ conditions underlying conflicts. The proximate causes are pivotal at the stage when conflicting parties become aware that they have incompatible goals, thereby bringing underlying factors into visibility. According to Brown (1996) and Østby (2003), while horizontal inequalities are at the basis of group awareness and group formation, manifest conflict issues are fundamentally products of group interaction and inter-group relations.

To explain how inequality between different social groups (or horizontal inequality) affects conflicts, Langer and Stewart (2008) look at how macroeconomic policies impact conflict causation. They focus on the socioeconomic dimensions of horizontal inequalities such as access to social services, nutrition, literacy, life expectancy as well as employment, incomes and consumption levels. They hold that socioeconmic horizontal inequalities are important because they can have adverse effects on the well-being of members of deprived groups. Macroeconomic policies can also impede efficiency and may make it difficult to eradicate poverty. According to Langer and Stewart (2008) there is evidence of a significant relationship between inequalities among groups distinguished by religion or ethnicity and violent conflict. The authors argue that many policies present in Poverty Reduction Strategy Papers\(^8\) in developing countries stem from the structural adjustment policies (SAPs) of the 1980s. SAPs were conditions attached to loans from the international financial institutions.

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\(^8\) Poverty Reduction Strategy Papers (PRSPs) are documents required by the IMF and World Bank before a country can be considered for debt relief within the Heavily Indebted Poor Countries (HIPC) initiative. PRSPs are also required before low-income countries can receive aid from most major donors and lenders (International Monetary Fund 2011).
(IFIs) like the International Monetary Fund and the World Bank. Designed to revitalise stagnant economies, SAPs seek to reduce expenditure in the economy, while shifting focus to policies aimed at the tradable sector, especially encouraging resources to move into the export sector (Crisp & Kelly 1999; Haggard & Kaufman 1989; United Nations Research Institute for Social Development 1993).

There is a body of literature on the effects of structural adjustment policies and their potential roles in initiating or reducing political tensions in various country-settings and population groups (Adedeji 1999b; Agarwal & Sengupta 1999; Balassa 1982; Edwards 1989; Imam 2007; Melville 2002; Naqvi, Masood & Naeem 2012). Except for a few studies (Collier & Hoeffler 2004; Guimond 2007; Storey 1999), there is limited research available on structural adjustment policies in the context of conflict societies. Collier and Hoeffler (2004) have studied the role of policies in reducing the risk of conflict and have argued that ‘better’ policies coupled with aid could lead to a lowered conflict risk. IFIs also argue that structural adjustment will increase trade openness, which is often linked to decreased risk of inter-state warfare. Loan conditionalities could include a reduction military spending, which is linked to decreased risk of conflict and conflict renewal (Collier, Elliott, Hegre, Hoeffler, Reynal-Querol & Sambanis 2003; Swanson, Oldgard & Lunde 2003). On the other hand, several authors have argued that SAPs cause significant political tensions in recipient countries, and often cite the example of certain protests, dubbed “IMF riots”, which were fuelled by discontentment over the effects of SAPs on both equity and peace (Patel & McMichael 2010; Woodroffe & Ellis-Jones 2001). Some authors have even argued that structural adjustment plans can cause widespread conflict: For example, Andersen (2000) and Storey (1999) claim that the SAP in Rwanda in the early 1990s was a contributing factor to the conflict and genocide. The main argument of Andersen (2000) is that the SAPs undermined the legitimacy of the

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9 “IMF riots” began in Lima in 1975, over cuts in the social safety-net presided over by IMF and other international organisations, and later spread through the world (Walton & Seddon 1994).
government while it was attempting to democratize its practices. However, future loans from the World Bank and the IMF were dependent upon democratization and the progress of the peace process. The result, Andersen (2000) argues, was a set of contradictory strategies that led to increasing tensions and eventually war and genocide in the country. In diametric opposition, Guimond (2007) notes that, although SAPs demand many austerities, the available information does not provide conclusive evidence that supports the argument SAPs lead to increased political conflict.

It is not hard to locate examples where inequality and other socioeconomic grievances have been important contributors for driving armed conflicts, however. Nepal, Sierra Leone and Nigeria are examples of armed conflicts with strong socioeconomic dimensions (Balimo 2001; Ideyi 2008; Murshed & Gates 2005). Paris (2004:113) argues that “inequality between the impoverished majority and the affluent minority has been the most important cause of the region’s recurring bouts of revolutionary violence”. In similar fashion, in Nigeria the rebel groups of the Niger Delta demand a more equal distribution of the oil wealth (Obi, 2009). However, some authors (Obi 2009; Ukiwo 2007; Watts 2007) have argued that the conflict cannot be understood without reference to socioeconomic grievance. In this regard, Ukiwo (2007:610) concludes that “the explanations of the insurgency in the region... can be found not in the greed of militant groups or their leaders but in the longstanding history of marginalisation and inequality, as well as the failure of the state and the oil industry to address these grievances except at gunpoint”. Another study of conflict in Nepal undertaken by Murshed & Gates (2005) pointed to the role of horizontal inequality in the spread of the Maoist insurgency. The literature also suggest that the marginalisation of the country’s youth was one of the most important factors contributing to the onset of armed conflicts (Hilker & Fraser 2009; Kunkeler & Peters 2011; Peters 2006; Reno 2003).
Most of the studies conducted on the causes of the Sri Lankan conflict do not employ the horizontal inequality approach as a tool of analysis. After all, Sri Lanka was a textbook example of low inequality and low growth in South Asia (Perkins, Roemer, Snodgrass & Gillis 1996; World Bank 1993). However, a number of recent studies on the Tamil insurrection in Sri Lanka have explored underlying causes of violent conflict and the presence of group-based inequalities in access to political power and economic resources (Abeyratne 2004; Bandarage 2009; Shanmugaratnam & Stokke 2004; Sriskandarajah 2000; Uyandoga 2007). They have revealed a number of disparities that may have provoked feelings of frustration and discontent, which may have caused violent group mobilisation and conflict along ethnic lines. In this regard, Abeyratne (2004) argues that the Tamil insurrection in Sri Lanka has its roots in the contradictions in the country’s post independence development process. He argues that development policies created by a mismatch between the welfare policy and trade strategy: “widespread social exclusion in a stagnant economy, though not a sufficient condition for the outbreak of civil war, created a fertile ground for the emergence and sustenance of political conflict” (Abeyratne 2004:1313). Shanmugaratnam and Stokke (2004) also hold that one of LTTE’s grievances was that the government’s development policy framework (titled ‘Regaining Sri Lanka’) and the Poverty Reduction Strategy Paper (PRSP) did not pay attention to the particularities of the Northern and Eastern Provinces. The LTTE believed that the development policy ignored the Northern and Eastern Provinces and development activity was concentrated in southern parts of the country, while the poverty reduction strategy failed to address socioeconomic inequalities in the North and East (Balasingham 1983; Bastian 2009; Kugathasan 2012; Stokke & Ryntveit 2000; Whitaker 1990).

Perera (2001) writes that the inter-ethnic conflict of Sri Lanka has many root causes and consequences that are closely inter-linked. He identifies ethnic politics and the interpretation of the past; politics of language; politics of education; and, militarisation of ethnic conflict and issues of trauma as root
causes of the conflict. Sarvananthan (2007:ix) has compared the economic and social development of the conflict region prior to and during the conflict era in relation to other regions and has observed that very limited “positive change has taken place in the structure, nature, and extent of the region’s economy”. The author identifies a number of direct and indirect causes of this disparity, including the economic embargo imposed by the government on the conflict region, illegal taxation by the LTTE, lack of economic opportunities and poor infrastructure. And, in an analysis of inequalities between groups in access to economic, social and political resources, Stewart (2005b:29-30) attributes Sri Lankan government’s provocative language policies and high levels of unemployment among educated Tamil youth as factors leading to violent reaction.

2.2.2.2 Horizontal Inequalities as Causes of Armed Conflicts: Conceptual Limitations

Despite the persistence of the horizontal inequality thesis, however, the literature has produced contradictory results (Alesina & Perotti 1996; Auvinen & Nafziger 1999; Muller & Seligson 1987; Sigelman & Simpson 1977; Weede 1981). As well, several studies conducted in various parts of the world provide reasons other than horizontal inequalities as the cause of conflict. In this regard, some scholars of conflict analysis hold that armed conflict develops in poor countries because they have weak governance due to a lack of resources and state capacity (Fearon & Laitin 2003). Referring to Ivory Coast, Langer (2005) points to the fact that both rich and poor people in many ethno culturally diverse societies have been living together in harmony for generations without any violent conflict among them. But this refers to cases of vertical inequality or inequality among individuals (Langer 2005; Nafziger & Auvinen 2002). In this regard, Evans (2007) notes that an individual deprived of political, economic, social and cultural rights cannot revolt, but a deprived group can fight against the state if it is mobilised. Therefore, Østby (2004) suggests that the inequality-conflict nexus needs to be investigated both vertically and horizontally, with more refined measures of
various dimensions of inequality. To the contrary, Cramer (2005) indicates that there are great difficulties in the measurement of inequality as origin of violent political conflict. Data on income inequality are often insufficient, especially as a basis of inter-country comparison. Thus, Cramer (2005) suggests that vertical inequality as a cause of civil conflict could be disregarded, possibly due to inadequate data.

The horizontal inequality hypothesis straddles two important strands in the literature on conflict: on the one hand, that ethnic or religious differences are at the heart of problem (Huntington 1996); and on the other, that cultural differences are not central, and it is economic factors, in which the fundamental roots of conflicts are to be found (Fearon & Laitin 1996). According to the horizontal inequality hypothesis it is a combination of cultural differences and political and economic disparities running along cultural lines that, in part at least, explain contemporary violent conflict. While there is a general consensus that socioeconomic factors influence conflict dynamics, there is little consensus as to how they matter and how much they matter relative to other political and institutional factors (Cramer 2002; Herbst 2000a; Porto 2002). Although Collier and Hoeffler (2004) found that poorer countries face greater risk of conflict, they argue that the low opportunity cost for rebels and the large stock of easily expropriated natural resources or primary commodities in an area are the motivating factors behind the conflict. Although Stewart (2002) found that various dimensions of horizontal inequalities provoked some kind of conflict, ranging from a high level of criminality in Brazil to civil war in Uganda and Sri Lanka, Østby (2004) notes that generalizing to a universal relationship between horizontal inequalities and violent conflict based on few cases is problematic.

2.2.3 The Role of State and Class Politics in Conflict Causation

The role of class relations in ethnic conflicts has become an important issue among scholars who study ethnic conflicts, nation-state and nationalism. They
observe ethnic conflicts in class terms and argue that economics, politics, ideology, culture and institutions are inter-related and inter-acting. For instance, Malaquias’s (2000) analysis of civil war in Angola notes that the leadership of the governing Movimento Popular de Libertação de Angola (MPLA) originated from the urban areas, especially the capital city of Luanda, it successfully used class issues within a Marxist-Leninist discourse to gain support from the emerging proletariat, the emerging intelligentsia, and revolutionary mixed race Angolans. It is evident in the literature that the difference between class and nation is that, with class, one can recognise class by looking at their position in the mode of production or the social relations in production and society (Beck 2007; Malaquias 2000, 2001; Trimikliniotis 2001). However, with the nation, matters are more complicated. As Misir (2002:11) notes:

A dynamic relation among the sources of inequality and ethnic conflict—race, ethnicity, and class—exists. All intergroup relations inclusive of ethnic conflict and ethnic insecurity are conjunctively shaped by race, the class structure, and multiethnicity. All societies are characterized by some inequality. Class is an open type of stratification system in that it enables movement of people to different levels of the society.

To address this complexity, Marx’s conception of the state can be examined in the context of his overall approach to power relations in society, which are defined primarily on the basis of class. However, Giddens (1971) points out that there are three major forms of social conflict that are analysed poorly by Marxism, especially conflict between states and ethnic conflict. Marx never appreciated the modern expressions of ethnicity and nationalism (Conversi 1995; Giddens 1971; Sanderson 2004). But it would be a grave mistake to be dismissive of Marxian theory, its serious deficiencies notwithstanding. Marxism has achieved a number of extremely important insights. Marx posited that class domination is a reality in modern capitalism and that many pre-capitalist societies were controlled by capitalists (Easterling 2003; Giddens & Held 1982; Sowell 1985).
The literature on the role of state-society relations and power structures in conflict causation has received considerable attention across the range of scholarly enquiry (Holsti 2001; Rotberg, 2003; Rothchild & Harbeson 2000). The literature has been concerned with identifying why the state itself ceases to perform core Weberian functions and their implications. Such a state includes the following elements: “unchallenged control of the territory within the defined boundaries under its control, monopolization of the legitimate use of force within the borders of the state, and the reliance upon impersonal rules in the governance of its citizens and subjects” (Rothchild & Harbeson 2000:7).\(^{10}\) In this regard, states can be placed on a continuum of strength. At one extreme are ‘strong states’ whose main features are strong linkages between societal and institutional components, and able to provide basic state functions, namely to provide security and ensure well-being and the rule of law. These states encompass a high degree of vertical and horizontal legitimacy (Holsti 2001). At the other extreme are ‘failed states’, political entities that have collapsed. By contrast, they are characterized by state structures and institutions with severe inadequacies in their performance of key tasks and functions vis-à-vis their citizens (Holsti 2001; Rotberg 2003).\(^{11}\) Rotberg (2003) notes that failed states concept covers a broad spectrum of states. The loss of government control and the ability to exercise basic state functions is a gradual process. The inability of a weak state to effectively perform some basic state functions is often frequent, whereas the inability to perform any of them is rather exceptional.

\(^{10}\) This notion of the state is based on Max Weber’s argument that the state is “a human community that (successfully) claims the monopoly of the legitimate use of physical force within a given territory. Note that territory is one of the characteristics of the state... the right to use physical force is ascribed to other institutions or to individuals to the extent that the state permits it. The state is considered the sole source of the ‘right’ to use violence” (Weber, Gerth & Mills 1958:78).

\(^{11}\) In addition to these state types, there are many other categories and definitions of ‘state failure’ that have proliferated in the literature. These include: fragile, poorly performing, collapsed, crisis states, countries at risk of instability, challenging environments, countries under stress, etc. (see Torres & Anderson 2004).
State-centric theories hint that state weakness can create the conditions for violent conflict (for example, Geiss 2009; Söderberg & Ohlson 2003). Political institutions that are unable to manage differing group interests peacefully, to provide adequate guarantees of group protection, or to accommodate growing demands for political participation, can fracture multiethnic societies. There is some consensus that there is a U-shaped relationship between levels of state capacity and likelihood of violent conflict. While strong states are able to manage tensions peacefully through democratic inclusion, weak states tend to repress violence and manage conflict through force. Uncertainty and collective fears of the future, stemming from state weakness and repression may result in the emergence of armed responses by aggrieved groups. Thus, people in an intensely divided society identify themselves by their ethnic group; where people in those societies experience inequality and discrimination based on ethnicity, those societies have the capacity to explode in hostility and violence. In this context, ethnicity and class exist simultaneously.

Holsti (2001) argues that the critical variable when attempting to explain the relative weakness and strength of states is legitimacy. The concept of legitimacy is conceived in two dimensions: the vertical dimension, which establishes the connection, the right to rule, between society and political institutions and regimes; and, the horizontal dimension, which defines the limits of and criteria for membership in the political community that is governed. Söderberg and Ohlson (2003:12) write:

Legitimacy is a variable rather than a constant. States may thus be placed on a continuum of strength, where the great majority of states most of the time fall somewhere between two ideal-types. At the one extreme are strong states with strong linkages between the components, all encompassed within high degrees of horizontal and vertical legitimacy. At the other extreme are states where central governmental authority has failed or collapsed, that is, where there is no or little public order, the central political leadership commands limited authority or loyalty, and a variety of groups and factions have armed themselves to resist attempt to establish order and integrate the community.... Over time, however, states move on the continuum in various directions.
Söderberg and Ohlson (2003) note that states fail because they are unable to deliver positive political goods to their citizens. The result is that the governments lose legitimacy, and an increasing number of its citizens view the state itself as illegitimate. This, in essence, implies that post conflict states should provide the foundation for a shift from purely coercive state power to the creation of political authority, that is acceptance of the state as the legitimate authority in society, entitled to make and enforce binding decisions for society as a whole (Anten, Briscoe & Mezzera 2012; Bjornlund, Cowan & Gallery 2007; Hameiri 2007; Lake 2007).

Understanding state-society relations at play within a given context is fundamental for grasping how state capacity exists, and how issues of legitimacy affect state capacity. In many conflict-affected states, state-society relations are based on patronage and exhibit lack of accountability (Douma 2006; Fagbadebo, 2007; Fischer 2011a). Schmidt, Scott, Landé and Guasti (1977) found that clientelism (the patron-client model of politics) has permeated contemporary political systems around the world. Rogowski and MacRae (2004) have demonstrated that political institutions tend to co-vary with socioeconomic inequality in society. Societies with clientelistic politics are often associated with extreme economic inequality (Bardhan & Mookherjee 2012; Brinkerhoff & Goldsmith 2002; Gallego & Raciborski 2008; Markussen 2010; Robinson & Verdier 2002). Clientelistic politics are based on a complex chain of personal bonds between state elites and their individual clients or followers (Brinkerhoff & Goldsmith, 2002; Kitschelt 2000; Ojukwu & Shopeju 2010). These bonds are founded on mutual material advantage: the patron furnishes resources (e.g., money, jobs, etc.) to dependents and accomplices in return for their support and cooperation (e.g., votes). The patron has disproportionate power and, thus, enjoys wide latitude about how to distribute the assets under his or her control (Brinkerhoff & Goldsmith 2002; Gallego & Wantchekonz 2012; Kitschelt & Wilkinson 2007; Vicente & Wantchekon 2009). It is within these networks that most political deals are made and significant economic transactions take place.
Such networks are indispensable for holding political office or seeking public employment. Kitschelt and Wilkinson (2007:25-32) as well as Brinkerhoff and Goldsmith (2002: 6-9) note that these networks of patron/client relationships have been used by the ruling elite for political control and financial gain. They are argue that, in this environment, state elites, who benefit from patronage, often have little incentive to engage with citizens and to build effective central authority. The concentration of power in a few state elites tends to limit the participation of citizens from public life. In some situations, citizens may be excluded from public life through state repression and violence. Often, exclusionary politics are associated with high levels of violence and poor development outcomes (Douma 2006; Luckham, Moncrieffe, Harris, Phillips & Crabtree 2006; Young 2008). Conversely, Lindemann (2008, 2010) and Langer (2009) show that inclusive arrangements can explain the absence of conflict in places like Zambia, Tanzania and Ghana.

Stewart (2006) explores the relationship between social exclusion and violent conflict to articulate policies that might be adopted to reduce social exclusion and help to prevent conflict. She notes that the socially excluded groups have major economic and political grievances. Combined with their cultural affinities make them liable to challenge authority with violence because given their economic situation, they appear to have little to lose by taking violent action. Reiss and Roth (1993) note that when conventional methods of obtaining and working for increased social status, higher income, and wider influence are limited, some groups feel compelled to resort to what the mainstream considers illegitimate means, including violent acts. Stewart cites many examples of situations where social exclusions given rise to group violence: the Muslim rebellions in Philippines and Thailand; the separatist movements of Aceh, East Timor, and Papua in Indonesia; and, the separatism of East Pakistan and Eritrea. While some socially excluded groups do take to violence many do not. For example, the indigenous peoples in Bolivia and Ecuador are historically subjected to severe deprivation, but they have not mobilised violently (Caumartin, Gray &
Northern peoples in Ghana who suffer similar deprivations to those in Northern Côte d’Ivoire but have not given way to violence either (Seine & Tsikata 2004).

Literature points to a number of conditions under which social exclusion can translate into violence (Berkman 2007; Hilker & Fraser 2009; Luckham, Moncrieffe, Harris, Phillips & Crabtree 2006; Reynal-Querol 2002). Luckham et al (2006:7) note that violence is more likely to occur when: minority groups are unable to pursue grievances through political processes; acute political crisis created by disintegrating authoritarian systems that embed identity politics into their structures of political control; fractured or divided state authority, especially where the state’s monopoly of violence is challenged by non-state ethnic and religious militias; the ability of non-state armed groups to form and use markers of identity as a basis for collective action and their capacity to organise, fund, acquire arms and deploy violence; and, the role of international actors and diaspora communities in deliberately instigating violence and provide resources to support it. Similarly, Stewart (2006) and Reynal-Querol (2002) argue that by emphasising and developing common identities and organising action, leaders may mobilise people for collective action. Stewart (2006:7-8) notes that in conflicts in Rwanda and Kosovo and in the former Yugoslavia, “leadership played a critical role in emphasising and accentuating particular identities (both an ‘us’ and a ‘them’), using mass media and other means”. The underlying theme in literature is that where social exclusion is concerned, violence is not inevitable: The emergence of violence in situations of social exclusion is determined by a confluence of number of factors (De Haan 1999; Kabeer 2000; Okojie & Shimeles 2006; Stewart 2006). Even in situations of extreme social exclusion, violence does not necessarily follow (Stewart 2006). What is central is how various conditions combine to generate violence in specific historical conjunctures. Stewart (2006:7) notes that,

[i]n many of the instances just cited where collective action has not emerged despite severe [social exclusion], the socially excluded are culturally fragmented despite having some common identity. For example,
in Peru there are three major groups and many subgroups. In Northern Ghana there are also numerous different cultural groups. In Malaysia, the geographically and culturally diverse ‘Orang Asli’ groups have found it useful to adopt a broader identity in order to campaign for their interests.

2.2.3.1 The Importance of State Autonomy and Capacity in Conflict Causation

The major thrust of state-society relations is the concept of relative autonomy of the state (Skocpol 1985; Gordon 1989; Gulalp 1987; Poulantzas 1973). The relative autonomy formulation has played an important role in this development by making clear that the state is not subject to direct and immediate control by the capitalist class, but that it has a degree of autonomy from such control. This insight makes clear that not all state actions can be explained as responses to the interests of particular fractions of the capitalist class, but rather many actions can be understood as flowing from the state’s function as the ‘factor of cohesion’ in the social formation (Barkey & Parikh 1991; Block 1980; Evans et al 1985; Jessop 1977). Yet, in fulfilling these functions, the state is acting in the interests of the capitalist class as a whole, hence the autonomy of the state is relative and limited. This means relative autonomy makes state policy a reflection of societal structures and, thus, denies the state any responsibility for its own actions (Gordon, 1989). To the contrary, some have noted that states are autonomous actors in capitalist societies having capacities to implement policy preference and shape the structure of society according to their own interests (Albo & Jensen 1989; Cammack 1990). From a development policy perspective, this implies that, in post conflict development and reconstruction, attention must be paid to supporting civil society and citizen engagement. They can hold the state accountable and make it responsive to society, in addition to the focus on building the capacity of central state institutions (Institute of Development Studies 2010).

State-centric approaches focus on the role that the weakness or failure of the state plays in providing a favourable opportunity structure for armed conflict

> When state structures weaken, violent conflict often follows. Power struggles between politicians and would-be leaders intensify. Regional leaders become increasingly independent, and, if they consolidate control over military assets, virtual warlords. Ethnic groups which had been oppressed by central authorities are more able to assert themselves politically, perhaps by seeking more administrative autonomy or their own states.

These institution-focused approaches see conflict as a result of state weakness, which is characterized by the lack of ability to monopolize force, maintain order within its territory, and generate resources to provide public goods, which can lead to the erosion of legitimate authority and capacity for effective governance (Ayoob 2001; Migdal 1988; Zartman 1995). In the “weak state – strong state” dichotomy of Myrdal (1968), this meant that the state was strong enough to contain (or even destroy) all those social forces, interest groups, institutions and customs which inhibited modernisation and economic growth. According to those focusing on the economic factors in state failure, the systematic diversion of public rents through corrupt patronage networks fosters the growth of ‘quasi states’. These entities in turn become the prey of armed warlords, as governments are no longer able to maintain control over their channels of wealth accumulation and distribution (Reno 1998, 2000). This was the case in Liberia, Sierra Leone, Ethiopia and the DRC, where the outbreak of conflict was preceded by decades of state weakness and corruption by predatory state elites that exacerbated socioeconomic deterioration and institutional fragmentation in these countries, ultimately resulting in violent state collapse (Di John 2008; Kabemba 2011; Omeje 2007; Sarbo 2009).

From a security standpoint, the principal distinguishing characteristic of weak states is their high level of concern with domestically generated threats (Ohlson 2002; Menkhaus 2010; Söderberg & Ohlson 2003). According to Job (1992), post colonial states “must cope and function within a unique and particularly troublesome security environment” (cited in, Söderberg & Ohlson 2003:13). First,
within the borders of the contemporary state there is rarely no single nation. There is no socially cohesive unitary society, rather a variety of communal groups contending for their own interests. Second, the government in power often lacks the support of some significant element of the citizenry, because the regime does not represent the interests of the masses. Instead the state influence has been captured particular ethnic or societal sector (e.g., economic elites, military elites, etc.). The result is often a lack of perceived broad-based legitimacy to the existence of the regime. Third, the state lacks effective institutional capacities to provide peace and order (physical safety of the population). Finally, the sense of threat that prevails is of internal threats to and from the regime in power, rather than externally induced threats to the existence of the state (Ohlson 2002; Söderberg & Ohlson 2003). Thus, Söderberg and Ohlson (2003) argue that there is no singular notion of national security and no dominant externally oriented security threat. Instead there are competing notions of security advanced by the contending forces within society. In this regard, the state itself is at issue in most conflicts. Consequently, the result is “less effective security for all or certain sectors of the population, less effective capacity of centralised state institutions to provide services and order and increased vulnerability of the state and its people to influence, intervention and control by outside actors” (Job 1992, cited in Söderberg & Ohlson 2003: 14).

The applicability of the Weberian state has been challenged by a number of scholars when it comes to dealing with the concept weak states (Herbst 2000b; Newman 2009; Stepputat & Engberg-Pedersen 2008; Wulf 2007). First, by assuming the ability to legitimately monopolize force, Weber not only assumes a legitimate military force, as para-military forces may not be seen as legitimate. This also assumes that weak states have the wherewithal to support a force. Second, with regards to the territorial conception of the state, Herbst (2000b) has pointed to pre-colonial African states existing without unique control over territory. Given that contemporary states are assumed to occupy a fixed amount of territory, if the state ceases to wield legitimate force in part of its pre-
determined territory (as in the case of Sri Lanka), the mere existence of the state become questionable. These limitations have led to Migdal, Kohli and Shue (1994) to conclude that the Weberian state appropriately describes the modern, developed, democratic state, rather than states in the developing world.

Scholars and practitioners of development have also confronted the issue of state weakness. They have engaged the issue primarily through the lens of development or under-development (Duffield 2007; Lockhart 2005; Prest, Gazo & Carment 2005). More often than not, these discourses resemble those made in the context of political science and international relations approaches to state failure. While there is no consensus, there are several strands of theories that seek to explain why states fail. The first strand includes the ‘resource curse’ (paradox of plenty) hypothesis first used by Auty (1993). The resource curse thesis refers to the paradox that countries and regions with an abundance of natural resources tend to have less economic growth and worse development outcomes than countries with fewer natural resources. This is hypothesized to happen for many different reasons, including a decline in the competitiveness of other economic sectors, volatility of revenues from the natural resource sector due to exposure to global commodity market swings, government mismanagement of resources, or weak, ineffectual, unstable or corrupt institutions (Auty 1993; Brown 2011; Ross 1999). However, recent research that examined the long-term relationship between natural resource reliance and regime type demonstrates that increases in natural resource reliance do not induce authoritarianism: On the contrary, the research discovered evidence that suggests increasing reliance on natural resources promotes democratization (Cramsey 2008; Haber & Menaldo 2010; Lahiri-Dutt 2006).

The second strand includes functionalist theories of the state. These theories claim that society is in a state of balance and kept that way through the function of society's component parts (e.g., elites, politicians, institutions, groups, etc.), and any breakdown or disruption in society and its parts threaten social stability
and development (Higley & Burton 1998; Janicke 1990; Kohli 2001; Pejovich 1999; Raiser 1997). In this regard, Reno (1998) has challenged the idea that state failure is a useful way of examining how elites legitimately rule, accumulate capital and maintain political stability in the context of underdevelopment. His analysis challenges the basic idea of measuring degrees of state capacity along a continuum starting with those that meet classical Weberian criteria of statehood (strong states) and ending with those that meet none of the criteria of successful statehood (failed states). In general these authors seek to explain how anti-developmental states have emerged, as well as attempting to explain the political and ideological logic holding these states together.

2.2.3.2 State Society Relations, Class Politics and the Tamil Insurrection in Sri Lanka

With regards to the Tamil insurrection in Sri Lanka, a limited number of studies have attempted to address how class politics and state-society relations contributed to ethnic tensions (see, for example, Bandarage, 2009; Jayewardene, 1985). Sri Lanka’s civil war is often seen as the result of the dominant political forces’ reluctance to share power and resources within an inclusive multi-ethnic and multi-racial political system (de Silva 1998; DeVotta 2002; Miller 2006; Mushtaq 2012; Uyangoda 2007). This has historical roots and is a direct consequence of the major divisions between the main ethnic groups that participated in the anti-colonial war of liberation. These cleavages, however, were only partly the result of deep animosities caused by class or racial differences reflecting colonial society or even ideological differences. In the early post colonial period, politics in Sri Lanka (then called Ceylon) emerged in relation to a relatively fluid matrix of language, class, caste, religion, and region. In essence, British colonial policies contributed to new forms of competition and stratification on a number of lines (Bandarage 2009; Hettige 1995; Imityaz 2008). However, by the mid-1950s the Sinhala-Tamil axis came to gain prominence over other dimensions. As Venugopal (2003:7) notes, “even on the occasions
when class-based social and political formations have re-emerged after 1956, they have either struggled uphill against the prevalence of Sinhala or Tamil nationalist consciousness or have expressed themselves directly through overtly nationalist discourse”.

The British colonial government was primarily focused on arresting the nascent nationalist movement and reorienting countries economy based on mercantile capitalism (de Silva 1981; Sharma 1988). On the other hand, the agitation spearheaded by the national political reformers was primarily intended to expand the scope and powers of Legislative Council by extending representative government based on a limited male franchise. It was conducted by the new stratum of merchant capitalists and professionals who fought for the representation of these new class interests in the political institutions (de Silva 1981; Ali 1987; Schrikker 2006). The then British Governor had nominated members to the legislature on the basis of ethnicity (Sinhala, Tamil, Muslim and Burger), and the agitation initially rejected ethnicity as a basis of representation and served to bring together the emerging bourgeoisie of all ethnic groups into a common front (Elizabeth & Stirrat 1990; Kapferer 2011; Kearney 1967). Imtiyaz (2008) explains how the majority Sinhalese political elites in their quest for power attempted to consolidate the unitary structure of the island since country’s independence in 1948. He argues that Sinhalese elites unwillingness to share the power with the minority Tamils led the Tamils to lose trust in the state and its institutions and, thus, set the foundation for the violent Tamil political movements including that of the LTTE.

Venugopal (2003) outlines how, during various periods of rapid economic transition, the ethnic factor was, injected into national politics in a way that has eclipsed the class dimension ever since. The period of economic transition initiated in the mid-1950s was fundamentally restructured the form and terms of alignment of the domestic economy into the global economy. At the same time, it also coincided closely with the period when the Sinhala-Tamil dimension began
to occupy the centre of stage of domestic politics. The general strike of 1953 highlighted the class schisms underlying Sri Lankan society.\textsuperscript{12} This was followed three years later by a rise of anti-Tamil violence in the 1956 to 1959 period\textsuperscript{13} (Bandarage 2009; Gosh 2003; Wilson 2000). From 1956 -1976, government regulation of private sector enterprises, banking and external trade was considerably increased, and a number of key industries including finance, ports and oil were nationalized. In addition, the centrality of the state in the industrialization process meant that the availability of sought-after, but scarce economic and employment opportunities became increasingly rationed in terms of privileged access to political power (Bandarage 2009; Wilson 2000). It is under these circumstances that the polarization of politics along Tamil-Sinhala lines became even more accentuated, as state patronage was increasingly disbursed in ways that reflected the Sinhalese demographic and political dominance (Bandarage 2009; Sally 2006; Samarasinghe 2003; Wilson 2000). One of the most often stated symptoms of this was in the composition of the sought-after public sector and civil service jobs, which had previously been over represented by Tamils. But the effects of state patronage were manifested not just in terms of employment, but also in the availability of private-sector contracts and permits, the location of labour intensive public sector industries, and resettlement projects as well (Bandarage 2009; Samarasinghe 2003; Wilson 2000).

\textsuperscript{12} The general strike of 1953 was a country wide demonstration held in Sri Lanka (then Ceylon) on August 12, 1953. It was organised to protest of the policies and actions of the incumbent United National Party government, and resulted in the resignation of the then Prime Minister Dudley Senanayake. It was the first mass political action in Sri Lanka (Muthiah & Wanasinghe 2002).

\textsuperscript{13} In 1956 Sri Lanka (the Ceylon) elected Solomon Bandaranaike as the prime minister on a platform of Sinhalese nationalism. The government made Sinhala (language of the majority Sinhalese) the sole official language and other measures introduced to bolster Sinhalese and Buddhist feeling. More than 100 Tamils killed in widespread violence after Tamil parliamentarians protest at new laws. Again in 1958 anti-Tamil riots left more than 200 people dead and thousands of Tamils displaced (Wilson 2000).
2.3 Contemporary Theories of Post Conflict Development

There is a growing although still limited number of scholars who address how best to restore collapsed and failed states into functioning governments (Dobbins, Crane, Jones, Rathmell, Steele, Teltschik & Timilsina 2005; Fukuyama 2004; Rotberg 2004). Some scholars believe that post conflict reconstruction has a lot of similarities and lessons to be learned from traditional development efforts in peacetime third world countries (Alvarez-Plata, & Brück 2007; Boyce & O'Donnell 2011; Brinkerhoff 2007; Marshall 1997; The African Capacity Building Foundation 2004). They argue that the keys to success in both cases are the same: a long-term time requirement and commitment, slow incremental change, importance of locals control, need for donor restraint on projects beyond the need or capacity of the local conditions, and the importance of what international partners do, with whom, and how (Brinkerhoff 2007; Boyce & O'Donnell 2011). Others start with the assumption that external actors can achieve the best outcomes of establishing sustainable liberal political and economic orders and focus on finding the best means of doing so (Dobbins et al 2005; Organisation for Economic Co-operation and Development 2011; Pacheco, Jao, Cravo & Schiefer 2006; Zuercher, Roehner & Riese 2009). Generally, much of the recent literature on post conflict reconstruction tend to focus on past efforts in order to establish best practices that can serve as a generic template assisting external actors (e.g., foreign governments and multilateral organisations like the UN) in current and future efforts (Orr 2004; Pei & Kasper 2003).

There are four strands of theories common to most emerging literature on post conflict development and reconstruction and peace building (Guttal 2005; Looney 2005; Lowi 1999; Stewart 2010; Van de Walle & Scott 2009). The first strand focuses on economic and institutional development as the salient driver of post conflict development and reconstruction. Without exception, these theories seek to apply the establishment of liberal democracy and a free market economy based upon neo-liberal criteria as the foundation for economic development and
durable peace (United States Agency for International Development 1991; Looney 2003, 2005; Guttal 2005; Hakim 1993; Gillies 1996). The second strand focuses on security governance, widening the concept of security to include a range of issues (e.g., environment, climate change, economy, migration, etc.) that could possibly form a cause of conflict and thus a security issue. Scholars (for example, Theisen 2008; Koubi, Bernauer, Kalbhenn & Spilker 2012; Salehyan & Gleditsch 2006; Homer-Dixon 1999; Reuveny 2007) have suggested that climate change will exacerbate resource scarcity, create mass population dislocations, and, ultimately, fuel violent conflicts. The third strand tends to pay attention to policies to address horizontal inequalities in post conflict reconstruction. This literature is predicated on the assumption that if inequalities between groups in access to economic, social and political resources are an important source of conflict, then correcting them should form a significant aspect of policy design in the post conflict period (Stewart 2010, 2008, 2005, 2002; Brown & Caumartin 2011; Thorp, Caumartin, Molina, Paredes & Zavaleta 2010). The fourth strand explores the role of the state and institutions in post conflict nation-building to understand capabilities that are better suited to overcoming the developmental challenges that face post conflict states (Van de Walle & Scott 2009; David 2013; Rodrik 1999; Lederach 1997). In an analysis of conflict for 30 sub-Saharan African countries using panel data techniques, David, Bastos and Mills (2011) identify the factors linked to growth performance in the aftermath of a conflict period. Their research shows that institutional quality emerges as the second most important correlate of economic performance in post conflict environments. 

14 However, Paris (2004) cites research by Walton and Seddon (1994) on the destabilising impacts of liberalisation. The clear relationship between widespread popular unrest and the promotion of free markets through structural adjustment policies in many developing countries in the 1980s and 1990s indicates that economic liberalisation has negative impacts. Political liberalisation, too, may well also destabilize already fragile states. Research by Mansfield and Snyder (1995), amongst others (for example, Maoz & Russett 1993; Russett 1994; Pugh 2005), has found that states with emerging democracies are especially likely to go to war as a means of handling internal tension.

15 Their results show that changes in the terms of trade are the most important correlate of economic performance in post conflict environments.
2.3.1 Neo-Liberal Economic and Institutional Development

Since the end of the Cold War, multilateral organisations and Western donor governments have found themselves increasingly having to offer financial and technical assistance to countries attempting to recover from armed conflict (Kreimer, Eriksson, Muscat, Arnold & Scott 1998; Nooruddin & Flores 2007; United Nations Development Programme 2010; World Bank 1998, 2004b). This literature suggests that given the risks of conflict re-emerging and high expectations inside and outside the post conflict country for results on the ground, the challenge for the post conflict government is to increase the ability of the country to facilitate economic recovery and deter conflict recidivism. Indeed, the World Bank, the United Nations and Western industrialized countries launched significant reconstruction assistance programmes in El Salvador, East Timor, Mozambique, Bosnia and Herzegovina, Kosovo, Rwanda and others recovering from armed conflicts (Kreimer, Eriksson, Muscat, Arnold & Scott 1998; World Bank 2004b). The World Bank, for instance, has responded to these situations by developing a Conflict Prevention and Reconstruction (CPR) unit that provides special assistance and expertise to countries in the process of rebuilding their economies and polities. In post conflict societies, multilateral assistance is intended to serve purposes ranging from the emergency provision of social services to the reconstruction and development of economic infrastructure to enabling economic reform (World Bank 2003b; Kreimer et al 1998). 

A successful post conflict reconstruction, Coyne (2005:325) writes, “is characterized by a self-sustaining liberal political, economic and social order...” Over the past several decades, international organisations, supported by the US and EU, have adopted the liberal ideology and implemented its principles through

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16 To assist post conflict states, the United Nations uses four primary approaches: diplomatic envoys to seek settlements in countries where conflicts are on-going; peacekeeping forces and civil administration advisors; supervisory operations under a UN High Representative; and, UN Trusteeships (Caplan 2002).
structural adjustment programmes to assist developing countries in their
development efforts (Guimond 2007; Craig 2006; Petras & Veltmeyer 2009;
Rondinelli & Montgomery 2005). International organisations adopted liberalism in
development policy, as competing political and economic ideologies were no
longer considered viable in the international system. Indeed, most IMF
programmes and a quarter to a third of the World Bank’s programmes are
structural adjustment programmes (Guimond 2007:iv). The neoliberal framework,
as applied following the US-led invasion of Iraq, illustrates the strategy of
opening markets to trade and foreign investment, while moving the national
economy towards free market capitalism. This approach favors the privatisation
of state owned entities, eliminating or cutting funds allocated to social
programmes, reform in labour sectors, and values healthy competition to
increase economic growth (Fitzgerald 2009; Flannes 2012; Looney 2003, 2004,
2005). Ahearne (2009:3) writes, “the UN may be involved with constructing a
peace settlement but it is the IFIs and donor governments who will play the most
significant role in determining the nature of post conflict economic policy through
aid conditionality”. In this context, a government in a state receiving post conflict
reconstruction and peace-building assistance is asked to provide a protective
and/or supportive umbrella within which private individuals can engage in
economic activity (Ahearne 2009; MacDonald 2006; United States Agency for
International Development 2009).

A number of factors account for the salient role of IFIs in post conflict
reconstruction. First, post conflict governments may find improving the
investment climate following conflict is challenging because armed conflict
generally has a negative impact on private investments. While the private sector
takes on particular importance in post conflict situations, post conflict states lack
an investment climate conducive to private sector development during initial
stages of reconstruction (Mills & Fan 2006; Nooruddin & Flores 2007). In this
regard, IFIs’ investments become critical for stabilizing economic conditions:
... emergency assistance to post-conflict reconstruction demonstrates the possibilities for countries to recover from conflict with investment and well-targeted development assistance that focuses on stimulating private sector-led growth, and on strengthening institutions that are more accountable to citizens and are able to improve the lives of the poor (Narayana 2010).

This enabling environment includes the strength and authority of institutions, the governance environment, the broader political economy, the capacity of government at all levels to implement policies and the social capital or ‘trust in society’ that exists in the affected country (Mills & Fan 2006). Second, as Nooruddin and Flores (2007:4-5) note, the World Bank’s focus on post conflict recovery means that it has returned to its original function of serving as the International Bank for Reconstruction and Development. As its original mandate stated, in these post conflict societies, World Bank assistance is intended to serve purposes ranging from the emergency provision of social services to the reconstruction and development of economic infrastructure to enabling economic reform.17 Third, as Collier, Elliott, Hegre, Hoeffler, Reynal-Querol and Sambanis (2003) have pointed out, the World Bank has come to recognise that civil conflict and development are inextricably linked. Conflict, in essence, is ‘development in reverse’, and poor economic performance is a primary factor leading to the grievances that fuel conflict. Breaking this trap, therefore, requires the World Bank to use its expertise to facilitate economic development to prevent conflict in the first place, and to foster the conditions required for successful economic recovery in post conflict situations so as to prevent recurrence (see also, Elhawary 2008).

The objective of liberal state/nation-building has taken popularity in the post conflict development and reconstruction discourse, but the contemporary

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17 At the end of the Second World War, the United Nations Monetary and Financial Conference (the Bretton Woods Conference), created two major institutions. The International Monetary Fund (IMF) was charged with managing the international system of exchange rates. In contrast, the International Bank of Reconstruction and Development (IBRD) was charged with securing funding for the reconstruction of war-ravaged European countries. However, the era of decolonisation witnessed a shift in its focus away from reconstruction and towards development assistance.
evidence suggests that these attempts seldom have a positive long-term impact (Barbara 2008; Cramer & Goodhand 2002; Lacher 2007). The United Nations Trusteeship in Kosovo has been criticised for failing to establish a strong, autonomous and sustainable state in the war’s aftermath (Baca 2007); the despatch of UN envoys to Sudan failed to settle long-raging internal conflicts (United Nations 2004); and, it took more than a decade for the Office of the High Representative in Bosnia and Herzegovina to restore local governance to that war torn area (International Crisis Group 2009). Some critics argue that after more than a decade under the UN supervision, the 2002 elections in Bosnia and Herzegovina merely returned to power the ethnic nationalist political parties that helped create the original conflict (International Crisis Group 2003). In her analysis of economic development and human-trafficking in post conflict Bosnia and Herzegovina, Haynes (2011) shows how economic liberalisation policies create a supply of women who are un- or underemployed become susceptible to middlemen willing to exploit their desire to contribute to the family income in an economically and politically transitioning country. Similarly, an analysis of the gender dimensions of the World Bank’s post conflict reconstruction lending found that many World Bank investments in post conflict countries overlooked gendered impacts despite widely-available knowledge of how they may harm women and the poor (Zuckerman, Dennis & Greenberg 2007). Their research illustrates that the World Bank has missed opportunities to promote gender equality through its vast financial and technical investments in post conflict countries. In his analysis of neo-liberal economic reform in Iraq, Fitzgerald (2009) notes that: externally induced economic reforms were only beneficial financially for foreign investors; internal reforms to the labor and welfare sectors were detrimental to local Iraqi recovery; and, these policies alienated the local population and did not foster a sense of local ownership over the peace-building process.

Why have the results of post conflict nation building been so mixed? Paris (1997, 2004) argues that the fundamental model for peace building used by Western
governments and international organisations is often inappropriate and ineffective. After examining the experience in Rwanda, Angola, Bosnia, Mozambique, El Salvador, Cambodia, Nicaragua and Guatemala, Paris (1997:56) concludes that the paradigm of liberal market democracy requires the imposition of an “enormous experiment in social engineering—an experiment that involves transplanting Western models of social, political and economic organisation into war-shattered states in order to control civil conflict”. Imposition of the neo-liberal model, Paris (1997) and others (for example, Montgomery 2004; Barbara 2008; Robison 2006) argue, at best leads to unforeseen problems that undermine its success or, at worst, has a perverse effect of destabilizing the societies in which it is imposed. In similar fashion, Arowosegbe (2001) criticises externally driven post conflict state-reconstruction projects in West Africa, drawing extensively on the cases of Sierra Leone, which experienced brutal civil wars in the 1990s, and Nigeria’s oil-rich Niger Delta region, which has been immersed in insurgent violence since 2006. Rather than state reconstruction, he argues in favour of state-transformation, based on local initiatives of rebuilding the state from bottom up as a fundamental step towards sustainable democratic peace building in West Africa. For many commentators the lack of success in international state-building efforts has been attributed to the assumption that the liberal approach has sought to reproduce and impose Western model that is not compatible with realities in post conflict states (Barbara 2008; Hahn 2008; Lipschutz 1998; Prasch 2012).

2.3.2 Neo-Liberalism and Post Conflict Development Policy in Sri Lanka

Inevitably, at the conclusion of the civil war in Sri Lanka, the political leaders have come to grips with the following key question: What can be done in order to facilitate transitions from a war economy to a peace economy, specifically, what economic (and other) measures are available and appropriate? Since 2009, the Government of Sri Lanka is faced with developing policy options to shift the country to a peace economy. Ballentine and Nitzschke (2005:19) note that the
reality of contemporary conflicts presents policy makers with a two-fold challenge: “to accurately assess the impact of discrete economic behaviours on conflict dynamics; and to develop and implement effective policy responses for conflict prevention, resolution, and transformation. Seen from a political economy perspective, the key question is how to make peace more profitable than war”. Given the relative newness of post civil war environment in Sri Lanka, policy responses are still largely nascent. However, literature (Brinkerhoff 2005; Fischer 2011b; Langer & Stewart 2008; Mancini, Stewart & Brown 2008; Sørensen 1998; Stewart 2005; United Nations 2007) shows a number of policy mechanisms that either seek to target the key economic flows that sustain civil wars or that indirectly address key issues, and they are aimed at addressing the legacy of war and the challenges they may pose for post conflict development.

Economic growth of an inclusive and sustainable nature is pivotal for the long-term peace and stability (Clover & Cornwell 2004; Commission on Growth and Development 2008; United Nations 2008; United Nations Development Programme 2008; United Nations Department of Economic and Social Affairs 2009; United Nations Human Settlements Programme 2004). Literature also suggests that countries with a weak economic performance are more likely to revert to conflict as those with a strong growth performance (Bakrania & Lucas 2009; Berthélemy, Kauffmann, Renard & Wegner 2002; Flores & Nooruddin 2009; Kim & Conceição 2010; Miguel, Satyanath & Sergenti 2004). Economic growth needs to be inclusive in that as many individuals in the conflict area as possible feel the benefits of economic activity. Therefore, in the short term, labour intensive economic activity with substantial backward and forward linkages become important. Thus, macroeconomic policy needs to support an environment that will encourage economic growth. Additional policy measures will be needed to ensure that economic growth is indeed inclusive and sustainable (Hailu & Weeks 2011; United Nations Development Programme 2008; United Nations Department of Economic and Social Affairs 2009). Recognising that Sri Lanka now faces a huge task of reconstruction and
development of the North and East, international donor agencies (e.g., the World Bank and Asian Development Bank) expected to play an important role in the development process in the North and East (Agence France-Presse 2010; Asian Development Bank 2010a, 2010b; Beaumont & Williams 2011; The Sunday Times 2010). With significant foreign assistance, much of it from India and China, the government has undertaken numerous large-scale infrastructure projects in the Northern Province (Reuters 2011; Samaranayake 2011; Sunday Observer 2011; Wheeler 2012; Xinhua, 2011a; Lanka Business Online 2011). However, some observers have argued that, unfortunately, the economic “peace dividend” has yet to be distributed widely or shared equitably with Tamils – due to exclusionary policies (Arbour 2012; International Crisis Group 2012; Minority Rights Group International 2011; Perera 2011; Sood 2012).

Neoliberalism has become the dominant guiding ideology of the international actors who undertake intervention in post conflict countries (Craig 2006; Duffield 2001; Guimond 2007; Rondinelli & Montgomery 2005; Petras & Veltmeyer 2009). The rationale for promoting economic growth is that it is necessary for reconstructing a post conflict society, and economic growth is also associated with peace (Collier & Hoeffler 2003). In this context, neoliberal reforms to establish a free market economy are regarded as the best formula for attaining economic growth and should therefore be set in motion as soon as possible to aid post conflict recovery (Looney 2003, 2005; World Bank 1998). However, the international donors who encourage neoliberal reforms through aid conditionality have traditionally shied away from political issues of peace-building such as institution building and peace related programmes and focus narrowly on the economics of adjustment without considering the implications of their reforms for the imperatives of peace-building (Klein 2010). The division of responsibilities between international organisations engaged in peace building whereby issues concerning the negotiation of a political settlement are principally the responsibility of the UN and the economic policy is principally the sphere of the international donor agencies. Some analysts (Barbara 2008; Moore 2000) have
argued that it is very difficult for a government to fulfil socioeconomic terms of a peace treaty negotiated under the auspices of the multilateral organisations like the World Bank if its hands are tied by being forced to comply with a donor-mandated one size fits all economic approach. Barbara (2008:307) notes that:

> In attempting to rebuild post-conflict failed states, the international community has drawn heavily on neo-liberal development paradigms. However, neo-liberal state building has proved ineffectual in stimulating economic development in post-conflict state consolidation.

Similar approaches have been proven disruptive in a number of cases such as El Salvador and Cambodia (Paris 2004; Springer 2008).

A striking feature of both Mahinda Chinthana\(^\text{18}\) (a Vision for the Future) and the government’s 2012 Budget is the open rejection of neo-liberal economic models and the portrayal of the government policy as a “special model” developed indigenously for the country. Mahinda Chinthana (government’s 2005 election manifesto) rejects neoliberal models apparently on the ground of their high failure rate: they have not worked even in some developed countries, which had relied on them for fostering economic growth (Government of Sri Lanka 2005). The 2012 Budget has gone a further step forward: it has equated the neoliberal economic models which had been implemented in Sri Lanka since 1977 with the destructive terrorist movement which had a shorter life span than the neo-liberal era. According to the Budget 2012, both have been responsible for causing innumerable hardships to the people of the country (Kadirgamar 2011). But, a closer examination of the country’s budgetary policy shows that it is in fact a blend of neoliberal economic models and statism (Athukorala & Jayasuriya 2012; Rajasingham-Senanayake 2011).

Under the direction of multilateral institutions like the World Bank and the IMF, architects of Sri Lanka’s fiscal policy have tried to reduce its deficit and debt levels over the medium term from the current levels as recommended by neo-

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\(^{18}\) Introduced in 2010, Mahinda Chinthana (or Vision for the Future) outlines the development policy framework of the Government of Sri Lanka for the next five years.
liberal economic models. At the same time, it tries to keep the government’s consumption expenditure at bay by containing salary and pension expenses and increasing expenditure on education and health and infrastructure (Gunadasa 2012a; Rajasingham-Senanayake 2011), another recommendation of neo-liberal policies. The reduction of tax rates, the expansion of the number of people who pay taxes and encouragement of foreign direct investments and public-private partnerships are also important components of neo-liberal policies pursued by the Government of Sri Lanka. It also announced greater flexibility in the exchange rate, another measure recommended under neoliberalism. The government encourages foreign direct investments (FDIs), vows to ease doing business and promotes public-private partnerships (International Monetary Fund 2009; Rajasingham-Senanayake 2011; Tamil Guardian 2009).

Economic policy based on neo-liberalism is considered to be highly disruptive to the peace building process, particularly if there is no political solution to the conflict that may address the underlying causes of conflict or the instabilities (Paris 2004). Paris (2004) points to the United Nations’ post conflict peace building track record to support this view; the injection of liberal policies in the 13 post cold war missions can be described as rather unsuccessful. Paris claims that this post war strategy may have even exacerbated underlying social tension. Implementing reforms, which are based on the principles of competition, in a post conflict society with pre-existing ethnic or religious tensions has proven to be rather problematic. The combined result is that achieving peace dividend becomes even harder. This has important ramifications for the immediate and long-term prospects for peace as fiscal austerity decreases both the ability and incentive to governments to provide socioeconomic improvements to war affected areas, while the absence of political solution leaves the state less accountable for solving causes of the conflict. Miall, Ramsbotham and Woodhouse (2000:2-6) note that restraints on fiscal spending and lack of political accountability can impede spending on programmes which might address pre-existing inequalities in the conflict areas such as inequitable land distribution or
regional socioeconomic imbalances. There are numerous examples of this happening such as in the peace-building operations in countries like Mozambique and Cambodia (Miall et al 2000).

In light of their mixed results, some studies have questioned whether post conflict development and reconstruction is fundamentally different from conventional development. In an assessment of the World Bank’s post conflict reconstruction portfolio aims, Kreimer, Eriksson, Muscat, Arnold and Scott (1998:32-33) note that many conventional wisdoms of development may be applicable in some post conflict settings. But they caution about the degree of their applicability:

... some characteristics of post-conflict settings—fragility of the political environment, skittishness of private investment, concentration of wealth and access to resources, thinness of financial sector markets, and severely reduced governance capacity—make some “conventional wisdoms” not applicable, at least not in the short run (Kreimer et al 1998:33).

Cerretti (2009) and Coyne & Boettke (2007) also argue that neoliberal model of development is unresponsive to the specific needs created in conflict situations because it is insufficient for meeting the specific needs of societies experiencing or emerging from conflict. Post conflict environments, Cerretti (2009:2) argues can “easily slide back into conflict without strong intervention based on the principles of redistribution and equity manifest in social spending, and already taxed societies should not be expected to bear the future burden of servicing their debt in order to prevent a return of violence.

The 1997 World Development Report also notes that although the elements of a post conflict stabilization and recovery programme may differ little from programmes applied elsewhere, “there are grounds for caution and for examining the components of the standard policy package in light of the conditions and distortions in the post conflict environment” (World Bank 1997:161). In addition to qualitative differences, there are quantitative differences between conventional development and post conflict development. For example, Rwanda’s assistance
reached 95 percent of GDP during the first year after the conflict; in Bosnia 75 percent of GDP; and, in Kosovo 65 percent of GDP. These are huge amounts of resources, which generally drop off very quickly four or five years later, typically down to a range of 10–25 percent. Traditional development assistance is a trickle compared with post conflict assistance. On average, the amount of assistance that middle and lower-income countries receive is closer 2.5 to 3 percent of GDP (Demekas 2003:15).

Post conflict policy is also considered distinctive due to high potential of reversion to conflict. Collier (2007:1) note, the typical developing country that has been at peace for a long period has a risk of descending into large-scale violence of around 9 percent over the period of a decade, while the rate for a typical post conflict society is 40 percent. Collier (2007:1) writes that policies need to differ according to national circumstances:

... because one of the key ways in which post-conflict countries differ from most other developing countries is that they inherit economic policies that are highly dysfunctional.... policies indeed probably need to be distinctive for two overarching reasons. One is that the risk of further conflict is considerably higher in post-conflict societies than in other societies. Hence, bringing this risk down becomes the over-riding priority and this rebounds on policy choices. The other is that the economic consequences of conflict create both constraints and opportunities that are distinctive.

Invariably, economic policies are important for post conflict peace building; however, they are only effective in the longer term and need to be simultaneously complemented by other policies to reduce risk of renewed conflict (Stewart 2000, 2008; Langer, Stewart & Venugopal 2012). In this context, Collier (2007) identifies two key policies that can reduce risks: reduce military spending; and, increase employment opportunities for unskilled young men. With regards to political opportunities, he argues that the post conflict environment is ripe for rapid economic reform, especially geared to induce the repatriation of flight capital, improve the governance of natural resources, and manage post conflict construction booms.
2.4 Discussion and Conclusion

While there is growing consensus that economics matters to conflict, there remains considerable disagreement as to how it matters and how much it matters relative to other political, sociocultural, and identity factors. As noted earlier, for some analysts (for example, Stewart 2005, 2008, 2009; Østby 2004, 2008) economic factors are analysed alongside other factors as a means to improve understanding of the complex causes and dynamics of war. For others (for example, Collier 1999; Collier & Hoeffler 1998, 2001), economics has become the primary explanatory framework for conflict analysis. While there is a strong body of literature on conflict causes, there is no single formula applicable to all conflict situations. To what degree, then, the various perspectives of conflict causation reviewed above help us explain the Tamil insurgency in Sri Lanka? As it will be discussed in chapter four, the conflict in Sri Lanka has many root causes and consequences that are closely interlinked. It is important to emphasise that the causes are not part of linear historical processes where one event led to another; rather, root causes of the conflict emerged within a single but extended context and often, simultaneously.

Any comprehensive model of conflict causation in Sri Lanka must offer clear vision of how a complex constellation of factors (i.e., social, economic, political, cultural and structural) underlie conflict occurrence. Surprisingly, there has been relatively little empirical or analytical research that presents a cogent picture of whether and how socioeconomic inequality (disparities in access to economic resources such as income, education and employment) figured in the rise of ethno-political conflict in Sri Lanka. In this regard the horizontal inequality hypothesis remains the point of departure for analyses of many underlying factors. However, the issue of conflict causation must be recast in a more dynamic form, along the lines suggested by inequality and state capacity approaches. Taken together, this approach will provide a more robust model of
conflict causation that can account for the interplay of underlying inter-ethnic disparities and power relations.

In the case of Sri Lanka, a focus on horizontal inequality and state capacity are important for two reasons. First, the relative status of groups and regions within a state in terms of socioeconomic, political and cultural characteristics (e.g., education, employment, income, political inclusion, etc.) can certainly shape the potential for secessionist conflict, even though it may not actually be a trigger. As a result, attention must be paid to disparities between groups within a society in access to a range of economic, political and social resources. Second, given that ethno-political mobilisation can often hide or overcome high levels of inequality and exploitation within a group, it is also pertinent to examine the interaction of within-group inequalities. In this regard, it is also pertinent to explore state-society relations (and by extension state capacity) to understand veiled sources of power and influence in Sri Lanka.

Although the academic literature on Sri Lanka’s conflict (for example, Abeyratne 2004; Bandarage 2009; Shanmugaratnam & Stokke 2004; Sriskandarajah 2000; Uyandoga 2007) is consisted of claims that economic policies have contributed to the Tamil insurrection, very few studies of the Sri Lankan conflict have developed the methodologies to examine factors such as inequality and development. Very few attempts have been made to develop a framework that would link actual levels of socioeconomic, political and cultural inequalities and emergence of ethnic conflict. Informed by the literature reviewed above (for example, Stewart 2000, 2008; Langer, Stewart & Venugopal 2012), this study proposes the following four-pillar framework (see Figure 2.1). This framework includes four categories of interlinked causal factors: political, economic, social and cultural inequalities. Many of these factors arose within a historical context, reinforcing each other. This four-pillar framework can enable both analysis of the conflict, as well as consideration and construction of useful models for post
conflict development. It also enables practical examination of the root causes, issues, drivers, and conflict dynamics.

Figure 2.1. Framework for Mapping the Tamil Insurrection in Sri Lanka

Post conflict literature (for example Collier, Elliott, Hegre, Hoeffler, Reynal-Querol & Sambanis 2003; Collier 2007; Galtung & Tisné 2009; House of Commons International Development Committee 2006; Natsios 2009), delineates three overlapping phases of recovery: post crisis stabilisation and humanitarian relief (phase 1); transitional phase of reconstruction, rehabilitation, and institution building (phase 2); and, consolidation and long-term development (phase 3). In this sequence, military intervention for basic security and stability and emergency assistance are followed by physical reconstruction, the (re)establishment of public institutions, and economic stabilization and restarting the economy, and finally broader reforms to create a sustainable basis for long term security, political stability, and economic growth. This literature also seems to suggest that post conflict assistance is most effective when initiatives addressing security, peace building and economic revitalisation are undertaken simultaneously.
(Tschirgi 2003; Warnecke & Franke 2010; United States Agency for International Development 2006).

Literature (Harbom, Högbladh & Wallensteen 2006; International Council on Human Rights Policy 2006; Kieh 2011) notes the importance of peace agreements to ending violent conflict and creating the conditions for durable peace thereby preventing re-emergence of conflict. However, in Sri Lanka, the civil war ended in 2009 without a peace settlement. Many observers have noted that four years after the end of a protracted conflict and war, the people and communities are struggling to attain a sustained peace and reconciliation. As International Crisis Group (2012) has noted post war Sri Lanka experiences a high level of militarisation, the Northern and Eastern Provinces of the country continue to face serious humanitarian and human rights problems. Using the analytical model illustrated in Figure 2.1, the following chapters will explore the extent to which horizontal inequalities contributed to the emergence of the ethnic conflict, and the extent to which post war development policies have addressed horizontal inequalities.
Chapter 3. Research Methodology

3.1 Introduction

This research is a qualitative study. Qualitative research methods are designed to help researchers understand individual behaviour and the political, economic, social and cultural contexts within which they operate (Kaplan & Maxwell 1994). Therefore, it allows the researcher to generate an understanding of a phenomenon from the point of view of the participants and their environmental context. The nature of this study required the exploration of such dimensions to answer the main research questions. These dimensions largely belong to the subjective aspect of action that can only be captured through a qualitative inquiry and a qualitative data collection method (Patton 2002). This chapter describes the research methodology used in this study. It outlines the research questions, which describe the extent of the problem under investigation, and which helped the researcher to examine the selected issues in depth. It also focuses on research methodology, sampling procedures, type of data collection instruments, and explains how the data will be analysed. Given that this research is conducted in an intensely political environment, this chapter also outlines relevant ethical and accountability issues.

3.2 Research Questions

This study assesses the intersection between horizontal inequalities and causation of the Tamil insurrection, and post war development policies and their impact upon the prospects for addressing horizontal inequalities that led to the insurrection. It analyses, on one hand, the socioeconomic dimensions of conflict causation and, on the other, the post war development policies. The key questions this study seeks to address are the following:
1. What is the relationship between horizontal inequality and the Sri Lankan conflict?
2. What are the key objectives of post war development and reconstruction policies?
3. What factors influence the articulation of post war development and reconstruction policies?
4. How one might expect these policies to affect horizontal inequalities?
5. To what extent these policies are capable of addressing horizontal inequalities that led to the Tamil insurrection?

3.3 Research Methodology

This study is a qualitative research project that fuses the conceptual and empirical work on conflict causation and post conflict recovery. Qualitative research is a means of exploring the depth, richness and complexity in phenomena (Jacob 1998). It is concerned with the analysis of concepts and issues rather than numbers. The qualitative research methodology is chosen in this research to facilitate the systematic collection and analysis of more subjective and narrative material. Qualitative research is most appropriate for explanatory and descriptive studies. It elects to use researchers as instruments of data collection (Guba & Lincoln 1981). In this study the qualitative research method is also adhered to because the study could not be done experimentally. In addition, it will enhance the accommodation of selective sampling of literature and enhance inductive analysis. This approach also allows the research design to emerge rather than be constructed from a prior theory (Guba & Lincoln 1981).

The research methodology employed in this study is a smaller N=1 case study method. A smaller-N case study methodology is used for the following reasons. While the large-N approach provides an important benefit in terms of “analytical clarity, parsimony and theoretical elegance,” this frequently comes at the expense of the “richness and depth derived from national or regional case
studies” (Wimmer 2004:340-342). Additionally, the higher the number of case studies, the harder it is to achieve conceptual equivalence across them. To properly engage the question of how to best understand conflict causation and post conflict recovery, it is necessary to deal with the details that inform specific cases. Additionally, institutional setups do not operate in a political vacuum; it is thus vital to have a proper understanding of the context in which they function. This in turn requires a level of description not found in statistical studies. As such, a large-N statistical research method on its own would be unsuitable for this dissertation. The smaller N=1 method, by contrast, has the advantage of in depth analysis of a single case (Lieberson 1991).

The case study to be employed in this analysis provided a broad empirical base for understanding the role of horizontal inequalities in conflict causation, and the impact of development policy vis-à-vis mitigating those inequalities. The research methodology chosen is justified on two key grounds: First, the phenomenon that this study seeks to analyse – conflict causation and post conflict development and reconstruction – is inherently qualitative (Sutcliffe & Court 2006; United Nations Educational, Scientific and Cultural Organisation 2011). Second, policy development in a post war environment in Sri Lanka represents a complex set of actions where numerous interactions exist (Collier 2007), and this study seeks to tease these out. These interactions are difficult to capture in quantitative analysis.

3.4 Research Sample

Qualitative research almost always involves a non-random selection of small number of settings and subjects (Singleton, Straits & Straits 1993:159-161). Because policy processes are interactive social activities, they are less amenable to probability sampling techniques. For the purposes of this study, Sri Lanka was used as a single unit (i.e., case study) for an intensive study with an aim to generalize across a larger set of units. The sample was established in two areas
in Sri Lanka that are critical for the conflict: the Northern and Eastern Provinces. A purposive sampling scheme was used to select subjects (interviewees) for this study. The researcher relied on his informed judgement to select subjects that were representative of the groups or individuals. This methodology is appropriate in this research as sampling is designed to enhance the informational value of one’s observations by maximising variation (Lincoln & Guba 1985). In addition, key characteristics of a good sample are that it is representative, economically viable, reliable and similar to the target population (Lindlof & Taylor 2002). This sampling methodology also introduced a reasonable level of variation in subjects, thereby increasing the generalizability of findings. As well, this method ensured that the data collection was more focused. In addition, it was the most cost effective and time efficient method to conduct this study. The sampling method enabled the researcher to make an inductive analysis that is reliable in the sense that results can be applied to other conflict environments outside Sri Lanka.

3.5 Research Instruments

The data for this research was collected using two primary methods, constituting an extensive literature survey and interviews. Since the nature of the subject matter is highly contentious and complex, several approaches were used to develop a comprehensive and critical understanding on the area of research, as well as to validate and cross-check the data. In this research, the same significance was assigned to all the data collected through various methods and sources.

3.5.1 Literature Survey

The first track involved drawing on secondary sources of evidence. This process involved a desk-based review of literature and other documents related to the case study as well as the broader topic, and will be similar to a qualitative content analysis. Given the need to have access to documents, reports, and publications
related to conflict and post conflict development and reconstruction, the researcher collected as many sources as possible. They constituted of locally and internationally published reports (e.g., academic publications, reports published by government ministries and agencies, reports compiled by local and international organisations and think tanks, political party publications, election manifestos, internet blogs, etc.). The academic texts collected and consulted for this study represented a range of subject areas in the field of social science, including: history, sociology, development studies, political science, economics, conflict studies, etc. The wide range of documents collected during the phase of extensive literature survey was reviewed before, during and after the fieldwork. This phase of document collection included accessing a broad range of literature, written both in English and the local languages that were not available in Canada and on-line. For this purpose, the researcher visited several libraries in Sri Lanka, including the International Centre for Ethnic Studies, the Social Scientists’ Association, the Marga Institute, and the Colombo Public Library.

In addition, the researcher also conducted an extensive survey to obtain information on the Sri Lankan ethnic conflict from web based sources (e.g., www.jstor.org, www.irinnews.org, www.infolanka.com, www.theacademic.org, www.colombopage.com and www.tamilnet.com), and scholarly and semi-scholarly literature published by leading national and international nongovernmental organisations and think tanks (e.g., www.groundviews.org, www.cpalanka.org, www.crisisgroup.org, www.amnesty.org and www.humanrights.asia). These sources were used to supplement data on topics such as post war security and political climate in the country, development and reconstruction in war affected areas, and post war development policies that were gathered through interviews. In addition, a number of web-based archives of major Sri Lankan newspapers were also accessed. They included: Daily News; The Sunday Times; The Sunday Leader; The Island; The Sunday Observer; Dinamina; and, Divaina. Five of these newspapers were English language newspapers while the other two were Sinhala language newspapers.
This approach has many advantages. As Patton (2002:295) notes, “documents prove valuable not only because of what can be learned directly from them but also as stimulus for paths of inquiry that can be pursued only through direct observation and interviewing”. Altheide (2000:290) further asserts that document analysis is aimed at focusing on discovering and describing events with the intention of finding “meanings, patterns, and processes”. With the availability of document, it is possible to further smooth the process of data collection and data triangulation. In addition, data in the collected documents will help the researcher to formulate additional questions during the interviews when previously prepared questions are not sufficient to search for more information from respondents. Being well informed from available documents, the researcher would be able to pursue details on relevant issues under investigation. In other words, by equipping with information from written sources, the researcher will be able to ask the participants about issues not covered in prepared interview questions.

3.5.2 Interviews

In the second track, the researcher complemented the review of literature by conducting interviews with key actors and stakeholders. Interviews were also used to provide context to other data (existing literature), offering a more complete picture of issues under investigation. To do so, this study used a combination of key informant interviews and groups consultations. Key informant interviews were appropriate for this study because general, descriptive information is sufficient to infer conclusions regarding the conflict in Sri Lanka. Key informant interviews are excellent for documenting people’s attitudes, perceptions, understandings and/or misunderstanding of issues (McKillip 1987). For example, well-designed key informant interviews can reveal people’s views about issues that underpinned the conflict in Sri Lanka and the policy interventions that are necessary to address in those issues. Because information comes directly from knowledgeable people, key informant interviews often
provide data and insight that cannot be obtained with other methods. Key informants may also offer confidential information that would not be revealed in other settings (Corti, Day & Backhouse 2000; Kumar 1989). From an efficiency standpoint, the key informant technique was chosen because of its relative simplicity and inexpensive character (Cowles, Kiecker & Little 2002).

The key informant technique was used to connect the researcher on a face-to-face basis with the organisations and individuals who possess information about the conflict in Sri Lanka. A total of 56 interviews were conducted (see Table 3.1). Literature suggests that if the investigation is combining data collection methods, such as document content analysis and key informant interviews, 15 to 35 key informants may suffice (Baker & Edwards 2012; Kumar 1989). All interviews in Sri Lanka were conducted on a one-on-one basis. Many individuals showed reluctance to share information in a group setting because they perceived risks by doing so. In particular, they noted that the dissemination of sensitive and contentious information might culminate in possible penalisation by government authorities. To mitigate potential risks to respondents, all interviews in Sri Lanka were conducted confidentially on a one-on-one basis. These interviews were conducted in-person as well as via telephone. Interviews were conducted in January, February and July 2013. Interviews with the Tamil and Sinhala diaspora community in Canada took the form of group consultations. The rationale for conducting group consultations was to gather shared experiences and views on the ethnic conflict in Sri Lanka. The group dynamics can generate an open exchange of views about the topic which can result in a much more in-depth discussion. In addition, there were no potential risks to participants of conducting group interviews, and interviewees also indicated their preference to participate in a group setting. However, confidentiality of participants was maintained. Each group consultation had 10 individuals. A total of two such consultation sessions with the diaspora communities were held in Toronto, Canada. They were conducted in February 2013.
Table 3.1. Groups Represented in Interviews

<table>
<thead>
<tr>
<th>Group</th>
<th>Number of Individuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Leaders from Former War Zone</td>
<td>10</td>
</tr>
<tr>
<td>Members from Tamil Diaspora Community in Canada</td>
<td>8</td>
</tr>
<tr>
<td>Members from Sinhala Diaspora Community in Canada</td>
<td>8</td>
</tr>
<tr>
<td>Sri Lankan Politicians</td>
<td>7</td>
</tr>
<tr>
<td>Government Policy makers/Advisors</td>
<td>6</td>
</tr>
<tr>
<td>Domestic Nongovernmental Organisation representatives</td>
<td>8</td>
</tr>
<tr>
<td>International Nongovernmental Organisation representatives</td>
<td>3</td>
</tr>
<tr>
<td>Private Sector Executives</td>
<td>4</td>
</tr>
<tr>
<td>Local Media</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
</tr>
</tbody>
</table>

The selection process involved a purposeful sampling of data-rich cases. Data-rich-cases are those that can offer substantial information about central issues of the study and that can be helpful in gaining in depth insights rather than empirical generalization (Patton 2002:240). In selecting interviewees, as the first step, the researcher identified the relevant groups from which they can be drawn. In order to prepare a list of the possible interviewees, the researcher consulted several persons with extensive knowledge about the Sri Lankan conflict. The list was also large enough to include substitutes in case some informants are not available. These groups included: senior government policy makers; domestic and international nongovernmental organisation representatives; representatives from Sri Lankan diaspora in Canada; community leaders from the former war zone; private sector executives; politicians; and, media personnel. The respondents were selected based on their expert knowledge of the ethnic conflict, state-society relations, the local development process, national politics and their intimate involvement and contribution to Sri Lanka’s political and socioeconomic environment. Given their close proximity to the local reality and
their close engagement with the various events and discourses related to the conflict, their insights were an important and valuable source of data collection. Moreover, the majority of them have first-hand experience working with the various Sri Lankan governments over the past three decades. Because they held important positions in the public, private, nongovernmental and community sectors, they were able to share information that was unavailable through open sources.

This study incorporated a semi-structured interview methodology. This approach was used because flexibility is needed in order that participants’ are not restricted by standardized questions and closed-ended structured answering formats. Semi-structured interviews are non-standardized and are frequently used in qualitative analysis (David & Sutton 2004). In this context, the researcher does not do the research to test a specific hypothesis. The researcher has a list of key themes, issues, and questions to be covered. In this type of interview the order of the questions can be changed depending on the direction of the interview. This type of interview gives the researcher opportunities to probe for views and opinions of the interviewee. Probing is a way for the researcher to explore new paths which were not initially considered (Gray 2004). The strengths of semi-structured interviews are that the researcher can prompt and probe deeper into the given situation. Thus, with this type of interview the researcher is able to probe or ask more detailed questions of respondents’ views and not adheres only to the interview guide. In addition, the researcher can explain or rephrase the questions if respondents are unclear about the questions.

In order to draw certain conclusions about the conflict causation and conflict sensitivity of post war development and reconstruction policies, the majority of the questions that were used during data collection were probative in their design. The majority of the questions were open-ended, and sought to elicit more qualitative information about the respondents’ views about the role of horizontal inequalities in conflict causation and the extent to which the post war
development policies address those inequalities. Because key informant interviews are essentially qualitative interviews, this study conducted them using an interview guide that lists the topics and issues to be covered during a session. Two interview guides were constructed for two groups of key informants in this study. The first group included community leaders in the former war zone (see Appendix A). The second group included: local politicians; government policymakers/advisors; domestic nongovernmental organizations; international nongovernmental organizations; private sector leaders; local media; and, Sri Lankan Diaspora community in Canada (see Appendix B). Thus, the questions asked of senior government officials concerning post war development policies differed from those asked of community leaders in the former war zone. Although interview guides were used, additional probing questions were also asked. And, where necessary, the researcher rephrased questions and focused only on the issues to which particular informants can best respond. The researcher allowed the respondents to use their preferred terminologies when answering the questions. In situations the terminology was unclear, the researcher sought clarification of what they meant in the information. Although the order of questioning varied, the same sets of questions were asked to all respondents. Because the purpose of interviews was to explore a few issues in depth, the number of questions listed in the interview guide was limited to 10.

Literature about ethnographic methods usually states that the researcher should ideally have the ability to communicate in the local language (for example, Bernard 1995:145; Robins 1986:69). Thus, Interviews were conducted in local languages (i.e., Sinhala and Tamil) and in English. Approximately 60 percent of the interviews were conducted in English, 30 percent in Sinhala and the remainder in Tamil. This flexibility was important to help the respondents articulate their views more effectively and to gain trust of the respondents. This also avoided misinterpretation of the information as well as errors that can take place in translation. The atmosphere in these interviews was informal, resembling a conversation. Each interview was scheduled as two-hour sessions,
though some took longer while others took shorter. On five instances, the respondents were met with more than once because the first interview could not be fully completed due to the respondent’s other commitments. In each interview, the first five to ten minutes were spent introducing the researcher and the objectives of the study. Although the civil war ended in 2009, at the time of the fieldwork in early 2013, security and political situation in the country were precarious and a majority of respondents requested not to record the interviews. As such, the researcher took handwritten notes and an interview summary was prepared following each interview.

3.6 Data Analysis

As noted earlier, this study was exploratory and descriptive in nature, and used qualitative research. Therefore, the content analysis was primarily qualitative, with the aim of making inferences and drawing conclusions based on the collected data. The analysis was guided mainly by the inductive strategy of data analysis. Singleton, Straits and Straits (1993:51-52) note that in an inductive approach, the researcher attempted to discover relationships or patterns by means of close scrutiny of the data, as well as by generalization and inductive abstraction. The final results provided a systematic explanation that attempts to draw logical inferences about conflict causation and conflict sensitivity of post conflict development policies.

In the application of the analytical framework (i.e., horizontal inequalities), the interview data of this research was analysed by following Miles and Huberman’s (1984) three stages of analysis method: data reduction, data display, and conclusion drawing (see also Appleton, 1995). The data reduction or sensitization was used to analyse the grouped data critically by coding them, which constituted an important part of the analysis. The aim of this step is to produce systematic themes and issues from the interview data (Burnard 1991; Weston, Gandell, Beauchamp, McAlpine, Wiseman & Beauchamp 2001:397).
Following strategies provided by Nelson (1989), this study started the process by reading through each transcript independently to obtain a sense of emerging themes. The researcher then arranged a tentative list of thematic topics based on the topic of questions being asked and a respondent’s replies which were categorized into separate thematic topics.

After establishing the thematic topics for each respondent’s interview transcript, the researcher continued with a correlating process, namely crosschecking and examining overlapping themes thematic topics found in all respondents’ interview transcripts. Then, the researcher treated these thematic topics as subthemes. As the analysis proceeded, a number of major themes emerged. These correlative major themes functioned as umbrellas under which subthemes were meaningfully categorized. Based on the analysis, four correlative major themes were established. The major themes were: (1) horizontal inequality; (2) political governance; (3) development policy; and, (4) socioeconomic policy. Each theme had several sub themes to provide more detail information. To display data, the researcher organised and compressed assembled information. This made the data compact and immediately accessible. This allowed the researcher to understand the emerging picture, and start to draw justifies conclusions. The format of the data display took the form of networks. This model provided data nodes which indicated links between themes. These links were used to show relationships and connections between different themes of the data.

In addition, the researcher made efforts to enhance the reliability of its findings. Joppe (2000: 1) defines reliability as: “[t]he extent to which results are consistent over time and an accurate representation of the total population under study … and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable.” According to Joppe (2000:1), “validity determines whether the research truly measures that which it

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19 Since some interviews may be conducted in local languages (e.g., Sinhala and Tamil), in the data display the transcribed data will be translated into English.
was intended to measure or how truthful the research results are ... Researchers generally determine validity by asking a series of questions, and will often look for the answers in the research of others.” In this study, the researcher ensured the reliability and validity of research findings by using the following actions: (1) data triangulation: the study used multiple sources of data, observations and/or methods to allow for the confirmation of data obtained using a different procedure or instrument. The case study also highlighted the importance of triangulating data sources and/or methods in order to develop a convincing case for understanding policy outcomes; and, (2) to validate data, the researcher submitted findings/observations to key informants for their validation.

3.7 Safety, Confidentiality and Ethics

Ford, Zachariah and Upshur (2009:4-5) have pointed out that the instability of conflict affected areas and the heightened vulnerability of populations caught in conflict call for careful consideration of the research methods employed, the levels of evidence sought, and ethical requirements. Sri Lanka is still characterized by ongoing militarised violence, widespread human rights abuses and a culture of impunity (Amnesty International 2013a, 2012a; Keenan 2012; The Sunday Leader 2012). Given that Sri Lanka only recently emerged from a prolonged civil war and currently facing an intensely political and national security environment, this research is unlikely to be viewed by some local actors as neutral or altruistic. The current post war environment also manipulates information by promoting and suppressing voices of some individuals and organisations (Boronow 2012; Fernando, 2013; Institute for Defence Studies and Analyses 2013). Consequently, in conducting this research, ethical and accountability issues were key concerns.

Populations exposed to conflict may have heightened vulnerability resulting from physical and mental distress, the collapse of normal coping mechanisms, and deliberate targeting (for example because they belong to a particular ethnic
group). Asking someone to talk about their past experiences can be frightening and can increase the level of trauma associated with the civil war (Griffin, Resick, Waldrop & Mechanic 2005: 222-225). This study made efforts to assess individuals who are particularly vulnerable and, as far as possible, excluded them from research. Examples of such individuals included victims of recent political violence in Sri Lanka as well as individuals and organizations at high risk of stigmatization by Sri Lankan authorities. This also called for an increased level of confidentiality of interview subjects and data in situations where even the simplest information could lead to deliberate targeting of individuals. This study considered the ways interviews/consultations may put the respondents at risk in terms of stress, legal liabilities, ostracism or political repercussion. Thus, if a respondent was uneasy or there was likelihood of risk, the interview was cancelled or postponed. There were two such situations during this study.

In addition, respondents were able to access their responses in order to correct their responses, or request that any sensitive information collected about them be deleted. Literature shows some key informants may object to note taking, especially when notes are taken on all their comments and not just on those that may be sensitive (Kumar 1987, 1989). Thus, when an interviewee seemed uncomfortable with note taking, the researcher assured them of complete confidentiality and explained that their comments are extremely important and need to be written down so as not to be forgotten. There were five such situations during this study. The researcher ensured that consultation instruments were configured such that survey results are not public. In order to secure safety and privacy of respondents, information was reported anonymously in this study. As (Macardle & Stanley 2009) note, informed consent is an integral part of acknowledging an individuals' autonomy and protecting those with diminished autonomy (e.g., internally displaced people, women, etc.). In research this translates into taking practical steps to respect confidentiality and ensure privacy (Ford, Zachariah & Upshur 2009). In the process of obtaining informed consent, this study was sensitive to the norms, customs and sensitivities of the
local environment. Given the current security and political environment in the former war zone, a high degree of mistrust of authority existed. The majority of interviewees signed a consent forms while a minority of respondents (three) refused to do so. Their responses were not included in this study.

3.8 Time Frame

The roots of the conflict in Sri Lanka lie in the British colonial rule when the country was known as Ceylon. Policies implemented since country’s independence in 1948 also had a huge impact on ethnic relations in Sri Lanka (Bandarage 2009; Spencer 1990). However, the violent phase of the conflict started in 1983 following a communal violence. The ensuing civil war between government forces and the Liberation Tigers of Tamil Eelam (LTTE) ended in 2009. Therefore, this study focused on the period between 1948 and 2013, as this was the very crucial time period, during which the key elements of the conflict were articulated.
Chapter 4. Demographic and Development Policy Context of the Ethnic Conflict

4.1. Introduction

For three decades, the Liberation Tigers of Tamil Eelam (LTTE) waged a protracted secessionist insurgency against the government of Sri Lanka, with the aim of creating an independent homeland for the country’s minority Sri Lankan Tamil population. In addition to mastering guerrilla warfare, the LTTE fielded a formidable conventional force including a maritime arm capable of challenging the Sri Lankan Navy and a nascent air wing capable of striking targets inside government-held territory. In 2009, Sri Lanka witnessed the end of the protracted civil war, the roots and causes of which are multiple and complex. By mobilising the will and resources of the entire state, the Sri Lankan government was able to successfully implement a strategy to collapse the LTTE by military defeat and the movement’s leadership decapitation.

While a considerable body of literature exists on the Sri Lankan conflict, its conceptualization is limited. Most studies propose ethno-cultural explanations of the Sri Lankan conflict (for example, DeVotta 2002; Miller 2006; Mushtaq 2012; Uyangoda 2007). They explain the conflict as primarily an ethnic identity struggle. The focus of many analyses on the ethnic conflict has inevitably led to a misleading impression that Sri Lanka’s conflict is merely an ‘ethnic issue’ and that it has to be analysed in the context of the country’s ethnic differences. This approach naturally precludes the possibility of analyzing the issue from a wider perspective beyond its ethnic character. By contrast, the present study argues that horizontal inequality – the presence of political, economic, social and cultural inequalities – between the majority Sinhalese and the minority Tamils provided a basis for the LTTE to mobilise the Tamils in the North and East of the country.
Horizontal inequalities in Sri Lanka resulted from policy choices of successive Sri Lankan governments since independence in 1948. In order to support this argument, this chapter is organised into five sections. Following the introduction in section one, section two provides a brief background of Sri Lanka’s demographic characteristics and key events related to the ethnic conflict. The third section reviews the nature of inequality in Sri Lanka. Given that socioeconomic, political and cultural outcomes are intrinsically linked to the conflict in Sri Lanka, the fourth section will also outline the major developmental policy shifts that have been taken place in Sri Lanka since independence in 1948. The final section discusses and summarizes key findings in order to provide an explanation for the rise of the conflict.

4.2 Sri Lanka: A Demographic and Conflict Overview

Sri Lanka is a 25,332-square-mile island and is home to a multi-ethnic, multi-religious and multi-lingual population of 17 million people. Sinhala Buddhists comprise 75 per cent of the population, Tamils 16 per cent (includes 11 percent Sri Lankan Tamils and five percent Indian Tamils), Muslims seven per cent and various smaller ethnic groups the rest. The ethnic conflict on the island between the Sinhala majority and the Tamil minority has a long history. According to de Silva (1981:387), what distinguished politics in Sri Lanka in the first two decades of the 20th century from the succeeding decades was the harmony that prevailed between the Sinhalese and Tamil leadership. In the political discourse, there were two majority communities, the Sinhalese and the Tamils, and the minorities were the smaller racial groups. As Bandarage (2009:5) points out, the Sinhalese and Tamils were not two exclusive groups with entirely separate historical pasts. However, the situation changed fundamentally after 1922 when, instead of two majority communities, there emerged one majority community—the Sinhalese, with the Tamils regarding themselves as a minority. This section outlines the changing demographic profile of the country. It will also illustrate the key events related to the ethnic conflict.
4.2.1 Demographic Characteristics

According to the census of 2011, Sri Lankan population was around 20 million. Of these, about 74.8 percent are defined, primarily by their ethnicity, as Sinhalese, 16.4 percent as Tamil (including 11.2 percent of Sri Lankan Tamils and 5.1 percent of Indian Tamils), and 7.4 percent as Muslim. There are today two groups of Tamils in Sri Lanka. The first group includes Sri Lankan Tamils who have a very long history in Sri Lanka and have lived on the island since around the 2nd century BCE (Mahadevan 2003:48). The second group, the Indian Tamils or Hill Country Tamils are descendants of bonded labourers sent from Tamil Nadu, India to Sri Lanka in the 19th century to work in tea plantations. Sri Lankan Tamils mostly live in the Northern and Eastern Provinces and in the capital of Colombo, while hill-country Tamils largely live in the central highlands (Nadarajan, 1999:124). The Hill Country Tamils and Sri Lankan Tamils historically have seen themselves as separate communities (de Silva 1987:177-180). The secession movement has arisen mainly among Sri Lanka Tamils and they account for about 13 percent of the country’s population (Gamage 2008:n.p.). Table 4.1 shows that the proportion of Tamils has declined over the past several decades. Smith (2003:3) has attributed this decline to the civil war.

Most of the Muslims have a form of Tamil as their first language, though the majority of them live in predominantly Sinhala speaking areas. Dividing the population by religion: 70.1 percent are Buddhist, 12.6 percent Hindu, 7.4 percent Christian (mostly Roman Catholic), and 9.7 percent Muslim (Department of Census and Statistics, 2012). Almost all of the Buddhists are Sinhalese and all the Hindus are Tamils. The Christians, both Roman Catholics and Protestants, are fairly equally divided between the Sinhalese and Tamils.20

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20 Officially, Sri Lanka is a secular state whose constitution recognises Buddhism as the foremost religion while recognising the equality of other religions.
Table 4.1. Demographic Profile of Sri Lanka

<table>
<thead>
<tr>
<th>Category</th>
<th>1931 (%)</th>
<th>1946 (%)</th>
<th>1963 (%)</th>
<th>1971 (%)</th>
<th>1981 (%)</th>
<th>2011 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnicity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sinhalese</td>
<td>65,45</td>
<td>69,41</td>
<td>71,00</td>
<td>71,96</td>
<td>73,96</td>
<td>74,88</td>
</tr>
<tr>
<td>Sri Lankan Tamils</td>
<td>11,29</td>
<td>11,02</td>
<td>11,01</td>
<td>11,22</td>
<td>12,71</td>
<td>11,21</td>
</tr>
<tr>
<td>Indian Tamils</td>
<td>15,43</td>
<td>11,73</td>
<td>10,61</td>
<td>9,26</td>
<td>5,51</td>
<td>5,19</td>
</tr>
<tr>
<td>Muslims</td>
<td>6,14</td>
<td>6,14</td>
<td>6,44</td>
<td>6,75</td>
<td>7,05</td>
<td>7,42</td>
</tr>
<tr>
<td>Other</td>
<td>1,70</td>
<td>1,70</td>
<td>0,94</td>
<td>0,82</td>
<td>0,78</td>
<td>0,88</td>
</tr>
<tr>
<td>Religion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buddhist</td>
<td>61,55</td>
<td>64,51</td>
<td>66,18</td>
<td>67,27</td>
<td>69,30</td>
<td>70,19</td>
</tr>
<tr>
<td>Hindu</td>
<td>21,99</td>
<td>19,83</td>
<td>18,51</td>
<td>17,64</td>
<td>15,48</td>
<td>12,61</td>
</tr>
<tr>
<td>Muslim</td>
<td>6,67</td>
<td>6,56</td>
<td>6,84</td>
<td>7,11</td>
<td>7,56</td>
<td>9,71</td>
</tr>
<tr>
<td>Christian</td>
<td>9,76</td>
<td>9,06</td>
<td>8,36</td>
<td>7,91</td>
<td>7,62</td>
<td>7,45</td>
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<tr>
<td>Other</td>
<td>0,02</td>
<td>0,03</td>
<td>0,11</td>
<td>0,07</td>
<td>0,06</td>
<td>0,05</td>
</tr>
</tbody>
</table>

Source: Statistical Abstract (various years), Department of Census & Statistics, Sri Lanka.

Modern Sri Lanka is divided into nine provinces (see Figure 4.1). The spatial distribution of the ethnic communities’ strongly influenced the ethnic claim to territoriality and conflict. The Northern Province is centred on the town of Jaffna and has been almost entirely inhabited by Tamils since the late 1970s. The Eastern Province, a long thin strip down the east coast of the island, has a population of one third Tamil, one third Sinhalese, and one-third Muslim. The Tamil separatist movement claimed the Eastern as well as the Northern Province as their traditional homeland. Since they seem to have no political appeal to the Muslims, they are undoubtedly claiming territory in which they do not constitute a majority of the population, and this was one of the major stumbling blocks in all negotiations that took place during the civil war. It is also important to understand that about half of the 'Sri Lankan Tamils', including many who have ties with Jaffna, live in the predominantly Sinhalese parts of the island, especially in the capital city of Colombo and in the second largest city, Kandy, which was the late medieval Sinhalese capital and lies in the centre of the island.
Figure 4.1. Provinces of Sri Lanka
4.2.2 Ethnic Conflict: Key Events

Sri Lanka has a long history of communal politics operated along ethnic divides. Since 1915, Sri Lanka has experienced several incidents of violence among the main ethnic groups (Kulatunga & Lakshman 2010:6). Since the late 1970s ethnically Tamil groups have been agitating against the predominantly Sinhala-Buddhist state for an independent state in the North and East of Sri Lanka (Hafeez 2009: 67). The worst happened in 1983, resulting in the deaths of nearly 1,000 civilians of Tamil origin. After 1983, the ethnic violence escalated into a civil war waged between the Sri Lankan government and the LTTE, a conflict that attracted many headlines for violations of human security and civilian protection (Jaspars 2009; Lang & Knudsen 2008; United Nations High Commissioner for Refugees 2009). The Tamil militant movements consisted of the LTTE (Liberation Tigers of Tamil Eelam) and some other groups. These groups gradually entered into a guerrilla war, aimed at carving out a separate Tamil state in Sri Lanka, waging a full-scale armed struggle since 1983. During the conflict, the LTTE claimed that they were fighting for a separate homeland called ‘Eelam’ which covers the Northern and Eastern Provinces of Sri Lanka on behalf of the minority Tamils. They believed it was the only way in which Tamils could overcome what they conceived as ‘injustice’ and discrimination perpetuated on them by the Sinhalese majority (Hafeez 2009:68).

Several attempts were made to resolve the issue, but none of these efforts bore any meaningful results (Permanent Mission of Sri Lanka to the United Nations Office at Geneva 2007). Following a deadly incident in April 1987 that killed 113 people in the capital city of Colombo, the Sri Lankan government launched an all out offensive against the LTTE (Ministry of Defence 2011:8). By the end of May 1987, the government was able to capture a large part of the area in the North after suffering heavy losses in terms of life, property, and dislocation of inhabitants as people started to take refuge in Tami Nadu, India (Pfaffenerberger 1988:139-140). At this stage, the Indian government intervened more directly and
assumed a direct role in the conflict. The Indian central government also started sending humanitarian relief to the Tamils in Sri Lanka (Weisman 1987:n.p.). In July 1987, Sri Lanka and India signed an agreement (Indo-Lanka Accord) according to which it was decided that efforts would be made to solve the problem through devolution and greater autonomy for the Tamils. According to Marasinghe (1988:553-565), the Sri Lankan government made a number of concessions to Tamil demands, which included: devolution of power to the provinces, merger of the Northern and Eastern Provinces, and official status for the Tamil language. In addition, the Sri Lankan government agreed to end ongoing anti-insurgent operations by Sri Lankan forces in the Northern peninsula. The government agreed to withdraw the troops to their barracks in the North. India also agreed to end support for the Tamil separatist movement and recognise the unity of Sri Lanka. The Indo-Sri Lanka Accord also underlined the commitment of Indian military assistance on which the Indian Peace Keeping Force (IPKF) was established. It was also agreed that the IPKF would disarm the rebels. Most Tamil militant groups laid down their weapons and agreed to seek a peaceful solution to the conflict; however, the LTTE refused to disarm its fighters (Associated Press 2006:n.p.; Ganguly 2010:88).

The IPKF oversaw a ceasefire and disarmament of the LTTE and other Tamil militant groups. Although it was established as a neutral body and had a mission to ensure compliance with the accord, the IPKF became an increasingly partisan force and found itself fighting the LTTE (Dixit 2000:n.p.). In addition, Sinhala nationalists, the main opposition party and some elements within the governing UNP opposed the accord with India and the presence of the IPKF (Bandarage 2009:135, 137-142; Ganguly 2010:88). Soon after assuming power in 1988, the then Sri Lankan President Ranasinghe Premadasa decided to negotiate with LTTE. Both the government and the LTTE agreed that Indian troops should be withdrawn from Sri Lanka (Dissanayaka 1998:332; Bandarage 2009:152-153). The IPKF began withdrawing from Sri Lanka in 1989, following the change of government in India and on the request of the newly elected Sri Lankan

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President Premadasa (Dixit 2000:n.p.). Richardson (2005:562) notes that the 32-month presence of the IPKF in Sri Lanka resulted in the deaths of 1,200 Indian soldiers. According to Hafeez (2009:71), the Sri Lankan government at this stage even supplied arms and ammunition to the LTTE. However, as the IPKF vacated the North and East, the LTTE moved in to recapture the areas that it had previously vacated and fighting broke out again between the LTTE and the Sri Lankan forces. The agreement between the Premadasa government of Sri Lanka and the LTTE also broke down (Ganguly 2010:88).

In the 1994 parliamentary elections, the UNP was defeated after 17 years in power, and the People's Alliance, headed by Chandrika Kumaratunga, came to power on a peace platform. The new government reinitiated dialogue with the LTTE and a ceasefire was reached in January 1995 (Bandarage 2009:156). However, the LTTE broke the ceasefire when it sank two Sri Lanka Navy gunboats. The government began to pursue a policy of "war for peace" and it launched a military offensive to recapture the Jaffna Peninsula (Hafeez 2009:71; Ganguly 2010:89). Further offensives followed over the next three years, and the military captured vast areas in the North of the country from the LTTE, including the Vanni region, the town of Kilinochchi, and many smaller towns. From 1998 onward the LTTE regained control of many areas, including the strategically important Elephant Pass base complex, located at the entrance of the Jaffna Peninsula (Denish 2000:n.p.). In 1998, to punish the LTTE and to placate hardline Sinhala-Buddhist nationalists following an LTTE bomb attack on a Buddhist shrine, the PA government proscribe the LTTE (Ganguly 2010:89).

The United National Party (UNP) came back to power in December 2001,21 and the new government re-started the peace process (Bandarage 2009:177). At the same time, the LTTE declared a unilateral ceasefire (Hafeez 2009:71). In 2002, the LTTE dropped its demand for a separate state (Bulathsinghala 2002:n.p.).

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21 The UNP came to power on a platform of peace with the LTTE and economic resurgence. This created a co-habitation government with President Kumaratunga who represented the Peoples’ Alliance.
Instead, it demanded a form of regional autonomy (Sambandan, 2004:n.p.). As a result, in 2002, the Sri Lankan government and the LTTE established a Memorandum of Understanding, and signed a permanent ceasefire agreement (CFA). It ensured that the problem of discrimination on the basis of language, race and religion would be solved through proper representation of the Tamil people in their areas. The agreement also called upon the two parties to adopt confidence-building measures. In addition, the Sri Lankan government agreed that it would not use force (British Broadcasting Corporation 2002:n.p.). The Sri Lankan Monitoring Mission (SLMM) led by Norway and staffed by other Nordic countries,\(^\text{22}\) was established to monitor compliance with the agreement (Bandarage 2009:184). The 2002 agreement ended two decades of violence, but attempts to reach a political solution were hampered due to many problems. The peace process was challenged by serious internal divisions within the Sri Lankan government in November 2003 and, in March 2004, violent disputes between the LTTE’s northern leadership and dissenting elements of its eastern faction (The New York Times 2006:n.p.). There were also over 3,000 infractions committed by the LTTE and some 300 by the Sri Lanka Army recorded by 2007 (Institute for Conflict Management, 2010:n.p.). In addition, Sinhala Buddhist nationalists agitated against the ceasefire and eventually went to form a radical Sinhala Buddhist political party (Jathika Hela Urumaya) with extremist views against seeking a political solution to the conflict (Harrison 2002:n.p.).

In 2005 Mahinda Rajapaksa was elected as the president of Sri Lanka. After a brief period of negotiations, in January 2006, the LTTE formally pulled out of peace talks (British Broadcasting Corporation 2006a:n.p.). LTTE led violence continued, including assassinations and attempted assassinations of political and military leaders (British Broadcasting Corporation 2006b:n.p.). In 2006 the LTTE blocked access to the water supply to 15,000 villages in government-controlled areas (British Broadcasting Corporation 2006c:n.p.). In January 2008, the Sri

\[^{22}\text{The SLMM members were drawn primarily from Norway, Sweden, Finland, Denmark, and Iceland (Human Rights Watch 2004:n.p.).}\]
Lankan government officially abandoned the ceasefire agreement. By then the defence lines of the LTTE had already begun to fall. By mid-2007 the Sri Lankan military captured the LTTE stronghold of Eastern Province, and the LTTE was confined to rapidly diminishing areas in the North (Gardner 2007:n.p.). By the end of 2008, the LTTE had lost most of the territory under its control in the Northern Province, including the strategically significant Mannar District (Tighe & Shankar 2008:n.p.). In January 2009, the President of Sri Lanka, Mahinda Rajapaksa, announced that the Sri Lankan troops had captured Kilinochchi, the city which the LTTE had used for over a decade as its de facto administrative capital (Reddy, 2009:n.p.). Later in January 2009, the Sri Lankan military troops captured Mullaitivu town, the last major LTTE stronghold (British Broadcasting Corporation 2009a:n.p.). On May 16, 2009, President Mahinda Rajapaksa declared military victory over the LTTE, after almost 30 years of conflict (British Broadcasting Corporation 2009b:n.p.).

During the secessionist struggle, people belonging to all ethnicities suffered. Several studies (for example, Amnesty International 2006, 2012b; Brun 2003; de Mel 2007; Ruwanpura & Humphries, 2004; Shukla, 2009) have documented security threats such as killings, abductions, conscription, mental and physical trauma, displacement, and even forced return and relocation. All were seen constantly interacting with people’s livelihoods, leading to impoverishment. Furthermore, the LTTE is the only terrorist group responsible for killing two political leaders: Indian Prime Minister Rajiv Gandhi in 1991 and Sri Lankan President Ranasinghe Premadasa in 1993 (Hafeez 2009:69). The LTTE has also been accused of recruiting and using child soldiers to fight against Sri Lankan government forces (Human Rights Watch 2003:n.p.). According to the United Nations, between 80,000-100,000 people were killed from 1982 to 2009 (Australian Broadcasting Corporation 2009:n.p.) While the loss of civilian lives has been prevalent during the entire conflict, the final five months of the war saw the heaviest civilian casualties. Although the actual number of civilian casualties has been subject to intense debate, the United Nations has estimated that 6,500
civilians were killed and another 14,000 injured between mid-January 2009 and mid-April 2009 (Chamberlain 2009:n.p.; Pallister & Chamberlain 2009:n.p.). The final stages of the war created about 300,000 internally displaced persons (IDPs), who were transferred to camps in the North and East (Amnesty International 2009:n.p.). According to the Internal Displacement Monitoring Centre (2012:1), by the end of September 2012, more than 115,000 IDPs were living in camps, with host communities or in transit sites, or had been relocated, often involuntarily, to areas other than their places of origin. These camps were officially closed in September 2012 (United Nations News Centre, 2012:n.p.). The war also incurred a huge economic toll. According to the Asia Economic Institute (2013:n.p.), the total economic cost of the war is estimated at US$ 200 billion.

4.3 Inequality in Sri Lanka: The Post Independence Experience

Sri Lanka is one among the very few developing countries which has achieved relatively high levels of human development in some indicators in consistent with high-income countries (Lakshman 1997a). The country’s human development achievements are extensively documented elsewhere (for example, Glewwe 1986; Pyatt 1987; Ravallion 1986; Sen 1981; United Nations Development Programme 1990). At its independence, Sri Lanka was economically better off than several current Asian economic powerhouses like South Korea and Taiwan (see Table 4.2). A widely raised point is that some countries which started off at lower levels of development have, over a few decades, surpassed Sri Lanka in terms of the level of socioeconomic development achieved (Lakshman 1997b; United Nations Development Programme 1990). In addition, Sri Lanka is an early achiever in the Millennium Development Goals (MDGs) of universal primary school enrolment, gender parity in school enrolment, under five year mortality, universal provision of reproductive health services, tuberculosis prevalence and death rates, and sanitation. Sri Lanka is on track to halve extreme poverty between 1990 and 2015 (Asian Development Bank 2009).
Table 4.2. Comparative GDP per Capita for Sri Lanka and Selected Asian Countries, 1950 – 2010

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>269 (1950)</td>
<td>310</td>
<td>988</td>
<td>5,679</td>
<td>13,330</td>
<td>25,128</td>
<td>31,175</td>
</tr>
<tr>
<td>Malaysia</td>
<td>263 (1958)</td>
<td>280</td>
<td>412</td>
<td>1,812</td>
<td>2,432</td>
<td>4,029</td>
<td>8,417</td>
</tr>
<tr>
<td>South Korea</td>
<td>101 (1955)</td>
<td>152</td>
<td>284</td>
<td>1,688</td>
<td>6,307</td>
<td>11,346</td>
<td>20,764</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>113 (1950)</td>
<td>152</td>
<td>279</td>
<td>300</td>
<td>508</td>
<td>916</td>
<td>2,428</td>
</tr>
<tr>
<td>Taiwan</td>
<td>106 (1950)</td>
<td>149</td>
<td>432</td>
<td>2,363</td>
<td>8,086</td>
<td>14,641</td>
<td>18,572</td>
</tr>
<tr>
<td>Thailand</td>
<td>82 (1955)</td>
<td>95</td>
<td>183</td>
<td>695</td>
<td>1,521</td>
<td>1,983</td>
<td>4,992</td>
</tr>
</tbody>
</table>

Sources: Lakshman (1997b:15); International Monetary Fund (2012a)

Literature suggests that the Sri Lankan policy responses since independence are splattered with social welfare programmes (for example, Alailima 1995; Fernando & Moonesinghe 2012; Sahn & Edirisinghe 1993). Alailima (1995:141-162) explains that the pattern of social welfare provision in Sri Lanka included food ration and stamp programmes, education and health services. However, these programmes were often underfunded when economic growth was inadequate or when the state diverted resources to other expenditures like military spending. Sahn and Edirisinghe (1993:35-45) examine the political economy of the transition from a welfare-oriented state employing a basic-needs approach to a more market-oriented or liberalised economy during the late 1970s and the first half of the 1980s, with emphasis on the implications for food and nutrition. Since 1977, the welfare structure built over the years has become increasingly difficult to attain its intended socioeconomic outcomes. While there was a gradual shift towards greater income equality during the period after independence, the ratio
of Gini coefficient has declined significantly following economic liberalisation in 1977. Inequality rose sharply during the open economic policy regime. The rate of Gini coefficient reached its peak in Sri Lanka, 0.52, during the period from 1981 to 1987 and remained above the 0.45 level throughout the period. By 2009, the rate edged up to 0.49 (see Table 4.3). Income inequalities widened between different incomes segments of the economy after the economic liberalisation (Glewwe 1988; Gunatilaka, Chotikapanich & Inder 2006; Hettige 1995). In this context of increasing inequality, Sri Lanka’s post liberalised poverty alleviation programmes had little impact on income distribution pattern of the country (Kelegama, 2001:8-10).

Table 4.3. Gini Coefficient for Household Income by Survey Period

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sri Lanka</td>
<td>0.43</td>
<td>0.46</td>
<td>0.47</td>
<td>0.46</td>
<td>0.47</td>
<td>0.47</td>
<td>0.49</td>
</tr>
</tbody>
</table>

Source: Department of Census and Statistics (2005, 2011)

There is a lack of poverty and inequality data for the former conflict zone (i.e., Northern and Eastern Provinces of the country) because they have not been covered by the 1990/1991 and 2002 Household Income and Expenditure Surveys (HIES) due to security concerns, while the 2006/2007 estimates include only part of the Eastern Province. A few surveys have partially covered the area in recent years, but none have covered consumption poverty estimates or been able to field adequate samples (World Bank 2009). Furthermore, as Sarvananthan (2007:36-43) points out, internally displaced persons have been excluded from official Department of Census and Statistics surveys, although a comprehensive national census survey took place in early 2012 and the final figures are yet to be released. When available, data on per capita incomes as well as health and education indicators show a consistently lower level in the
Northern and Eastern Provinces when compared to other regions of the country (Sarvananthan (2007:43-44).

Some analysts like Sarvananthan (2007:37) estimate that the north-east had the lowest level of per capita income in the country and scored poorly on selected indicators of relative deprivation: infant mortality and maternal mortality were significantly higher than the national average – almost 20 per cent of the births in the North and East were unassisted home births – while a significantly higher percentage of children were found to be underweight both at birth and at five years of age. Sarvananthan’s study also shows that primary educational attainment in the Northern and Eastern Provinces was lagging far behind the rest of the country, even though the average secondary school performance was considerably higher than the rest of the country. There were also considerable variations within and between provinces, as well as between districts for both health and education indicators. In addition, income inequality as measured by the Gini coefficient was particularly high in the East (Sarvananthan 2007:33-34). A study conducted in 1995 by Gunawardene (2000) shows that the poverty incidence by ethnicity does not indicate a significant difference between the major ethnic groups in Sri Lanka.23 However, caution must be taken as this analysis excludes the Northern and Eastern Provinces, where the majority of the Tamil population resides.

23 According to the various sources, disparities in development between regions are evident in Sri Lanka (see, for example, United Nations Development Programme 1998, Karunanayake 2001, Dangalle 2005). Economic development, physical and social infrastructure are unevenly spread among various regions of the country. The most developed core region (District of Colombo) in the country lies in the Western Province. Most of the economic activities such as industry, trade, commerce and services take place within this region. All towns in the country are connected to Colombo city directly rather than other regional centers. As a result, regional disparities exist in most of the remaining areas in the country.
4.4 Development Policy Regimes in Sri Lanka: An Overview

Since its independence, Sri Lanka experimented with a series of development policies, which have been closely linked to perceptions of various governments about their role in economic development. As Lakshman (1997b:5) observes, development policies were closely associated with the political ideologies of governments, and were also closely guided by socioeconomic developments at the domestic and international levels. Since independence, political power in Sri Lanka has alternated between the United National Party (UNP) and the Sri Lanka Freedom Party (SLFP) led coalitions involving leftist parties. Governments that favoured a more interventionist policy favoured planning as a principal instrument of economic and social policies, achieved through state ownership and direct administrative controls. The SLFP-led coalition governments promoted statist economic policies (Lakshman 1997b:5-6). The governments that relied on the market mechanisms and the primacy of the private sector showed a relatively limited interest in planning. These governments, often led by the UNP, generally viewed that planning is a function of socialism and that it has little relevance in a liberalised market economy (Lakshman 1997b:8). This section will deal with the variations in development policy in Sri Lanka since 1948. It focuses on 6 phases (1948-56, 1956-65, 1965-1970, 1970-77, 1977-94, and 1994 to 2009). The periodisation used in this discussion generally follows the change of political regimes in the country.

4.4.1 From 1948 to 1956

The UNP government that came to power in 1947 formed the first post independence government in Sri Lanka. The UNP is generally inclined to represent the interest of the country’s elite and capitalist classes. It was a liberal, market-oriented and free trade focused regime that saw the private sector as the prime mover of economic activity. Sri Lanka remained more or less as an open economy throughout the period, mainly because the export boom due to the
Korean War in the early 1950s insulated Sri Lanka from experiencing the adverse terms of trade effects (Karunaratne 2000:237-240). To diversify the economy, the development strategy followed by the government was to utilize a part of the surpluses of the export sector to support public services. It was assumed that the plantation sector would continue to prosper as in the past and little attention was paid to the effect of high levels of taxation on competitiveness. The effect of an increasingly unfavourable external economic environment on the social welfare development strategy was significant. There was, however, “no acute need during this period for drastic steps to arrest this deterioration in the balance of payments since external reserves, which had been accumulated during the Second World War and the periods of high export earnings in the first half of the 1950s, acted as a cushion against any sharp decline in foreign exchange earnings. According to Fernando (1997:106) “the government considered it is adequate to use tariffs and monetary policy instruments to curb import spending as a method of arresting further deterioration in the balance of payments”.

To address these economic shifts, the government made some efforts to promote the socioeconomic conditions of the rural people who have been neglected by the colonial rulers. It paid attention to national planning as the major instrument of development. Therefore, the governments implemented several public investment plans, and between 1948 and 1956 the government carried out two planning exercises. According to Fernando (1997:106), the plan outlined the objectives of the government budgets and identified several broad areas of action in agriculture, industry, power, transportation, posts and telecommunication, and welfare services such as free education, free health services, and food subsidies. In these plans, the government retained a modest welfare structure built during the British colonial era (e.g., limited form of food subsidies, free education and health care), in order to meet its commitment to a modicum of social democracy for political survival in a society that was used to a skeletal welfare structure. While the government later attempted to eliminate food
subsidies, it had to be abandoned in wake of an extensive political agitation (Snodgrass 1966:4-5).

4.4.2 From 1956 to 1965

A coalition of political parties led by the SLFP replaced the UNP government in 1956. In the 1956 parliamentary elections, the SLFP campaigned on largely nationalist policies. The coalition government was led by Oxford-educated S. W. R. D. Bandaranaike, who was also the Prime Minister and leader of the SLFP. Its central plank was the promise – known as “Sinhala Only” – to establish Sinhala (the majority language of the country) as the single official language for government business within 24 hours of election. Bandarage (2009:43-45) observes that as a result of the Tamils’ continuous opposition to the implementation of the Sinhala Only policy of the government, the Ceylon Parliament passed the Tamil Language (Special Provisions) Act in 1958. But the Act was abrogated, resulting in a series of violent acts and riots. The Bandaranaike government imposed a state of emergency to quell the communal riots in 1958 and enacted the Tamil Language (Special Provisions) Act. It allowed for the use of Tamil language in matters of government business transaction and for prescribed administrative purposes in the Northern and Eastern Provinces without prejudice to the use of Sinhala (Tambiah 1986:73-75). Tamil was accorded the status of an official language in the Northern and Eastern Provinces without prejudice to the operation of Sinhala as the official language in those provinces. But this Act could not come into effect due to the opposition from the Sinhala extremists and the subsequent assassination of Prime Minister Bandaranaike (Tambiah 1986:73-74).

In ideological terms, the coalition, impressed with the successes of Soviet-style planning and guided by India’s state led planning, espoused socialist rhetoric that assigned to the state a central role in the economy, in line with their social democratic values (Fernando 1997; Moore 1985). In the economic milieu, state
planning became even more so with the post 1956 deterioration of Sri Lanka’s external terms of trade. The government saw the solution to the terms of trade problems as diversification of economy through import substitution in industry and agriculture. To achieve these goals, the government implemented policy prescriptions such as high tariff levels, import and exchange controls, price controls, industrial licensing, expansion of state enterprises and central planning (Lakshman 1997b; Abeyratne 1997; Liynagae 1997). Some studies (for example, Sriskandarajah 2005; Tambiah 1986) suggest that actual disparities in income, education and employment between the Sinhalese and North and Eastern Tamils were small during the 1950s and 60s. Evidence from the immediate post independence period suggests that Tamils in Northern and Eastern Provinces were indeed, on average, slightly richer than the Sinhalese. For example, Sriskandarajah (2005:45) notes that incomes of the Sinhalese in the central region were about two-thirds of Tamils in Northern and Eastern Provinces. Average Sinhalese earnings were about 271 rupees per capita, about 20 percent less than Tamils in the North and East. Many respondents consulted for this study also shared these sentiments counterparts (members of Tamil diaspora, personal communication, February 09, 2013; Tamil opposition parliamentarians, personal communication, January 9 & 10, 2013). The majority of community leaders doubted that their economic situation was better than their Sinhalese (Tamil community leaders, Jaffna and Batticaloa, personal communication, January 14 and 16, 2013).

The coalition government represented left wing socialist parties as well as groups that represented sectarian interests. A main election promise of the coalition government was establishing Sinhalese as the official language of the country, replacing English. While during the early years of independence there was an attempt to balance the interests of the elites of the main communities (i.e., Sinhalese and Tamils). Most Sinhalese did, however, harboured the view that the Tamils continued to enjoy the privileged position gained under the British (Tambiah 1986:78-80). According to Tambiah (1986:73-74), the new government
fulfilled this promise through the passage of the Official Language Act No 33 of 1956 (more commonly known as the “Sinhala Only Act”) soon after the election giving no status of parity to the Tamil language. This made Sinhalese the only official language of the country, relegating the language of the Sri Lankan Tamils, the Tamil language, to a secondary position in legal respects. As one interviewee noted, since English (the language of the ruling class) had been spoken and understood by only about 6 percent of the population, the move to Sinhala was democratic and egalitarian, but it had the unfortunate effect of alienating the Tamil-speaking part of the Sri Lankan society (former government policy maker, personal communication, January 11, 2013).

The proponents of the Act (mostly Sinhalese Buddhist nationalists) saw it as an attempt by a community that had just gained independence to distance themselves from their colonial masters, while its opponents (mostly minority ethnic groups) viewed it as an attempt by the linguistic majority to oppress and assert dominance over minorities (Bandarage 2009:49-50; Jayasundara-Smits 2011:81;). The Act symbolized the post independence majority – the Sinhalese – to assert its identity as a nation state. On the other hand, for Tamils, it became a symbol of minority oppression. As some analysts have noted (for example, de Silva 1981; Mushtaq, 2012; Zwier, 1998), this Act became the justification for them to demand a separate nation state, which resulted in decades of civil war. Abeysekera (1981:6-14) argues that popular opinion also saw the enactment of this language policy as a means not only of reducing the position of Tamils in state services but also of increasing the access of the Sinhala-educated to prestigious jobs. The majority of the key informants consulted for this study noted that this policy in many ways brought the Sinhalese-Tamil conflict into the forefront of Sri Lankan politics (members of Tamil diaspora, personal communication, February 09, 2013; Tamil opposition parliamentarians, personal communication, January 9 & 10, 2013).
4.4.3 From 1965 to 1970

Another series of policy reforms were attempted in 1965 when a coalition of political parties led by the UNP came to power. The coalition government, in collaboration with international financial institutions, carried out a modest package of economic liberalisation that included policy measures such as import liberalisation, devaluation of currency, and adjustment of welfare expenditures (Pieris 1997:31). The country continued to face balance of payment problems due to extensive borrowing to implement these policies (Pieris 1997:32). The burgeoning welfare system coupled with a high degree of political liberalism created a welfare-depended society at the expense of creating a setting for economic growth (International Labour Office, 1971:16-18). By the 1960s there were clear signs that Sri Lanka had been living far beyond its means (Alailima 1997:154-159). In academic and policy discussions, Sri Lanka was cited as a success case of achieving exceptional human development outcomes among developing countries (Lakshman 1997b:24-25); however, the issue of sustainability of these outcomes rarely drew attention in these discussions. Some policy makers consulted for this study noted that the viability of any redistributive strategy is likely, in the long run, to be seriously undermined by economic stagnation encountered by the country (government policy makers, personal communication, January 11-15, 2013).

4.4.4 From 1970 to 1977

The UNP-led coalition's brief experiment with economic liberalisation ended when a coalition led by the SLFP came to power in 1970, displaying a strong statist bias. The statist intensions were made explicit in the Five Year Plan introduced in 1971. The Plan attempted to deal with problems associated with the maximum development of national resources; this was to be achieved “within a social framework consistent with the country’s commitment to a rapid advance towards a socialist society” (Ministry of Planning and Employment 1971: 1).
However, the government faced severe economic consequences as both domestic and external factors turned sharply unfavourable. As such, the five-year plan addressed two major problems: rising unemployment and the worsening foreign exchange situation. During the early 1970s, like many other Third World political economies, the Sri Lankan economy experienced the impact of several adverse developments in the international economic environment; notably oil price shocks, a steep rise in international interest rates, and a decline in the prices of its raw material exports (for example, Embuldeniya, 2000; Lakshman, 1997b; Moore, 1997). Compounding these external shocks were the inadequate domestic economic and financial policies pursued by successive governments since achieving independence in 1948. Their convergence resulted in large and growing domestic and external financial imbalances. Between 1970 and 1975, the external debt grew sharply, rising from 12.7 percent of GDP in 1970 to 34.1 percent of GDP in 1977 (Embuldeniya 2000:167).

In 1971, less than one year after taking office, the government faced a violent youth insurrection. Led by a political group called the Janatha Vimukthi Peramuna (JVP), the uprising mostly involved educated, young and unemployed Sinhalese. Although the JVP appealed to Sinhalese communal issues, it lacked broad support and was crushed by security forces at the cost of several thousand lives lost (Chandraprema 1991; Gunaratna 1990; Moore 1993). To address this crisis, the government passed a number of economic measures favoured by its left-wing allies, as well as by radical critics who remained outside the ruling coalition. In the economic development area, the government moved the policy regime back to a deeper version of import substitution industrialization (Abeyratne 1997:348-350). The government also initiated a large number of state enterprises: For example, the Paddy Marketing Board was set up to serve as sole purchaser of paddy (rice) from the farmers. A State Gem Corporation was established, and a Business Undertakings Acquisitions Act was passed. The latter authorised the Minister of Finance to nationalize any firm if he deemed such an action to be in the national interest. Twenty-six firms were acquired
under the act by 1977 (Liyanage 1997:441-447). In 1972, the government enacted the Land Reform Law, which limited individual land ownership to fifty acres of plantation land or twenty-five acres of paddy land (Pieris 2009:46). The government also made a fundamental change in the university admission policy - the abandonment of the merit principle and the introduction of a system of affirmative action. The government established a system of standardisation by language media at the university entrance examination (Bandarage 2009:58-62). Because this policy shift set in motion a series of events that contributed to exacerbating Sri Lanka’s ethnic conflict, the impact of this policy will be addressed in detail later in this Chapter five.

Many observers have noted that, by the mid-1970s, the Sri Lankan economy was one of the most inward-oriented and heavily regulated outside the former communist bloc, characterised by stringent trade and exchange controls and pervasive state interventions in all areas of economic activity (Rajapatirana 1988; Cuthbertson & Athukorala 1990; Athukorala & Jayasuriya 1994). In addition, Sri Lanka’s populist economic policies during the late 1960s and early 1970s reflect communal dimensions. According to Bruton, Abeysekera, Sanderatne & Yusof (1992: 146):

Undoubtedly, the general philosophy of the SLFP fit well with most of the Sinhalese, as indeed it had in the years from 1955 to 1965. The search for genuine economic independence combined with a rather relaxed approach to economic development was congenial to the traditions and values of this community. The ready availability of the estate sector to tax in an effort to support this approach was also satisfying and consistent with prevailing ideas and views. As the estate economy declined, as population grew, as literacy and awareness increased among the Sinhalese population, and economic problems became increasingly severe, this kind of approach became less and less effective.

It was, therefore, not surprising that the government ceased to attach serious importance to the realisation of the goals set out in its development policies.
4.4.5 From 1977 to 1994

Sri Lanka took yet another development policy turn with the landslide victory of the UNP in 1977 that made a sharp policy turn from an ISI regime to a free market export oriented regime. When the UNP took over the government, the government leaders ascribed past failures in economic management and performance to excessive protection and government intervention in the market. The government argued that state interventions had distorted markets and resulted in insufficient allocation of resources. Thus, the solution was seen as being to liberalise the economy (Embuldeniya 2000; Moore 1997; Athukorale 1997). Athukorala (1997:387-391) notes that the policy reforms of 1977 were far reaching and facilitated the country’s integration into the global economy as a producer and exporter of labour-intensive, low technology manufacturing. The movement toward a liberalised economy was also accentuated by a steady expansion in private sector led activities. In essence, according to Dunham & Jayasuriya (2000:1-3) and Dias (1991:614-615) these reforms changed the statist policies and philosophy of economic management that had been accepted by the preceding governments since country’s independence in 1948. The liberalisation of the Sri Lankan economy was pursued through two phases, one from 1977 to 1989 and 1989 to 1994. Both phases stretched a seventeen year period of UNP rule, but under two different leaders.

The new policy regime was also purportedly aimed at revitalising the agrarian sector, improving industrial production, increasing employment, raising domestic savings and investment, and strengthening the balance of payments in the medium term. The Central Bank of Sri Lanka termed the new package of reforms ‘a sweeping departure from tightly controlled, inward-looking, welfare-oriented economic strategy to a more liberalised, out-ward-looking and growth-oriented one” (Herring 1987: 328). The key elements of the new ensemble of economic policies involved investment incentives to foreign and domestic capital, a shift in the composition of public spending, and a liberalised international trade policy
premised on export-led growth. The commitment to promotion of economic efficiency through the market system, rather than government intervention, brought about unprecedented external support. Economic growth, however, was only one of its objectives. As noted by then Minister of Finance and Planning Ronnie de Mel, the others included the expansion of employment the rehabilitation and expansion of the nation’s capital stock, and a progressive improvement in the country’s balance of payments. De Mel explained that “[t]his last objective is necessarily a long term one. In the short term increased foreign assistance is essential to bridge the current account deficits arising from the high levels of investment required for the other objectives to be accomplished” (Quoted in Goulet 1981: 31).

Within the rubric of liberalisation strategy, the UNP government’s development strategy placed primary emphasis on increasing investment and improving economic efficiency. The regime felt that it was vital to catch up to years of neglect of the country’s infrastructure and supporting services. The neo liberal orientation of the government assumed that trickle down effect of economic growth would generate the incomes that would support the people to meet their basic needs. The key components of the economic reform package were negotiated with the International Monetary Fund and the World Bank (Pieris 1997:47-52). The intention of the government was to bring about structural adjustment in the economy. As part of the strategy, the government undertook a range of mega development programmes. Athukorala & Jayasuriya (1994:390-391) note that the government directed public expenditures to a number of strategic areas in order to provide basic infrastructure facilities for agriculture and industry, increase private sector participation in the development process, and reform the existing socioeconomic infrastructure. In this context, the accelerated Mahaweli Development Programme was a key element of this programme, financed primarily by foreign aid mobilised through the World Bank sponsored aid group. The government also concentrated on export processing zones to be
developed by providing incentives to investors to bring in private foreign capital and technology (Athukorala 1997:395-396;).

Alailima (1997), Castaneda (1999), and Dunham and Jayasuriya (2001) observe that the Sri Lankan government made a number of significant changes in the social arena to address substantial budget deficits. First, Alailima (1997:154-162) points out that the government converted the food subsidy programme to a food stamp programme for low-income households, enabling the introduction of open market prices for essential commodities. The government's food stamp programme operations were affected by a number of issues with severe implications for the poor. The first implication was the rapid erosion of stamp values. Castaneda (1999:19) notes that by 1981/82, only two years after programme initiation, the real value of stamps was little more than 50 percent of the original value. The second implication was that the government was unable to achieve its stated objectives of targeting subsidies to needy and vulnerable groups. According to government calculations, needy households comprised only 20-25 percent of the overall population, or about 3.5 million in 1989. But, there were some 8.0 million beneficiaries. Consequently, in order to contain programme expenditures, the government allowed food stamp values to be eroded by inflation (Castaneda 1999:20). Second, high domestic inflation and costly foreign borrowing led to the neglect of the maintenance of social infrastructure of the country; in order to reduce the budgetary deficit, the government severely under-funded education and health services in the state sector (Alailima 1997:155-156). Third, the government’s development policy continued to be directed towards majority Sinhalese inhabited regions. For instance, Dunham and Jayasuriya (2001) note that under the economic liberalisation move the government removed import restrictions on some agricultural products. This adversely affected Tamil farmers of crops such as

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24 The food subsidy has a long history in Sri Lanka. Since its independence all governments provided the subsidy of varying degrees. The subsidy helped to meet nutritional deficits of poor households and gave them a considerable measure of food security (see, Mahalingasivam 1978).
grapes, chillies and onions in the Jaffna peninsula, but this was not extended to paddy and potatoes grown by Sinhalese farmers.

Sri Lanka in the 1980s was marked by severe civil conflicts. In 1983 there were ethnic riots, followed by violence in the Northern and Eastern Provinces (this issue will be dealt in detail later in Chapter five). In 1987, Sri Lanka witnessed the second insurrection led by the JVP against the government. The basis of the JVP’s opposition to the ruling UNP regime in the late 1980s was purportedly an objection to the capitalist economic policies of the government, especially economic liberalisation that the government pursued with extreme vigour (Gunasekera 1999:66-68). Several scholars (for example, Fernando 2010; Gunasekara 1998; Gunasekera 1999) have argued that despite claims to the contrary, the JVP insurrections were not spontaneous uprisings of youth grappling with socioeconomic hardships, but rather attempts by the JVP leadership to seize power by exploiting grievances about socioeconomic inequalities among the poor rural Sinhalese. JVP members and supporters were drawn primarily from the Sinhalese rural poor from mostly southern regions of the country, who were often educated but unemployed (Manoharan 2006:20). The JVP targeted and killed governing party politicians, leading opposition activists, law enforcement personnel, and ordinary civilians who simply disobeyed JVP orders to refrain from voting or go on strike (Gunasekara 1999:75-78). While the state suppressed the JVP insurrection militarily in 1989, the conflict had an impact on the country’s commitment to pro-poor programmes. The government responded to the crisis by implementing some policy changes to address poverty alleviation.25

25 For instance, the government introduced the Samurdhi Programme with poverty reduction as its main thrust by ensuring participation of the poor in the production process. Implicit in the strategy is the enhancement of the health and nutritional status of the poor. The stated main objectives of the programme are as follows; broadening opportunities for income enhancement and employment; organising youth, women and other disadvantaged sections of the population into small groups and encouraging them to participate in decision making activities and developmental processes at the grassroots level; assisting persons to develop their latent talents and strengthening their asset bases through productive employment; and, establishing and maintaining productive assets to create additional wage employment opportunities at the rural level (Samurdhi Authority of Sri Lanka 1998).
Though there were fluctuations in the growth rates during this period, the highest average economic growth was seen during the period of post economic liberalisation. In addition, there were significant socioeconomic implications. Policies of liberalisation led to substantial concentration of incomes and wealth in the hands of a few and to a high degree of inequality in their distribution. Consequently, by late 1980s, Sri Lankan policy makers believed that in spite of the momentum injected to the economy, there was no significant decline in the incidence of poverty (former government policy maker, personal communication, January 20, 2013). In addition, the economic growth was concentrated around the Colombo district and in areas where large development projects were concentrated, but failed to produce meaningful economic benefits to areas in the Northern and Eastern Provinces of the country (Tamil community leaders, Jaffna, personal communication, January 14, 2013). The political patronage of resource allocation also took place during this period and some observers felt that this worked towards exacerbating regional inequalities because the majority of the Northern and Eastern Provinces were represented by Tamil opposition party members and, thus, prevented the flow of benefits to vast sections of the population in these areas (Tamil community leaders, Jaffna and Batticaloa, personal communication, January 14 and 16, 2013). Some observers, however, noted that if the rate of growth was greater, the negative effects would have been weakened, as there would be increased volume of benefits to go around all regions of the country (opposition parliamentarian, personal communication, January 16, 2013).

4.4.6 From 1994 to 2009

In 1994, a new left-of-centre coalition called People Alliance (SLFP was the main party of this coalition) gained the state power on a platform of a “market oriented
policy with a human face”. Under the new regime, there was no radical departure from policies of the previous regime. Indeed, the new government extended the privatization and deregulatory policies and pursued trade and macroeconomic policies that were largely indistinguishable from the previous government. According to Cuthbertson (1997:47), by the mid-1990s Sri Lanka appeared to be “at the point of moving into an important policy phase marked by shifting the agenda away from protection and towards achieving a stable and predictable economic policy environment.” The prevailing domestic conditions strengthened the role and power of the state in economic and political life as military expenditures and the absence of public accountability and transparency in many areas created opportunities for large-scale rent extraction. Moore (1997:6-7) notes that many privatization measures were carried out in ways that enabled favoured businesses and government officials to engage in rent seeking activities (primarily through bribery and commissions), resulting in a public backlash against privatization. In addition to corruption, administrative and managerial inefficiency were pervasive in the country.

Over the next two decades the country experienced severe internal political instability, and the conflict with the LTTE dragged on at a huge cost to the economy. Despite several serious external shocks including the 1997 Asian Economic Crisis, the 2004 Asian Tsunami, surge of world oil and food prices during 2007/08, and the global financial crisis that followed, the Sri Lankan economy was insulated rather well. Sri Lanka’s growth performance during this period was remarkable given the tough circumstances the country was facing. It

26 While the PA did not define, the concept of a “market-oriented policy with a human face” meant the commitment for seeking a peaceful solution to the ethnic conflict, a respect for human rights, democracy, and social justice (Bastian 2013:5).

27 Corruption in Sri Lanka did not solely start in this period. The country has a long history of rent extraction by public officials and politicians (Rutnam 2013; Perera-Mubarak 2012). In 2012, Sri Lanka occupied the 79th position among 176 countries in the Corruption Perception Index (CPI) conducted by Transparency International (TI). Among the South Asian Countries Sri Lanka ranked second above India, Nepal, Pakistan and Bangladesh. Only Bhutan has fared better than Sri Lanka. In Asia Pacific region Sri Lanka was ranked number 11. Sri Lanka’s score remains at a low, indicating a serious corruption problem in the public sector (Transparency International Sri Lanka 2012:n.p.).
demonstrated a greater degree of resilience; for instance, GDP growth averaged 5.3 percent in the 1990s and 5.5 percent per annum during 2000/09 (Central Bank of Sri Lanka 2010: 26). The Human Development index improved from 0.558 in 1990 to 0.653 in 2010 while the headcount index of poverty came down from 22.7 in 2002 to 7.7 percent in 2009/10 (United Nations Development Programme 2013:n.p.). The economy also benefitted from strong foreign remittances. Commenting on the Sri Lankan experience under market-oriented policy reforms, the World Bank held Sri Lanka as a convincing case of trade and industrial transformation through market-friendly policy reforms (World Bank, 2004c). At the same time, however, large and increasing defence expenditures as well as political and economic constraints on government spending produced chronic fiscal deficits and inflationary pressures during this period (Goyal 2011:2-4).

In 2005, there was a change in political leadership, and the current President Mahinda Rajapaksa was elected in a tightly contested election. A new development strategy was presented at the presidential election in a manifesto entitled ‘the Mahinda Chinthana: Ediri Dakma’ or Mahinda Vision: A Vision for the Future (Government of Sri Lanka 2005). The strategy signalled a populist tone and proclaimed the need to achieve ‘balanced growth’. While it avoided any references to further neoliberal policy reforms, the strategy called for rapid infrastructure development of rural and conflict-affected parts of the country and through the promotion of small and medium enterprises. The strategy ruled out privatization of key state enterprises previously earmarked for privatization (e.g., banking, power, energy, transport and ports). The role of the state was extensively emphasised in the new development strategy. Some observers view this strategy as a program that was designed to appeal to the government core rural constituency, the military and small business, while attempting to not

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28 In Sri Lanka, remittances are a crucial factor in the country’s economic development. Foreign remittances made by the Sri Lankan migrant labour force has exceeded the foreign exchange received from traditional export income-generating sectors such as tea, coconut, rubber, gems and garments. Sri Lankan foreign remittances reached US$ 4.7 billion in 2010 (Perera 2012:n.p.).
alienate big business and international investors, agencies and international donors (nongovernmental organisation representatives, personal communication, January 18, 2013). The government also increased the military expenditures exponentially, rejected a negotiated settlement with the LTTE, and escalated the military campaign against the LTTE. The regime was supported and assisted by the Western powers, neighbouring India and Pakistan, as well as, more importantly, China (Gardner 2009:n.p.; Tamil Guardian 2009:n.p.). The government decisively crushed the LTTE in 2009 thereby ending the civil war.

Arguably, government policy measures in the latter half of the past decade have been primarily motivated by the goal of mobilising resources to defeat the LTTE, rather than by a significant change in economic policy direction. Haans (2012:52) notes that it was only after the military victory in 2009 that the government made its policy shift open and explicit. The regime felt politically comfortable to disregard both the domestic critics of its policy direction and the demands of international agencies. Since 2009, the government has pursued a more nationalist economic programme where the government embarked on further expansion of the role of state-owned enterprises in the economy by re-nationalizing of some previously privatized ventures (Athukorala & Jayasuriya 2012:12). It introduced a development policy framework that highlights the need for balanced regional development to ensure that “every household in Sri Lanka equally benefits from economic development” (Government of Sri Lanka 2010:3). The post war period is also marked by increased militarisation of society, wherein the defence establishment has expanded to various aspects of economic and social life, from running business enterprises to providing leadership training to university students. The post war development model will be addressed in more detail in Chapter six.
4.5 Discussion and Conclusion

For decades, Sri Lankan society was an ethno-religious mosaic. To a certain extent, ethnicity and religion have a regional basis, which is a significant reason why the Tamil militancy has a strong geographical dimension. In the 1970s, there was an increased trend towards Tamil separatism and militancy. By the early 1980s various militant groups had formed the LTTE, and demanded a separate province for minority Tamils that included the Northern and Eastern Provinces. This marked the steady militarisation of the Sri Lankan ethnic conflict. As Silva (2003) has pointed out, people belonging to all ethnicities suffered during the civil war. As the conflict progressed, people living in the Tamil community faced brutal massacre, and displacement affected their social life and economic activities; many continue to suffer its longer-term impacts at the time of this research.

This study explores the nexus between development and conflict in Sri Lanka. The ethnicised conflict in Sri Lanka is embedded in and is an expression of existing political, socioeconomic and cultural inequalities. This chapter showed that the contradictions of the development process, resulting from the national development policy in Sri Lanka, created a fertile ground for the rise of ethnic conflict and the consequent civil war. These contradictions were underpinned by the swings in the Sri Lankan economy, which has been largely a function of the frequent policy and political shifts took place during the post independence development period. For the most part, the changes in development policy regimes were closely linked to changes in political ideology. As it will be discussed in the next chapter, the resulting inequalities were exploited and the frustrated Tamil community was mobilised into a violent political conflict.
Chapter 5. Horizontal Inequalities and Emergence of Ethnic Conflict in Sri Lanka

5.1 Introduction

Literature on conflict causation (for example, Gradstein & Milanovic 2004; Langer 2005; Langer & Brown 2007; Murshed & Gates 2005; Stewart, Brown & Langer 2007; Stewart & Brown 2007) suggest that political, socioeconomic and cultural inequalities among defined groups could potentially generate violence in societies when groups have strong identities, and grievances mobilise both the group leaders and followers. These differences have been termed ‘horizontal inequalities’ by Stewart (2000) which galvanise group action to address actual or perceived inequalities. Vertical inequality, which measures differences between individuals, often gets more attention, but it is the differences between groups - horizontal inequalities - that have been more concretely linked to conflict (Stewart, 2000, 2002, 2008; Langer, Stewart & Venugopal 2012). Stewart (2004:3) notes that:

[u]nequal access to political/economic/social resources by different cultural groups can reduce individual welfare of the individuals in the losing groups over and above what their individual position would merit, because their self-esteem is bound up with the progress of the group. But of greater consequence is the argument that where there are such inequalities in resource access and outcomes, coinciding with cultural differences, culture can become a powerful mobilising agent that can lead to a range of political disturbances.

As discussed in Chapter two, the term horizontal inequalities describe the existence of severe inequalities between culturally defined groups, which often differentiates the violent from the peaceful (Stewart, 2002:6-9). Research shows that horizontal inequalities can provoke feelings of frustration and discontent that may provoke violent group mobilisation and conflict along ethnic, religious or regional lines (Murshed & Gates, 2005; Stewart, 2000, 2002, 2008). Political, socioeconomic or cultural inequalities among groups could potentially motivate political violence in societies. Research by Stewart (2008), and Stewart, Brown
and Langer (2008) has shown that political inequalities between groups are most likely to motivate leaders, while socioeconomic inequalities motivate followers. According to Stewart (2008:7-14) any type of horizontal inequality can provide an incentive for political mobilisation, but political inequalities are most likely to motivate group leaders to instigate a rebellion. By contrast, economic and social inequalities and inequalities in cultural status are more likely to motivate the mass of the population. Conflict is, therefore, most likely to occur in areas where economic, social, political and cultural inequalities occur simultaneously and across every dimension. Support for this argument has been provided by numerous case studies documenting the importance of horizontal inequalities in provoking violent conflicts and the ways in which these differences were used to mobilise people for conflict (for example, Cobham, 2005; Langer, 2005; Ndikumana, 2005). In addition, several quantitative cross-country and within country studies have also found a significant association between the presence of horizontal inequalities and the emergence of violent conflicts (for example, Mancini 2008; Murshed & Gates, 2005; Østby 2008a).

Horizontal inequality is more likely to provoke conflict under certain conditions (Østby 2008a; Stewart, 2005, 2008). First, there is a critical mass of people so the chance of successfully advancing their position through conflict is more plausible (Stewart 2008:7-12). Second, aggregate incomes are stagnant or slow growing, so that there is little or no improvement in the absolute economic and social position of the deprived (Mancini, 2008:110-111; Stewart & Langer 2008:56-57). Third, groups are sufficiently cohesive enabling collective action to emerge (Østby 2008a:137-138; Stewart 2008:7-9). Fourth, leaders emerge within the deprived community and are not incorporated into the ruling system; this is particularly likely to be the case where there is political inequality or political exclusion of some groups (Østby 2008a:141-142). Finally, the government is irresponsible (or repressive) and consequently there is no redress for problems through peaceful means (Stewart 2008:19-20). These are arguably important considerations in the examination of conflict causation in Sri Lanka. Thus, the
following sections will link horizontal inequality in its four dimensions (i.e., political, economic, social and cultural) to the conflict in Sri Lanka.

To provide an analysis of the relationship between the emergence of ethnic conflict in Sri Lanka and horizontal inequalities, this chapter is organised in six sections. The introduction in section one considers the application of the concept of horizontal inequality to understanding the violent conflict in Sri Lanka. Sections two to five explores causal connections between political, economic, social and cultural inequalities and ethnic conflict in Sri Lanka. The final section discusses and summarizes key findings in order to provide an explanation for the rise of the conflict.

5.2 Inequality in Political Outcomes

Research by Stewart (2002, 2008, 2012) and Østby (2008a) suggests that political exclusion (or the perception of being politically excluded) is a key driver in motivating protest with violence. Political exclusion can occur through formal or informal processes or institutions. For example, there may be restrictions to voting or political participation. As discussed later in the section, parliamentary procedures could be hijacked by governments to deny ethnic minorities their political rights. Gurr (1993) and Wimmer (1997) have focused on the mechanisms linking exclusion to conflict. They argue that marginalised political entrepreneurs develop an ethno-nationalist discourse, arguing that their exclusion violates the principle of representation of modern nation states. Because dominant state elites pursue a politics of ethnic favouritism and discriminate against subordinate ethnic communities, exclusion affects large segments of the minority population. This gives political entrepreneurs an opening to mobilise enough political support to form a viable ethno-nationalist
The key point here is that high degrees of political exclusion correlate with a higher likelihood of conflict. Thus, this section will explore how political exclusion of Tamils created an enabling environment for the LTTE to mobilise the Tamil polity towards a violent struggle.

5.2.1 The Gradual Disengagement of Tamils from Mainstream Political Power in Post Colonial Sri Lanka

Manogaran (1987:31-37) and Ponnambalam (1983:60-65) argue that, at independence, the Tamils believed the introduction of the universal franchise, paradoxically served as a primary cause creating a gulf between the two main ethnic groups in the island. In a country where two thirds of the population were the Sinhalese, the universal franchise and the system of single member constituency proved to be the major device for bestowing political authority of the majority community. Having realised the implications of universal adult sufferage, the Sri Lankan Tamil political elites demanded adequate constitutional guarantees to ensure the minority rights from the British (Manogaran 1987). Wriggings (1979:76-78) notes that the fears of Sinhala domination was a great concern for Tamil political leaders that the Tamil Congress leader G. G. Ponnambalam advocated one half of the seats be reserved for the minorities in order to secure minority representation in the legislature, so that the Sinhalese majority would not hold more than fifty per cent of the seats in the legislature. As expected, the proposal provoked stiff resistance from the Sinhalese and the proposal never materialized. Today, many Tamils as well as some Sinhalese observers cite the denial of balanced representation as the beginning of contemporary ethnic conflict in Sri Lanka (Tamil and Sinhalese diaspora community members, personal communication, February 09, 2013).

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29 Syria is an example of such a political configuration. Its state mechanisms are dominated by a small subgroup of Alawites (see, Batatu 1981). Similar conditions prevailed in Burundi, where a small Tutsi subgroup, gained power following a number of coups and purges (Stewart 2008).
Later, in the face of continuing discrimination, the Federal Party asked for a federal political structure that would give Tamils a degree of autonomy in the areas inhabited by them, as well as adequate representation in government (de Silva 1981:513-515). It should be noted that the main Sinhalese political parties were not totally insensitive to Tamil concerns. Prime Minister Solomon Bandaranaike (the leader of SLFP), for instance, arrived at an understanding with Samuel Chelvanayakam (the leader of the Federal Party) to articulate the Bandaranaike-Chelvanayakam Pact of 1958, which gave Tamils a degree of regional autonomy, including control of the land settlement in Tamil-dominated areas. Although the Bandaranaike government agreed to seek for a political settlement to the language problem through the Bandaranaike-Chelvanayakam Pact, Sinhalese Buddhist extremist forces as well as from the UNP delayed the implementation of the agreement. With the assassination Bandaranaike, the Pact never came into force (de Silva 1981:515-517).

The new SLFP government in 1956 implemented the original language policy making Sinhala the only official language and ignored the provisions of the Tamil Language (Special Provisions) Act of 1958, however. In response to the Sinhala Only language policy, the Tamils led by the Federal Party launched a major civil disobedience movement and, as a result, in the North and East, the activities of the government came to a halt. The Federal Party defied the government orders for establishing a separate postal system in the Tamil speaking areas (Kantha, 2011:n.p.). Kantha (2011) notes that the government in response arrested the Tamil leaders and banned the Federal Party with the imposition of emergency regulations. In 1961, with the declaration of emergency, the armed forces were sent to the Northern districts to break up the Tamil disobedience campaigns and maintain law and order. Likewise, when the UNP was again in power in 1965, Prime Minister Dudley Senanayake worked out a somewhat similar framework to the Bandaranaike-Chelvanayakam Pact to address the ethnic issue in 1967 (Tambiah 1986:82). However, this too was terminated in the face of strong opposition, this time mainly from the SLFP.
Although post independence governments left no space to introduce federal form of government as an acceptable solution to address Tamil aspirations, the Tamil moderate leadership’s responses was still seeking a solution within a federal form of government without harming the country’s sole sovereignty (Tambiah 1986:82). According to Wilson (1986:84) the Federal Party advocated the decentralisation of executive, legislative and judicial powers through a federal state structure, arguing that it would enable the ethno cultural diversity of the island’s population as well as their institutional needs. The Tamil Federal Parties manifesto for the 1970 general election, for instance, reiterated that:

It is our firm conviction that the division of the country in any form would be beneficial neither to the Country, nor to the Tamil-speaking people. Hence, we appeal to the Tamil-speaking people not to lend their support to any political movement that advocates the bifurcation of the country (Quoted in Wilson 1986:85-86).

The federal proposal was resoundingly opposed by the SLFP led coalition government and the UNP opposition. Sinhalese parliamentarians spoke against any devolution within a federal framework, maintaining it would fragment the territorial integrity of Sri Lanka and by implication the Sinhalese Buddhist nation. One Sinhalese nationalist parliamentarian observed that:

For over 2000 years the Sinhala people have lived in Ceylon. To them Ceylon is their motherland. This motherland was frequently invaded from South India...The history of Ceylon tells us that the Sinhala people fought incessantly against Indian invaders to keep this country for themselves... [and] the Sinhala people look upon the Tamil people now inhabiting the Northern and Eastern provinces as descendants of the invading forces whom they have been fighting to keep this country for themselves. This...explains why the Sinhala people fight against all proposals to grant concessions [such as federalism] to the Tamil people (Quoted in Wijeyeratne 2012:424-425).

While the federalist attitudes prevailed among the Tamil political leaders as the likely solution, they also commonly believed the Tamils have been increasingly marginalised in the political milieu Tambiah (1986:74-75). At the same time, the demands of the Tamil people had by the early 1970s became a major factor in
Sinhala politics. In the 1970s, Sinhala political dominance was also becoming institutionalized. The republican constitution of 1972, while proclaiming Sinhala as the official language, declared that Buddhism had the ‘foremost place’ in Sri Lanka, thus almost affirming a predominantly Sinhala-Buddhist state (Wilson 1986:85-87). This seriously hindered Tamil federalist willingness to articulate a solution within the framework of Sri Lanka’s sovereignty. In 1975, the leader of the Tamil Federal Party responded that:

it is regrettable fact that successive Sinhalese Governments have used the power that flows from independence to deny us our fundamental rights and reduce us to the position of a subject people…I wish to announce to my people and to the country that I consider that …the Tamil Eelam nation should exercise the sovereignty already vested in the Tamil people and become free (Quoted in Wilson 1986:85-86).

Once the Federal Party’s constitutional amendments for a federal state were rejected, it withdrew from any further deliberations. The leader of the Federal Party Samuel Chelvanayakam resigned his parliamentary seat seeking to re-contest his Jaffna seat as a mini-referendum on Tamil accession to the new constitution. The government delayed the by-election by three years (Wilson 1994:90). In the intervening years, Tamil youth groups started laying the groundwork for a guerrilla campaign against the state.

In the 1977 parliamentary elections the UNP won a landslide victory over the SLFP in most parts of the country, while the Tamil United Liberation Front (TULF) won almost all ridings in the North. The UNP won 50 percent of the national vote and gained a majority of the seats in the legislature. Indeed, the UNP election manifesto also made references to addressing Tamil grievances:

The United National Party accepts the position that there are numerous problems confronting the Tamil speaking people. The lack of a solution to their problems has made the Tamil speaking people support even a movement for the creation of a separate state. In the interest of national integration and unity so necessary for the economic development of the whole country, the party feels such problems should be solved without loss of time. The party, when it comes to power, will take all possible steps to remedy the grievances in such fields as (1) Education, (2) Colonization, (3) Use of Tamil language, (4) Employment in the Public and Semi Public
Corporations. We will summon an all Party Conference as stated earlier and implement its decision (Quoted in Thambiah 1986:150).

The significance of the UNP manifesto is that the UNP seem to accept that the Tamil armed struggle for self-determination resulted due to numerous problems connected to discriminatory policies and programmes. Despite early efforts by some ministers in the new UNP government to reach out to the Tamils, the situation continued to deteriorate (Dissanayaka 1983:93-94; Piyadasa 1984:65). Although the UNP had pledged to solve problems when it came to office, once in power, it assumed a position vis-à-vis the Tamil issue very similar to its predecessors. Some observers noted that the inclusion of Sinhalese extremist elements in the UNP might have made it more difficult for it to implement conciliatory policies toward the Tamils, because many of the UNP’s new supporters were from groups attracted to Sinhalese nationalism (governing party parliamentarians, personal communication, January 09, 2013; nongovernmental organisation representatives, personal communication, January 15, 2013). It is also likely that the UNP did not have a strong incentive to seek a conciliatory path, as the opposition was totally ineffectual because the governing party commanded a five-sixths majority.

For the first time in Sri Lankan politics, the left wing parties failed to win a single parliamentary seat. Although TULF received one-fifth of the island-wide popular vote won by the SLFP, it secured 18 parliamentary seats compared to 8 by the SLFP. For the first time in the parliamentary history of Sri Lanka, the former governing party was so decimated that it failed to become the largest opposition party (Bandarage 2009: 73). As a result, the TULF leader became the Leader of the Opposition, making him the first Tamil to hold the position in country’s history. At that time most Tamils viewed that this gave them an opportunity for greater legislative power and influence to address the grievances (Tamil diaspora community members, personal communication, February 09, 2013; and, Tamil community leaders, Jaffna, January 14, 2013). Indeed, the TULF advanced the concept of ‘traditional Tamil homelands’ in the Northern and Eastern Provinces.
The TULF election manifesto called for the creation of a Tamil homeland called the State of Eelam through peaceful and other means:

The Tamil nation must take the decision to establish its sovereignty in its homeland on the basis of its right to self-determination. The only way to announce this decision to the Sinhalese government and to the world is to vote for the Tamil United Liberation Front (Quoted in Bandarage 2009:72). 30

What the TULF was asking the Tamil polity was clear: It was seeking a referendum on nationhood. The Tamils in the North and East understood this proposition and overwhelmingly expressed their collective will for self-determination. Through a democratic political process, they expressed their desire for self-determination. Some observers commented that the 1977 general election was the last free and fair election held in the North and East, and attributed the TULF’s electoral gains to the active role of young Tamils (nongovernmental organisation representatives, personal communication, January 15, 2013; opposition parliamentarians, personal communication, January 08, 2013). The electoral mandate it received clearly demonstrated that it was the task of the TULF leadership to translate the idea of a Tamil nation-state into reality.

Tamil opposition to the constitutional and legislative changes in Sri Lanka began to take a more violent form with the emergence of a number of militant Tamil youth groups engaging in violence against the police, Tamil members of the government and the army. According to Bandarage (2009:73-75) and Herath (2002:57-59) it was in this period of accelerated demands and rejection that Tamil political leaders concluded in 1978 that only a separate state could ensure the security and welfare of the Tamil people, a state carved out of the Northern and Eastern Provinces of Sri Lanka to be called Tamil Eelam. While the TULF was demanding a separate state and using parliamentary democratic processes

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30 The manifesto, an elaborate document, went on to describe the structure of the Eelam state, citizenship, fiscal language, the abolition of the caste system, its economic policy, and advocated non-alignment in foreign affairs and support for anti-imperialist forces and democratic liberation movements (Bandarage 2009).
towards obtaining it, some Tamil youth, dissatisfied with the non-violent policies of the TULF, formed groups, which took up arms in the same cause (Herath 2002:56). The most powerful of these groups was the LTTE. In 1978 the GOSL passed the Liberation the Tigers of Tamil Eelam Law that proscribed the LTTE; in 1979, it was repealed and replaced by the Prevention of Terrorism Act. The Act was draconian – it did not define ‘terrorism’. Instead, it treated every Tamil who committed ‘any unlawful act’, at home or abroad, as a ‘terrorist’ liable to be detained by the police for 18 months without trial. It also authorised powers of entry, search, seizure and interrogation, including keeping the arrested incommunicado by the police (Ponnambalam 1983:5-8).

This shift in political dynamics turned the parliamentary confrontation between government and opposition into one between a Sinhalese government and a Tamil opposition. According to Tamil parliamentarians interviewed for this study any position taken up by the TULF, as the main opposition, was interpreted by the governing party as coming from a party that stood for the division of the country. The government and some elements of the Sinhalese polity considered the TULF as the principal villain in the demand for separation. It was accused of acting against the interests of the country when, during his foreign trips, the leader of the TULF advocated separation (Tamil opposition parliamentarians, personal communication, January 08, 2013). Indeed, the governing UNP sought to remove him as leader of the opposition in a motion of no confidence on the grounds that he did not enjoy the confidence of the Government (Bandarage 2009:98). Although the no confidence motion was passed, it did not have constitutional validity; but these events were to have immediate repercussions in the country. In 1983 the government passed an amendment to the Constitution that stated:

No person shall, directly or indirectly, in or outside Sri Lanka, support, espouse, promote, finance, encourage or advocate the establishment of a separate State within the territory of Sri Lanka (Commonwealth Legal Information Institute 2012:n.p.).
Because they were committed to a separate state, the constitutional amendment excluded the TULF members of the legislature. This effectively banned the only formal political voice that the Tamil had in the Parliament. The militant groups\textsuperscript{31} like the LTTE grew increasingly frustrated with mainstream Tamil parties such as the TULF, which were perceived by these militant groups to be ineffective at realising the ambition of creating a separate state for the Tamils in the North and East of Sri Lanka (Tamil opposition parliamentarians, personal communication, January 08, 2013). The ethnic riots of July 1983 triggered a full-scale civil war between the Sri Lankan army and the Tamil militant groups. Over the next few years the LTTE became the sole militant group (O'balance 1989:61-62),\textsuperscript{32} subsuming other groups, and became a globally recognised terrorist organisation until its defeat in 2009.

Literature (for example, Østby, 2004, 2008a; Stewart, 2005a, 2008) shows that groups may initially try to mobilise peacefully, such as through the electoral system, or with demonstrations or strikes. However, if this has no effect or is put down violently, groups may turn to violence in frustration at their powerlessness. As Tambiah (1986:150-151) has noted, the political discourse in Sri Lanka suggests that the Sinhalese leaders were not inspired by desire to create a common political space out of the ethno cultural diversities of the country. While some moderates considered the communal representation as destructive and detrimental to the inter-ethnic harmony and a serious obstacle to national integration, political developments exacerbated the hostility among the most vocal Sinhalese leaders. Imityaz (2008:132-133) notes that most Sinhalese political leaders were not inspired by desire to create a common national identity out of the cultural diversities of the country. Instead, political organisations came

\textsuperscript{31} Tamil militant groups included the Tamil Eelam Liberation Organisation (TELO), which was eventually militarily beaten by the LTTE, but politically part of pro-LTTE Tamil National Alliance party, as well as a former rival and splinter group from LTTE, the People's Liberation Organisation of Tamil Eelam (PLOTE).

\textsuperscript{32} The Tamil militant action first came in mid-1975, when the SLFP organiser of Tamil origins for Jaffna, was, assassinated. This assassination was carried out by a 20 year old from the far north of the Jaffna peninsula named Velupillai Prabhakaran, who became the leader of the principal Tamil national liberation movement, the LTTE (Bose 1994).
to be formed along ethnic lines further dividing the two communities. These ethnically based organisations became important vehicles of ethnic-based political competition and mobilisation in the post independence era. This created a space for the Tamils to construct a new self-identity as an excluded national minority. It is these political developments that persuaded the Tamils that co-existence with the Sinhalese in a unitary state was no longer possible.

5.3 Inequality in Economic Outcomes

Economic inequality can be a powerful factor in causing violent conflict when it coincides with other inequalities against particular groups (Stewart, 2005, 2008; Stewart, Brown, & Langer, 2007; Stewart & Langer, 2008). Where economic inequalities are severe, deprived groups may be responsive to mobilisation efforts by political leaders towards violence. Economic inequalities can stem from a wide range of sources, including: differential access to economic opportunities and jobs; action or inaction that limits access to resources for certain groups; and, a failure to distribute the benefits of economic growth across regions. Where inequality based on group identity is related to a specific region, it can be strongly associated with violence. In Nepal, for example, alongside the caste and ethnic dimensions, there is a spatial aspect to the horizontal inequality that is key to explaining the causes of conflict (Brown & Caumartin 2011; Mansoob & Gates 2005).

5.3.1 Reduced Representation of Tamils in Public Sector Employment

Both language and education policies have placed barriers on employment, especially in the administrative and professional ranks where Tamils were considered ‘over-represented’ by the Sinhalese. There was widespread perception among the Sinhalese that in the public sector, they had been deprived of their fair share of employment opportunities. According to Tambiah (1955:132-133) there is some evidence to suggest that Tamils had done disproportionately
well during the British colonial period. For instance, by 1946, of the 116 non-Europeans in the upper ranks of the Civil Service, some 27 percent were Tamil and 14 percent were part European while the remaining 59 percent were Sinhalese (Tambiah 1955:133). Some analysts (for example, Samarasinghe 1984; Tambiah 1986) have noted that this slight over-representation of Tamils (compared to their total population), especially in the top grades of the public service, continued for some years after independence. However, Tambiah (1986:78-79) has argued that by the eve of country’s independence, the Tamil’s share of senior public sector positions had declined from what it had been in the 1920s. The presence of Tamils in the public service may have been exaggerated because Tamils tended to hold highly visible posts that involved public interaction. The Sinhalese often saw these Tamil bureaucrats and Tamil traders in the capital as part of ruling elites (Tamil diaspora community members, personal communication, February 09, 2013).

To address perceived imbalances in public sector employment, beginning in 1979, the government introduced a Job Bank system under which each Member of Parliament (MP) was permitted to recommend up to 1,000 job seekers for employment in the lower grades of the public sector (Samarasinghe 1984:176). Despite high levels of youth unemployment in the Northern and Eastern Provinces, Tamil MPs from these regions had only limited access to this system. For example, by May 1982, only 1,470 of the 11,000 applicants nominated by MPs from the Tamil United Liberation Front (TULF), a coalition of Tamil political parties, were given government jobs. This was a substantially lower rate than most other parties, especially compared to the Sinhalese dominated governing party (Tiruchelvam 1984:191). As a result of the exclusion that has occurred in public sector employment practices over time, there was a tendency among many Tamils to perceive of themselves as generally discriminated against in
public sector employment.\textsuperscript{33} Data seem to substantiate this perception. In 1955 the civil service had been largely Tamil; by 1970 it was almost entirely Sinhalese, with thousands of Tamil civil servants forced to resign due to lack of fluency in Sinhala (Tambiah 1986:149-150). Insistence on the knowledge of Sinhala as a necessary requirement for public sector employment reduced the Tamil intake and, by the early 1980s, Tamils were relatively underrepresented in the public sector in terms of ethnic population percentages (see Table 5.1). According to the census of public sector and corporate sector employment in 1990, Sri Lankan Tamils accounted for 6 percent of those employed in the public sector (Sarvananthan 2007:13).

Table 5.1. Ethnic Composition of Public Sector Employment and Total Population

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Sinhalese</td>
<td>85</td>
<td>74</td>
</tr>
<tr>
<td>Tamil</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>8</td>
</tr>
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Source: Department of Census & Statistics (1980a; 1981)

These figures represented a significant drop from earlier years. In an assessment of this employment situation vis-à-vis Tamils, Samarasinghe (1984:179-180) points out that:

The Tamils have already lost the relative position in central government employment that was enjoyed in the past. Apart from the obvious economic loss this entails, there is the psychological adjustment that many Jaffna (Tamil) families must make in the wake of this change. There is the fact that government jobs are no longer as easily obtained, as they were a generation or two ago. The Sinhalese, on the other hand, are bound to view the change as a natural and inevitable adjustment that bestows on

\textsuperscript{33} In the private sector, which for the most part continued to work in English, employment opportunities for Tamils and other minorities remained relatively open. Because Tamils tend to have English medium education, they were more attractive to private sector organisations.
them their ‘due’ share. Clearly there are two different perceptions of the same phenomenon. The result is the Tamils have begun to feel they are ‘discriminated’ against and the Sinhalese feel recent changes have simply reversed the ‘discrimination’ they had been subjected to in the past.

This assessment holds true for the post 1984 period as well. For instance, since the early 1980s there has been virtually no recruitment of Tamils to the police and the armed forces, and a fairly large number of Tamil professionals like doctors, accountants, lawyers and engineers emigrated to Western countries. In addition, there was also a large-scale emigration of Tamil youth from all strata of society to Western countries due to the political situation in the Jaffna peninsula and compulsory military service in the LTTE’s army (government policy advisors, personal communication, January 10 and 14, 2013; wwnongovernmental organisation representatives, personal communication, January 15, 2013).

5.3.2 State Sponsored Resettlement and Sharpening Ethnic Divide

In post independence Sri Lanka, the government, in order to address the developmental challenges facing the country, envisioned resettlements of peasant farmers in the north-central region (Nakamura, Ratnayake & Senanayake 1997:266-269; Tambiah 1986:49-51). The idea of decentralising development, or emphasising rural development, is part and parcel of the post independence development thinking. This line of thinking was based on an assumption that answers to development problems are found far away from the urban centres. Many policy planners at that time argued that the more one could get away from urban areas, the more one was likely to find genuine answers to development problems (Moore 1985:138). Thus, the objective was to focus development interventions away from urban centres to achieve ‘real’ development (Pieris 1996:30-32). Sinhalese politicians translated the emphasis on rural areas in general and paddy (rice) agriculture in particular articulated in policy discussions to a nationalist ideology. In these ideological articulations of Sinhalese nationalism, rural areas occupied a privileged position. Quli (2010:12) notes that the Sinhala peasant cultivating rice and living in a rural setting was
considered the authentic representation of the Sinhalese life. For Sri Sinhala Buddhist nationalists this emphasis on rural areas and paddy agriculture also meant redressing a colonial grievance. There was a belief, especially among the Sinhalese nationalists, that the advent of capitalism and market economies brought about through colonialism had destroyed the self-sufficient rural life that existed for the pre-colonial era. Consequently, an obvious demand of the Sinhalese nationalist elements was state intervention to protect the peasantry and the rural way of life.

The main thrust of the policy intervention in this regard was the re-distribution of Sinhalese populations into the area known as the Dry Zone (Shastri 1990:58). The Dry Zone encompasses districts of Batticaloa, Amparai, Mannar, and Vavuniya in the Eastern Province and Northern Provinces. Prior to the initiation of resettlement programmes, mostly Sri Lankan Tamils inhabited the Northern province while Tamils and Muslims inhabited the North Eastern Provinces. Although the settlement of the Dry Zone began before independence, it has been continuously implemented on a large scale as the major form of agricultural development. According to Shastri (1990:62-63) for many post independence governments, the colonisation of the Dry Zone by landless peasant farmers from the Wet Zone (central, south and south-western parts of the country) was one of the highest policy priorities for the government. This developmental thrust involved the resettlement of poor peasants from the densely populated parts of the Wet Zone where Sinhalese predominate. Although malaria, sparse population, and lack of water for irrigation had characterized the Dry Zone, government health, welfare, and development programmes in the region began to change this situation after the 1930s. Prior to the new settlement policy, the region was characterized by subsistence agriculture carried out at low levels of input and productivity. Large capital-intensive projects like the massive Mahaweli Development Project was designed to irrigate 900,000 acres over a thirty-year period, of which 654,000 acres would be formerly uncultivated land (Shastri 1990:64). It is reasonable to assert that very little migration from the Wet Zone
(predominantly Sinhalese areas of the country) to the previously dry and peripheral areas would have taken place without state intervention.

Both Tamils and Sinhalese had conflicting claims about this region. For Sinhalese, the Dry Zone was in the ancient past the site of Sinhala Buddhist civilizations and a return of Sinhalese peasantry to the area were seen as reclaiming their ancient rights. But, to day, the Northern and Eastern Provinces have as their majority populations Tamils (with the Muslims as the next largest category), and the region is considered by the Tamils to be part of their homeland. Peebles (1990:32) notes that “[t]he issue has intensified conflict because the colonisation of the Dry Zone evokes not only the Sinhalese ethnic myths that idealize the prosperity and simple piety of the ancient Sinhalese but also the ones that exaggerate the hostility of the Tamils, who they believed threatened the very existence of Buddhism and eventually drove the Sinhalese from the Dry Zone”. The state-sponsored Dry Zone settlement programmes were highly contested by Tamils as occupying in their “traditional homeland” (Tamil community leaders, Jaffna and Batticoloa, personal communication, January 14 and 16, 2013).

There is evidence to suggest that this sort of state-sponsored encroachment occurred and the Dry Zone has been transformed from a plural society to a homogenous Sinhalese Buddhist one (Walkiewicz and Brockman 2004). Peebles (1990:40) explains the population impact upon various districts in the Dry Zone. For example, the district of Tamankaduwa experienced a dramatic increase in population due to colonisation. In 1946 the district had a population of 20,900; by 1981 the district had a population of 263,000. More than 70 percent of the inhabitants are new settlers or their descendants. The non-Sinhalese population of Tamankaduwa increased from 9,200 in 1946 to 23,700 in 1981, suggesting that the settlers were entirely Sinhalese. In 1946, 56 percent of the population was Sinhalese, 15 percent Sri Lanka Tamil, 23 percent Moor, and 7 percent
other. According to the 1981 census, 91 percent was Sinhalese. According to Shastri (1990:62):

[b]y the end of 1980 some 247,111 acres of paddy land and 135,007 acres of highland had been developed under the Major Colonisation Schemes and allotted to some 100,611 family units all over the island. According to official records, the proportion of Sinhalese among the allottees settled was about 81 percent.

Successive governments tried to make the prospect of resettlement in the Dry Zone both possible and attractive for the rural farmers in the Wet Zone, and the Dry Zone settlement has remained in the forefront of country’s development efforts throughout the past several decades.

Despite its stated objectives, state-directed resettlement, from its very beginning, came under criticisms from the Tamils. Tamil leaders argued that the colonisation schemes were deliberately designed to break the geographical contiguity of Northern and Eastern Provinces, the two Tamil dominated provinces (Moore 1985:140). In this context, Tamil grievances primarily also focused on the unevenness of government-led development interventions in the region. First, there were concerns about the uneven spread of irrigation facilities, which overwhelmingly favoured Sinhalese-dominated areas in the region (Tambiah 1986; Wilson 2000). By the late 1970s irrigation schemes covered 94 percent of the total irrigated area in the Eastern Province and 76 percent in Amparai district where most Sinhalese farmers settled. In the predominantly Tamil areas 88 percent of the irrigated area in Mannar was covered by such schemes, and less than 59 percent of the paddy land in Vavuniya and Trincomalee (Moore 1985:145). However, the lack of local water resources in the Northern province reduced the irrigated area to less than 10 percent in Mannar. The main centers of the Sri Lankan Tamil population, the Jaffna and Batticaloa districts, had less than 33 percent and 40 percent of their land irrigated by these schemes (Shastri 1990:63).
Second, government’s subsidy policy became an increasingly salient point of contention between Sinhalese settlers and Tamils in the Dry Zone. According to Shastri (1990:63-65), the government provided an extensive array of input subsidies and consumer subsidies to new settlers. State subsidies like fertilizer, seeds and machinery were intensely favored by Sinhalese farmers in the colonisation areas who were the emerging social and political elites in the area. Such subsidies also benefited the numerous small-scale Sinhalese producers who were dominant in the Wet Zone and in the colonisation areas. However, community leaders interviewed for this study noted that subsidies went against the economic interests of the surplus producing larger farmers of the Dry Zone. These farmers would have benefited more from high prices for their products and Tamils formed a disproportionately larger number of the surplus-producing group. They consistently advocated for greater say over agriculture and for a more decentralised structure of administration. They also complained about unavailability of vital inputs like fertilizer and seeds. There was a common belief among the Tamils that the Sinhalese could rely on political officials to address administrative shortcomings, the Tamils could not (Tamil community leaders in Jaffna and Batticoloa, personal communication, January 14 and 16, 2013).

Third, Tamils charged that they have not received a fair share of land in the settlement projects in the Dry Zone. They alleged that this is a consequence of deliberate discrimination by the state (Peebles 1990:45-46; Shastri 1990:66-67). The Tamils particularly felt that the demographic changes taking place in the Dry Zone would have negative consequences in ethnic terms. The authenticity of these allegations of discrimination must be assessed in the light of the following facts. Peiris (1996:206-207) shows that the proportion of land distributed among the Sinhalese in the Dry Zone could be pegged at approximately 81 percent of total land distributions. Given that the Sinhalese share of the country’s population is about 74 percent, they have obviously been favoured. In the Trincomalee district, the proportion of the Sinhalese and Tamils grew from 21 percent and 40 percent respectively in 1946 to 34 percent each by 1981 (Shastri 1990:66). In
1962, the government divided the formerly Tamil-dominated Batticaloa district (51 percent Tamils) into two districts. In the new district of Amparai, the Tamils were reduced to a minority (24 percent of the population) and the Muslims and Sinhalese became the majority 42 percent and 38 percent, respectively. The Tamils were concentrated in the arid district of Batticaloa where they represented 71 per cent of the population with the Muslims representing 4 percent (Shastri 1990:67).

Fourth, the drop in the proportion of the Tamils in the Eastern Province also formed the basis of the contention regarding settlement under the state sponsorship, its impact on ethnic ratios, and resulting erosion of political influence (Korf 2003:5-7). These trends had some serious political outcomes and were discernible in the election results of several key constituencies in the Eastern Province in this period. The majority of constituencies in the Eastern Province voted for the Federal Party led by Tamil politicians, but with the reduction in their numbers, the trend in voting shifted towards Sinhalese political parties, especially the UNP. The growing proportion of Sinhalese and the developmental advantages gained by them helped to elect candidates belonging to the winning party at the center; invariably, they were very often Sinhalese-led parties (Tamil community Tamil community leaders in, Jaffna and Batticaloa, personal communication, January 14 and 16, 2013). At the same time, the Muslims in the Eastern Province drew benefits from cooperation with the major Sinhalese parties and sought to protect their weaker numbers and position vis-à-vis the assertiveness of the regional majority community, the Tamils. These outcomes in turn intensified the perception among the Tamils that they were being inexorably marginalised even within their own areas, which they considered to be their traditional ‘homeland’ (Shastri 1990:68). As Shastri (1990:69) writes:

Overall, the effort by the center to undertake an expansionary role and to respond to, protect, and project majority interests into minority areas was clearly part of the process of centralization of power that was taking place at the national level and the logical obverse of its failure to carry out
promises of decentralization to the Tamils. The state used the instruments of central investment in infrastructure, irrigation, resettlement, and agricultural development to penetrate and consolidate its control over previously peripheral areas to the advantage of the majority community supporting it.

Unsurprisingly, the Tamil community felt that the Sinhalese areas benefited disproportionately from Dry Zone development policies, and that the government dominated mostly by the Sinhalese explicitly and implicitly promoted only Sinhalese interests. The situation provided a powerful rationale to the Tamil polity to favour regional autonomy.

5.3.3 Problematic Patterns of Development in Northern Sri Lanka

Sri Lanka is confronted with a considerable developmental north-south gap. Regional inequalities overlap closely with ethnic differences. Sri Lanka’s regional inequalities have arisen from a combination of circumstances and policies. Unlike the rest of the Dry Zone, the Jaffna district was a densely populated, relatively urbanized district that predominantly consisted of the Tamil population. Almost half of smallholders in the Jaffna district obtained most of their income from non-agricultural sources like intensive commercial horticulture and white-collar employment and commercial activities (Peiris 2001:9). In agriculture, like the Wet-Zone districts of the country, Jaffna demonstrated a small average size of paddy holdings and one of the lowest average yields of paddy per net harvested acre (Moore 1985:101). Historically, as Peiris (2001:8) notes, the majority of these rice farmers were deficit producers; this meant the region chronically needed to import paddy from the other Dry Zone districts to feed its population.

Since independence, state initiated infrastructure and investment became particularly important to Sri Lanka’s development strategy. Particularly since 1977, Sri Lanka witnessed a shift from investment in human capital to physical capital. This shift meant that, by adjusting the nature and location of capital projects, the state was in a better position to achieve a differential impact across
ethnic groups, given their regional concentration, especially through local recruitment (Gunasinghe 2004:104-105). With the introduction of economic liberalisation and state-sponsored development zones, almost all state-initiated industrial development took place in and around the capital of Colombo while the Northern and Eastern Provinces were neglected (Shastri 1994:213-215). According to Table 5.2, there is a wide gap in distribution of industrial enterprises in Sri Lanka: Over 80 percent of industrial enterprises are concentrated in the Western Province while other provinces have very few industries. There is a severe imbalance in the industrial sector too. Compared to the Western Province, the Eastern and Northern Provinces can be identified relatively as backward regions in terms of industrial development.

Table 5.2. Regional Distribution of Industrial Enterprises, 1990 and 2001

<table>
<thead>
<tr>
<th>Province</th>
<th>1990 (percent)</th>
<th>2001 (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western</td>
<td>80,9</td>
<td>80</td>
</tr>
<tr>
<td>Central</td>
<td>4,5</td>
<td>4,6</td>
</tr>
<tr>
<td>Southern</td>
<td>4,9</td>
<td>4,9</td>
</tr>
<tr>
<td>North Western</td>
<td>5,34</td>
<td>5,5</td>
</tr>
<tr>
<td>North Central</td>
<td>0,7</td>
<td>1,1</td>
</tr>
<tr>
<td>Uva</td>
<td>1,1</td>
<td>1,2</td>
</tr>
<tr>
<td>Sabaragamuwa</td>
<td>1,7</td>
<td>1,7</td>
</tr>
<tr>
<td>Northern</td>
<td>0,08</td>
<td>0,15</td>
</tr>
<tr>
<td>Eastern</td>
<td>0,5</td>
<td>0,6</td>
</tr>
</tbody>
</table>


Presently, the high concentration of population, industries and employment in the Colombo Metropolitan Region has become a major problem of the economic development strategy. Karunanayake (2001:1-16) has pointed out that the dominance of the core region has essentially led to the underdevelopment in the
periphery. This situation has created a dualistic pattern of economic growth and has widened the core-periphery differences in the country. This implies that, as expected by the government, the benefits of the growth concentrated around the Colombo Metropolitan Region have not been spread to other regions of the country (Goonarathne 2001:57-58).

The high concentration of economic activity is the major reason for the high growth rate of the Colombo Metropolitan Region. For instance, the manufacturing industry accounted for over 72 percent while the service sector accounts for 26 percent in the Colombo Metropolitan Region (United Nations Development Programme 1998:62). The important point that needs attention is the weakening of rural economy due to excessive growth of the Western Province. From the late 1970s to early 1990s, there was a marked decline in project grants and fiscal subsidies to areas outside of the western province (Karunanayeka 2001:4-8). On the other hand, the problem of low prices for agricultural products has further weakened the rural economy. Given that the main economic activity of the Northern and Eastern Provinces is agriculture and horticulture, the lack of subsidies had a significant impact on their livelihoods (Tamil community leaders, Jaffna and Batticaloa, personal communication, January 14 and 16, 2013). Ultimately, core regions of the country advanced in development while peripheral areas became economically backward.

In addition, infrastructure facilities such as electricity, safe water and sanitation also are highly concentrated in the Western Province. The Northern and Eastern Provinces were lagging behind in terms of the physical infrastructure (Uduporuwa, 2007:25-26). While the Sri Lankan state justified this regional concentration of industrial investment as utilization of economies of location, Tamil leaders made an issue of the large regional disparity in development financing and regional employment. Similarly, the government intensified the expansion of the country's largest development project, the Mahaweli Development Project. This also raised political tensions as Tamil leaders
complained that it both neglected Tamil areas and was simply intended to support the continuation of state sponsored settlement programmes in which Sinhalese were being moved to largely Tamil areas (Tamil parliamentarian, personal communication, January 08, 2013). It is evident that sub-national spatial inequalities in Sri Lanka and related grievances have been exacerbated by state allocation of funding to geographically based, targeted programmes that were not really sensitive to equity issues (Uduporuwa 2007).

The variations in regional economic characteristics can be attributed to three key factors. The first reason relates to the British colonial policy of investing more heavily in those regions where exploitable resources such as tea and rubber were available or could readily be produced, and from where they could most cheaply be exported. Consequently, the administrative core region (the Colombo district) and Southern regions received the bulk of the capital investments made during the colonial era (Uduporuwa 2007:25-27). The second factor relates to post colonial investment patterns and economic policies. The economic liberalisation programmes especially, implemented from the late 1970s, reinforced the existing regional developmental inequalities. In particular, in line with liberalisation policy objectives of restoring economic growth by rehabilitating Sri Lanka’s export economy, most external funding went to Sri Lanka’s industrial core regions, the Western, Central and Southern Provinces (Uduporuwa 2007:27, 29). As a result, Sri Lanka’s Northern and Eastern Provinces in contrast, benefitted very little from this renewed economic stimulus.

At this point, it will be useful to assess the overall impact of the above-mentioned factors on the overall economic well-being of Tamils. Arguably, this is a challenging task given the lack of reliable empirical data, particularly in the North and East since 1983. While drawing unambiguous conclusions is challenging, it is possible to make observations that are useful in understanding the contribution of economic inequalities to the conflict in Sri Lanka. The Consumer Finance Survey date for 1963 and 1973 suggests that Tamils in the North and East were,
on average, slightly better off than the Sinhalese. According to the 1963 Consumer Finance Survey, average Sinhalese incomes were about two thirds of Tamils in the North and East, and that Low-country Sinhalese earned about 10 percent less. As shown in Table 5.3, the average Sinhalese earnings were about 271 rupees per capita, about 20 percent less than Tamils. Although there was an income gap, Sinhalese and Tamils were relatively equal in the early 1960s. However, incomes of Tamils fell in real and relative terms during the 1960s and 1970s. Consumer Finance Surveys suggest that the average Tamil income in the North and East fell in real terms between 1963 and 1973, while Sinhalese incomes rose (see Table 4.6).

Table 5.3. Per Capita Incomes of Ethnic Groups, 1963 and 1973

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>Average Real Income per Earner (in Rupees at 1963 Prices)</th>
<th>1973 Income as percentage of 1963 Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1963</td>
<td>1973</td>
</tr>
<tr>
<td>Sinhalese- Kandyan</td>
<td>219</td>
<td>277</td>
</tr>
<tr>
<td>Sinhalese - Low Country</td>
<td>292</td>
<td>342</td>
</tr>
<tr>
<td>Northern/Eastern Tamils</td>
<td>327</td>
<td>309</td>
</tr>
<tr>
<td>Hill Country Tamils</td>
<td>148</td>
<td>148</td>
</tr>
<tr>
<td>Muslim and Malays</td>
<td>414</td>
<td>441</td>
</tr>
<tr>
<td>Others</td>
<td>819</td>
<td>646</td>
</tr>
</tbody>
</table>


It is not possible to determine the current income status between these two groups as no such surveys have been conducted since 1973 that include the Northern and Eastern Provinces. However, anecdotal evidence (Tamil community leaders, Jaffna and Batticaloa, personal communication, January 14 and 16, 2013) and a number of studies have asserted that the economic situation of Tamils in the North and East has further deteriorated compared to the Sinhalese since the early 1980s (for example, Shastri 1994; Wilson 2000). Some
contemporary studies have estimated that the number of the poor in the North and East range from 500,000 to 1,000,000 people, with the level of poverty ranging from 25 to 55 per cent (National Planning Department 2000:13). Although these estimated rates are no worse than the other poor regions in Sri Lanka, they do not reflect the normative aspects of poverty in the North and East, especially in a civil war environment. For instance, simple income or expenditure data do not capture the human suffering of the people living in the Northern and Eastern Provinces. Arguably, poverty arising out of social dislocations, loss of life, destruction of property, disintegration of family life, displacement, psychological trauma and disabilities caused by the civil war is much more devastating than pure socioeconomic data. Peiris (2000:348-349) has pointed out from the 1980s to 2009 the conditions in the North and East have been extremely difficult as people were living in a state of open warfare. While firm data on the magnitude of human costs are hard to find, the available estimates of war-related population displacement have ranged from approximately 100,000 in the 1980s to 1 million in the early 1990s (Peiris 2000:349).

5.4 Inequality in Social Outcomes

Literature (for example, Stewart, 2005, 2008; Stewart & Langer 2008) suggests that when social groups feel unequal, conflict is more likely. There are many examples: Communal violence in Indonesia (Mancini 2008); the north-south divide in Ghana (Langer 2008); ethnic violence in Nigeria (Ukiwo 1998) and Latin America (Caumartin, Gray & Thorp, 2008); and, the civil conflict in Nepal (Brown & Caumartin 2011; Miklian 2009). These studies have revealed that social forms of inequality are one of the most important factors in outbreaks of violence. This section will explore the role social inequality played in the Sri Lankan conflict.
5.4.1 Restrictions on Tamils in Respect of University Entrance

The entrance to higher education, especially highly sought after professional university programmes like medicine and engineering, has always been highly competitive in Sri Lanka (Nesiah 2012a: n. p.). The early 1970s saw a number of changes to higher education policy in Sri Lanka. In 1973, university admissions were based on standardization where 30 percent of university places were allocated on the basis of island-wide merit, half the places were allocated on the basis of comparative scores within districts, and an additional 15 percent reserved for students from underprivileged districts (mostly rural areas). The new policy regime also allocated certain quotas for ethnic groups. Prior to this policy shift, individuals entered universities on the basis of national competitive examinations marked on a uniform basis. Those who scored highest gained access to different faculties in universities irrespective of their ethnicity or districts from which they came (Tambiah 1986:80). According to Perera (2001:11-12), while there was no inherent bias, Tamils from Jaffna and Colombo did particularly well; for example, in the 1969-1970 intake to science and engineering courses, Tamils constituted 35 percent and over 45 percent of the intake in medical faculties. For most Sinhalese, these numbers seemed disproportionately high. There were various unsubstantiated accusations against this discrepancy. In some cases, Tamils teachers in predominantly Tamil speaking areas were accused of being biased towards Tamil students, and even over marking them to increase their numbers in university admission (Tamil diaspora community members, personal communication, February 09, 2013).

The new policy on higher education took place to rectify perceived disparities created in university enrolment during colonial rule (Tambiah 1986:29-30). Under the British, English was the state language and consequently greatly benefited English speakers. However, the majority of the Sri Lankan populace lived outside urban areas and did not belong to the socioeconomic elite and, therefore, they did not enjoy the benefits of English medium education. The issue was
compounded further by the fact that in Tamil dominated regions of the country, students had access to English medium education provided through well-resourced Christian missionary schools. These schools provided Tamil students free education mostly in English medium regardless of their socioeconomic status (Waduge 2010:n.p.). As a consequence, the Tamil dominated Northern Province had comparatively better facilities for English language and pre-university education. This created a situation where a large proportion of students enrolled in universities was English speaking Tamils, particularly in professional streams like medicine and engineering (Waduge 2010:n.p.). The government policy of standardization in essence was an affirmative action scheme to assist geographically disadvantaged students to gain tertiary education. The benefits enjoyed by Sinhalese students also meant a significant fall in the number of Tamil students within the university population (Bandarage 2009:60-61).

This policy shift forced Tamil medium students in socioeconomically well-off areas of the country to score a higher aggregate mark than their Sinhalese counterpart to qualify for university admission. In 1974 the government introduced a university entrance standardization policy. Under this policy, a district-based quota was also introduced to university admissions criteria to increase the educational prospects for more rural districts in the country. This change in university entrance policy ushered the abandonment of the merit principle and the introduction of a system of affirmative action (Tambiah 1986:29-30; Wilson 2000:102-103). While these policy changes increased the number of Sinhalese, Tamils and Muslim students entering universities from remote and rural areas of the country, most Tamils (especially those in urban areas) perceived these policies as deliberate attempts to restrict prospects for their social mobility (Schwarz 1988:11-13). As such, these policies were a deeply political issue for them. Tamil youth were particularly disgruntled by the new university policies (Tambiah 1984:29-30; Bandarage 2009:58-61). In 1969, the Northern Province, which was largely populated by Tamils and comprised 7
percent of the population of the country, provided 27.5 percent of the entrants to science-based courses in Sri Lankan universities. By 1974, this was reduced to 7 percent. However, the severely affected population group were the urban Tamils and Sinhalese in the Western Province, which contained 26 percent of the islands population. In 1969, the Western Province provided 67.5 percent of admissions to science-based courses. This fell to 27 percent in 1974, after the law came into effect (Department of Census and Statistics 2002:14). Moreover, the proportion of Tamil students entering into the engineering programmes dropped from 48 percent in 1970 to 16 percent in 1974, while the proportion of Tamil medical students dropped from 48 percent to 26 percent. The overall number of Tamil students in science faculties dropped from 35 percent in 1970 to 21 percent in 1973. At the same time, the number of Sinhalese students for the same period rose from 75 percent in 1974 to over 80 percent in 1975 (de Silva 1979:475-476).

As Schwarz (1988:12) writes, the standardization policy had severe implications on Tamil students in the Jaffna district. In 1974, only 394 Tamils students qualified to enter university medical programmes, and 575 for engineering programmes based on the merit scheme. The Government measures aroused deeper despair among the Tamils along with the feeling that they were being systematically excluded in admission to higher education. The Tamil students who were academically better equipped for the university admissions now believed that they had no prospect for a better future under what they considered a ‘Sinhalese-Buddhist Government’ (Peiris & de Silva 2003:19-20. Consequently, policy changes vis-à-vis university entrance that paved the way for numerous opportunities for the Sinhalese community came under fire by the Tamils.

In addition, one respondent (former government policy maker personal communication, January 11, 2013) noted that foreign exchange for the long established practice of Tamil students going to India for university education was terminated in the early 1970s under the guise of saving foreign exchange.
Similarly, examinations for external degrees from the University of London were also abolished, affecting a considerable number of Tamil students especially from affluent families. Jayasuriya (1981:28-29) points out that, while the Western oriented urban Sinhalese population had reconciled themselves to the fact that the position of privilege they had enjoyed under the British would not last forever, Tamils saw the policy along communal terms, and strongly opposed these moves. Many Tamils still believe that the system of standardisation was obviously directed against Tamil-medium students (Tamil community leaders, Jaffna and Batticaloa, personal communication, January 14 and 16, 2013).

By 1977 the issue of university admissions had become a focal point of the conflict between the government and Tamil leaders. Tamil youth, embittered by what they considered discrimination against them, formed the radical wing of the Tamil United Liberation Front. Many advocated the use of violence to establish a separate Tamil state of Eelam. This was an object lesson of how near-sighted policy measures and insensitivity to minority interests can exacerbate ethnic tensions in a multicultural society. The standardization of university entrance was eventually abandoned in 1977, and 80 percent of the university places were filled in accordance with raw marks scored by students. The remaining 20 percent of places was allocated to students in districts with inadequate educational facilities (de Silva 1997:254-259). To address Tamil grievances related to higher education, the government of Sri Lanka also established a number of national universities in Tamil speaking areas in the North and East (de Silva 1997:259).

Despite these corrective measures, in general, the policy changes severely impacted not only on the chances of Tamils to gain access to higher education, but also on the overall process of ethnic relations in the country. The Sinhalese believed that the educational reforms balanced out the population ratio in the university admissions; by contrast, the Tamils believed the standardisation and quota system harmed their community and gave an opening for Tamil nationalists to use the reforms as anti-Tamil. Tamils saw that the way to securing
much sought-after jobs in the fields of medicine, engineering, law and public administration was through education (Peiris & de Silva 2003:20). The reason for the Tamils’ focus on education, according to Peiris (2001:15) “was the scarcity of physical resources in the Northern parts of the country, which meant that, unlike the Sinhalese who had enjoyed the advantage of participation in plantation enterprise during the British regime, The Tamils had had little scope for socioeconomic advancement except through education.” According to a number of interviewees, the Tamils were particularly incensed when the Sansoni Commission that was convened to investigate the issue of university entrance policy indicated that even with the new system the Tamil community received a fair share of university spots according to the population ratio (Tamil opposition parliamentarian, personal communication, January 08, 2013; Tamil diaspora community members, personal communication, February 09, 2013). It is generally believed that the university entrance issue caused tremendous harm to contemporary ethnic relations in Sri Lanka and contributed to the emergence of the eventual armed conflict. Even observers within the Sinhalese community agree that the way in which the government handled the university issue mobilised youth towards the militant movement and Tamil nationalists to demand a separate state (Sinhalese diaspora community members, personal communication, February 09, 2013).

5.4.2 Anti-Tamil Riots and Communal Violence

The introduction of the Sinhala Only Act touched off the first communal riots between the Sinhalese and Tamils. Communal rioting occurred in Colombo and the Eastern Province while the bill was being debated in the Parliament. The riots of 1958 have been identified as the first ethnic oriented or communal violence in Sri Lanka in which members of one ethnic group attacked members of another ethnic group (Presidential Truth Commission on Ethnic Violence 2002:14). The riots occurred in Colombo when a group of Tamils led by members of Parliament staged a silent protest demonstration outside the Parliament building. They were
assaulted by Sinhalese mobs. Rioting then spread through the city. Many Tamils were assaulted and shops that belonged to Tamils were looted. The total number of deaths is estimated to be 500-600, most of them Sri Lankan Tamils (Bandarage 2009:50). The second wave of riots targeting the Tamils started in August 1977, less than a month after the new UNP government came to power in 1977. It is estimated that over 300 Tamils were killed during these riots (Kearney 1985:275). Although the UNP election manifesto had acknowledged the Tamil grievances and pledged to solve them, Jayewardene took no steps to redress the situation (Ponnambalam 1983:176-177). Despite the lack of official record-keeping and proper investigations of the 1977 riots for which the government blamed the leftist political parties, a compelling body of evidence regarding what occurred during the riots can be found in the testimonies of victims. They recounted that Sinhalese mobs harassed, tortured, and killed unarmed Tamil civilians and perpetrated acts of arson and looting against Tamil homes and businesses (Tamil diaspora community members, personal communication, February 09, 2013).34

In 1983 Sri Lanka witnessed the outbreak of anti-Tamil riots in the Sri Lankan capital, Colombo changing the course of the country’s history and irrevocably damaging the ethnic relations in the country. According to various analysts (for example, Harrison 2003; Jayatunge 2010; Pavey 2008), the riots of 1983 were not the first episode of anti Tamil communal violence in Sri Lanka, but easily surpassed previous episodes of such violence in both scale and intensity. The eruption of communal violence in 1983 was not totally unforeseeable. Shortly before the riots, then President of Sri Lanka commented that:

I am not worried about the opinion of the Jaffna people now … now we cannot think of them. Not about their lives or of their opinion about us … The more you put pressure in the North, the happier the Sinhala people will be … really, if I starve the Tamils out, the Sinhala people will be happy … (Quoted in Senewiratne 2006:n.p.).

34 In addition, these acts of violence were well documented in a number of published reports (see, for example, Senewiratne 2006; Harrison 2003; Jeyaraj 2010).
The riots were a violent expression of ethno-political tension that had been brewing for decades (Groundviews 2013:n.p.). The riots, triggered by the killing of a group of soldiers in the Jaffna District, led directly to the outbreak of civil war that lasted for almost 30 years (O’Ballance 1989:21). Hundreds of Tamils were killed in Colombo and elsewhere; tens of thousands were left homeless (Jayatunge, 2010:n.p.). According to Pavey (2008:6), it is estimated that between 300 and 2,000 Tamils were killed in a matter of days.35

There are differing opinions as to how the riots of 1983 started. While the report of the Presidential Truth Commission on Ethnic Violence36 stated that the proximate cause of the riots was the killing of thirteen Sinhalese soldiers in a terrorist attack in the North (Presidential Truth Commission on Ethnic Violence, 2002:15), many believe that the riots were not spontaneous and were instead planned and implemented by certain political leaders (Sinhalese diaspora community members, personal communication, February 09, 2013; and, opposition party parliamentarian, personal communication, January 08, 2013).37

A report published by the International Commission of Jurists in 1984 also noted that:

35 The 1983 riots also included massacre of Tamil prisoners at the Welikada prison in Colombo. According to the Commission, about 50 Tamil detainees were attacked and killed by Sinhalese detainees (Presidential Truth Commission on Ethnic Violence, 2002:58).
36 The commission was appointed by then President Chandrika Bandaranaike-Kumaratunga in 2001 to investigate the burning of the Jaffna Public Library (1981), the District Development Council elections in Jaffna (1981), the July riots (1983) and the killing of Tamil prisoners at Welikada Prison (1983). Its mandate was to determine the causes of the violence, who was directly or indirectly responsible for it, the extent of the damage done, compensation due to victims and measures for preventing recurrence. It had the power to summon witnesses to testify before it. The commission handed its report to the president in December 2002. The report provides a historical account of the violence of the period, but the government implemented none of its recommendations. In addition, it did not find anyone specifically responsible for the violent acts detailed in its report and did not recommend any prosecutions. The commission was criticised by the civil society organisations who assisted it for relying entirely on the material they submitted and not using its powers of investigation and summoning witnesses (Pinto-Jayawardena 2010).
37 Most key informants intimated that the elements that instigated the riots were led by Cyril Mathew, a minister in the UNP government who campaigned against supposed Tamil and Muslim domination of business. Other observers have also implicated Mathew, who also headed a UNP labour union, in the 1983 riots (see, for example, University Teachers for Human Rights – Jaffna 2001).
Clearly, this was not a spontaneous upsurge of communal hatred among the Sinhala people - nor was it, as has been suggested in some quarters, a popular response to the killing of 13 soldiers in an ambush by Tamil Tigers on the previous day, which was not even reported in the newspapers until after the riots began. It was a series of deliberate acts, executed in accordance with a concerted plan, conceived and organised well in advance (Sieghart 1984:76-77).

Despite its official position that the riots occurred in response to the killing of Sinhalese soldiers, the Presidential Truth Commission on Ethnic Violence report does contain some evidence alleging state involvement in the riots. This evidence includes a statement made in parliament and eyewitness testimony suggesting that governing party supporters organised and facilitated the riots by providing government buses to transport rioters and creating lists containing the names of Tamil individuals and businesses to be targeted (Presidential Truth Commission on Ethnic Violence, 2002: 36, 39). However, some interviewees noted that the UNP did not perpetrate the July 1983 riots; rather it mishandled the situation (opposition parliamentarians, personal communication, January 08 and 10, 2013).

At the time 100,000 Tamils found shelter in schools in Colombo and many then left for North America, Europe and Australia. Not all victims of what is now called “Black July” left the country. Instead, thousands of Tamil youths joined the Tamil militant groups who had had a problem finding recruits until the 1983 riots changed the situation. Although radical elements in the Sinhalese community were complicit in committing violent acts against Tamils, it should be noted that there were many accounts of Sinhalese acting to protect their Tamil neighbours and friends from mobs (Presidential Truth Commission on Ethnic Violence 2002: 47). However, several analysts and interviewees noted that, disturbingly, the governing regime appeared indifferent to the suffering of Tamils (Jayalalithaa 2103:n.p.; Pavey 2008:11; members of Tamil diaspora in Toronto, personal communication, February 09, 2013). According to Sieghart (1984:82):

As for the Government, politicians and public servants alike, they are conscious only of the burden which their responsibility for the governance
of the entire nation puts upon them, and can only see their critics as their enemies - whether they are TULF leaders advocating a separate state, SLFP leaders seeking to pave the way to their own success at the next general election, Buddhist monks resisting attempts at an accommodation with the Tamil community, or non-governmental organisations like the [civil rights movement] CRM uncovering vulnerable spots at inconvenient times.

The Sri Lankan government’s unwillingness to account for human rights violations that took place in July 1983 is reflected in the fact it took almost two decades to create an accountability mechanism with respect to the 1983 riots (Sieghart 1984; Tambiah 1986; Wilson 2000). For many Tamils, especially those who left the country after the riots, this long delay in accountability shows the general attitude of governing regimes towards the secondary status of Tamils in Sri Lanka (Tamil diaspora community, personal communication, February 09, 2013). They were also incensed by the fact that the Presidential Truth Commission on Ethnic Violence did not find anyone specifically responsible for the violations detailed in its report and did not recommend any prosecutions. The interviewees believed that the attitudes of Sinhalese politicians also highlight how the public discourse of leaders can be an indicator of this impunity (Tamil diaspora community, personal communication, February 09, 2013).

5.5 Inequality in Cultural Outcomes

The previous sections focused on political, economic and social inequalities that underpinned the emergence of civil war in Sri Lanka. A number of authors have identified long-term cultural markers that are distinct to the Sri Lankan Tamils (for example, Horowitz, 2002; Langer & Brown, 2008; Stewart, 2005, 2008). Culture, Langer and Brown (2008:42) argue, “plays a fundamental role in framing socioeconomic and political [horizontal inequalities] generally since it is a common culture or identity which binds groups together”. Therefore, privileging of one language or religion over another signals, or is perceived by minority groups as legitimizing the dominance of those for whom the language or the religion belong. As Horowitz (2002:22-23) notes, cultural grievances such as the
designating of official languages and freedom of cultural expression often play a pivotal role in the emergence of violent conflicts. Because cultural inequalities are an important complement to political, economic and social inequalities, this section will analyse the link between cultural inequalities and emergence of the conflict in Sri Lanka.

5.5.1 Discrimination Against Tamils Over Language

At independence, English was one of most important assets for socioeconomic gains and mobility, but the disparity of English speakers in the Sinhalese and the Tamil communities was considerable (Kearney 1973:166). According to DeVotta (2004:76), while the first post independence UNP government sought a reconciliation of legitimate interests of the majority and the minorities within the context of a national polity, the communally oriented SLFP espoused Sinhalese nationalism. For mass appeal, the SLFP castigated the English-speaking elites and launched a nationalist movement, which advocated that both Sinhalese and Tamil would be elevated to the status of the official language instead of English. However, in order to appease the rising Buddhist revivalism in the country, the SLFP championed the cause of ‘Sinhala Only’ as the official language (DeVotta 2004:77-78). Language thus became the initial point of contention between Tamil and Sinhalese political leaders, and the first major stumbling block to ethnic relations became the passage of the Official Language Act of 1956, more commonly known as the “Sinhala Only Act”. This made Sinhalese the only official language of the country, relegating the Tamil language to a secondary position in legal respects (DeVotta 2004:79). As noted earlier, the legislative changes enacted in 1956 resulted in ethnic clashes in 1956 and 1958. The leaders of the opposition connected the ‘Sinhala Only’ policy with restricted access to public sector employment, which at the time was part of the political agenda of those who advocated that policy (Tambiah 1986:74-75). For Tamils, the manner in which the language issue was formulated and expounded by the Sinhalese
politicians, both within and outside the legislature, “threatened their very existence as a recognisable national minority” (Manogaran 1987:48).

Those opposed the ‘Sinhala Only’ policy observed that the public sector would become a domain for the Sinhalese. A leading opposition politician, J. R. Jayewardene, who later became the first executive president of the country in 1978, noted that:

No Government should and could make Sinhalese the official language by trampling down the language rights of over a million of the permanent residents of the country. It cannot thrust to the wilderness, the cherished language of these people. The doors of the public services should not be closed to the thousands of youth who did not know Sinhalese for no fault of their own. Surely that was the way to sow the seeds of civil war... There was genuine fear in the minds of all minorities, Tamils, Muslims, Burghers and others with regard to the proposals of the Government... Mr. Bandaranaike has still time to shake off the shackles with which he had been bound and to save the country from long years of unnecessary strife and even bloodshed (Quoted in DeVotta 2004:108).

Moreover, prior to the actual enactment of the Sinhala Only Act, various politicians (especially from leftist political parties like the Communist Party and the Lanka Sama Samaja Party (literally Ceylon Equal Society Party) and civil society organisations identified the inherent potential for serious internal conflict, as it would create political radicalization of hundreds of educated Tamil youth (DeVotta 2004:89; Thirunavukkarasu 1995:13-14). In addition, the language policy created many practical problems for minority ethnic groups; for example, for much of the 1960s government forms and services were virtually unavailable to Tamils (opposition parliamentarian, personal communication, January 10, 2013).

Tensions between Sinhalese and Tamils were further strained following the passage of the First Republican Constitution of 1972 (Bandarage 2009:64-65). The new constitution more formally subordinated the status of the Tamil language, and removed some of the existing provisions for protecting minority status (Coomaraswamy 2013:129). The UNP government enacted a new
Constitution in 1978 declaring both Sinhala and Tamil as official languages and recognising them as national languages of Sri Lanka in order to address rapidly deteriorating ethnic relations and increasing ethnic violence in the country. While Sinhala and Tamil languages were declared as official languages, Tamil was assigned the sole language in the Northern and Eastern Provinces. In addition, the English language was introduced as a ‘link language’. By doing so, the government attempted to reassure their commitment to minority language rights. Even though Tamil has been decreed an official language along with Sinhalese, the damage caused by the politics of language generally remained unaddressed (Peebles 2006:132-134). Moreover, the vast gap between the official recognition of Tamil as an official language and the practical implementation of the provisions and conditions it entails, was never bridged (Peebles 2006:136). For the Tamils, the language issue was vital to their identity, which can be understood by the expression of one Tamil politician: “We fight for the survival of our language because that is so fundamental to us. Language today is the basis of our culture and our identity. Recognising Tamil language rights means more than just use of our language. It tells us that our culture and full inclusion in Sri Lankan society” (opposition parliamentarian, personal communication, January 10, 2013).

5.5.2 Emergence of Buddhist-Sinhala Nationalism

Following Sri Lankan independence in 1948, the nationalism discourse began to be dominated by the subject of ‘ethno-religious nationalism’.38 Its various manifestations have been linked directly to the inter-ethnic tensions between the Sinhalese and the Tamils. Since independence, Buddhist activists had been seeking the elevation of Buddhism to the state religion (Deegalle 2006a; DeVotta 2004; Wijeratne, 2012). DeVotta (2004) observes that religious legitimation of state power, and Buddhism as the corner stone of Sinhala identity took its

38 According to Hass (1958: 6), “ethno nationalism can be best perceived in terms of collective interests of creating (or preserving) the optimal conditions for the existence of the group and maintenance of its identity”.

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modern political form in the late 1950s. S. W. R. D. Bandaranaike's Sinhala Buddhist nationalist platform, which proved successful in mobilising the Sinhala masses to elect him in 1956, was framed in this context. Central to this platform was a "Sinhala Only" policy to restrict government and civil administrative positions to Sinhala speaking. Underlying this campaign promise was the claim to Sinhala supremacy. Subsequent governments have similarly used the mobilising power of the Sinhala-Buddhist nationalist ideology to get elected or to gain support for various policies. Consequently, in virtually every constitutional debate, the Sinhala-Buddhist sentiments prevailed, with the effect of elevating Buddhism to the semi official religion of the state. For instance, the republican constitution of 1972, while proclaiming Sinhala as the official language, also declared that Buddhism had the 'foremost place' in Sri Lanka, thus almost affirming a predominantly Sinhala-Buddhist state (Coomaraswamy 2013; Wijeyeratne, 2012). The 1978 Constitution retained the "foremost" status of Buddhism (Peebles 2006:132-134).

The UNP government that came to power under the leadership of J. R. Jayewardene in 1977 evoked a society based on Buddhist-Sinhalese nationalist past. In the campaign that brought him to overwhelming power in 1977, J. R. Jayewardene committed to creating a "Dharmista Samajaya" (Virtuous Society)\(^{39}\) that ultimately eroded the separation between the state and religion (Hennayake 2006:104). The UNP's intention was reinvention of Sinhalese-Buddhist history, culture, and language. While the UNP manifesto didn't define the "Dharmista Samajaya", historically it included three main elements. First, the rulers were faithful followers of Buddhism. Second, the early rulers were lawful and never abused the system of laws and ethics to maintain order. Third, providing irrigation facilities was considered the utmost economic contribution of the king and a

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\(^{39}\) This concept refers to the political paradigm of the Great Emperor Asoka in India (third century A.D.) whose regime is accepted and venerated as a model of righteous rule. Berchert (1978:2-5) notes that Emperor Asoka is modeled as a Buddhist ruler within the Sri Lankan historical chronicles, especially because Buddhism was brought to Sri Lanka through his missionary activities. In Sri Lanka, it is held as a socio-political model for emulation and historically associated with the virtuous rulers of the glorious past reminiscing the close relationship between the Sinhalese kings (the state) and Buddhism.
deciding factor of political legitimacy (Hennayake 2006:104-105). Bartholomeusz (2002:8-22) observes that, in an ideological sense, the Sri Lankan state has created a powerful nexus with Sinhala Buddhist nationalism. First, it outlined the nature of the government with Buddhist ethics of righteous rule as its foundation. Second, the governing party declared itself as the guardian of Buddhism, thus renewing the historical relationship between the kingship (contemporary state) and Buddhism that prevailed in ancient Sri Lanka.40 Third, Sinhalese-Buddhist practices and customs are incorporated into the functioning of the state and the rituals and symbols of governance, which essentially linked Sinhala and Buddhism with the identity of the state. For example, before making major political decisions, politicians often request the blessing from the chiefs of Buddhist sects in the country. It should be noted that, unlike other religions in the country, the state supports Buddhist education by providing free text books, constructing Buddhist educational centres, and allocating state owned land to build Buddhist temples (nongovernmental organisation representative, personal communication, January 18, 2013). The result is that Sinhala-Buddhist nationalism has come to shape state policy and structures.

Since the onset of the civil war, drawing from the historical account41 and influenced by the rise in inter-ethnic tensions, a Buddhist-Sinhala ‘just war’ mentality has taken shape in Sri Lanka, which cast the ethnic conflict as a struggle to protect the religion and language. Hayward (2011:189-190) notes that:

... religion’s role in maintaining intolerant attitudes and policies in Sri Lanka is overt; minorities are not disenfranchised because of their

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40 In 1978, the then President J. R. Jayewardene upon becoming the first executive president of Sri Lanka portrayed himself as the faithful Buddhist ruler by reconstituting traditional practices. For example, he had the presidential flag redrawn to include the Buddhist principle of wheel of Dhamma (righteousness), which was the imperial logo of Emperor Asoka.

41 This historical account is often based on “Mahavamsa” (Great Chronicle) is a historical poem written in the Pali language, of the kings of Sri Lanka. Buddhist monks have maintained chronicles of Sri Lankan history, starting from the 3rd century BC (Rajapakse 2003). It is an important text in Buddhism, and the Sinhalese majority often use Manavamsa as a proof of their claim that Sri Lanka is a Buddhist-Sinhala nation from historical time. However, some Sri Lankan scholars argue that Mahavamsa is not an infallible historical record (Jayasundara-Smits 2011:75).
religions, identity or belief but rather Buddhism has been drawn upon as a warrant for intolerant policies, particularly the need to “protect” Buddhism. To address the grievances of minority communities who are made to feel under this system that they live in Sri Lanka only due to Sinhalese Buddhist suffrage.

By casting the conflict in religious terms, violence against Tamils was justified for the sake of the righteous mission to protect Sinhala and Buddhism. Thus, the Tamil demands for autonomy and self-determination (homeland), as well as any form of federalism, were seen as a threat to the unitary integrity of the Sinhala Buddhist country. According to Wilson and Manogaran (1994), some Sinhalese extremist elements considered Tamils a threat to their singular identity and campaigned for preferential policies to create a hegemonic polity in Sri Lanka. Several interviewees (Tamil opposition parliamentarian, personal communication, January 08, 2013; Members of Tamil diaspora in Toronto, personal communication, February 09, 2013) noted that, although Tamils want self-respect, they (and other minorities) had no choice but to continue to live as subordinated citizens in a state dominated by the Sinhalese-Buddhist nationalist ideology. The resulting cultural anxiety among the Tamils is an important cause of group grievances. In this context, the denial of cultural rights is a particularly potent driver for LTTE mobilisation because of its vast symbolic value for Tamils.

5.5.3 Restrictions on Tamil Cultural Products

In the guise of saving foreign exchange, the SLFP coalition government in 1970 banned importation of Tamil-language films, books, magazines and journals from the cultural hub of Tamil Nadu, India. This has been significant for Tamils because they place a high value on traditional dances and music as a vehicle for achieving and expressing Hindu identity. The government also banned groups such as the Tamil Youth League – an organisation that played a strong social and cultural role among the Tamil youth population. Culturally, Tamil Sri Lankans were cut off from the State of Tamil Nadu in India (members of Tamil diaspora in Toronto, personal communication, February 09, 2013). Some Tamils believe that
the Tamil population did not accept nor believe government’s rationale for restrictions. They perceive the banning of Tamil language media importation by the government of Sri Lanka in 1970 as directed against their cultural survival (Tamil diaspora community members, personal communication, February 09, 2013; and, Tamil community leaders, Jaffna and Batticaloa, personal communication, January 14 and 16, 2013). Tamils consider the burning down of the renowned public library in Jaffna in 1981 as the single most violent act directed against their culture (Tamil diaspora community members, personal communication, February 09, 2013; Tamil community leaders, Jaffna and Batticaloa, personal communication, January 14 and 16, 2013; also Wilson, 2000). A mob went on rampage on the nights of May 31 to June 2 burning the market area of Jaffna, the office of the Tamil Newspaper, the home of the Member of Parliament for Jaffna, the Jaffna Public Library and killing four people. The destruction of the Jaffna Public Library was the incident, which appeared to cause the most distress to the people of Jaffna. The 95,000 volumes of the Public Library destroyed by the fire included numerous culturally important and irreplaceable manuscripts to Tamils (Peris 2001:n.p.).

Cultural inequalities tend to occur in an environment where the state is associated closely but not exclusively with one ethnic group and affords it higher status compared to others (Langer and Brown, 2008). As discussed earlier, since independence, Sri Lanka has privileged the Sinhalese identity over the Tamils (and other minorities in the country). Commenting on linkages between cultural inequalities and violent conflict, Langer and Brown (2008:51) note that: “If the state attributes inferior status to certain cultural identities, members of these cultural groups are more likely to feel alienated from the state and to mobilise along cultural lines in order to improve their group’s cultural status”. It should be noted, however, that the cultural inequalities present in Sri Lanka do not reach
the extreme forms like ‘cultural genocide’. Tamils, nonetheless, faced differences in the recognition of their cultural rights. Ethnic, religious or cultural identities do not automatically condemn people to fight against each other. Rather, when introduced and mobilised, ethnicity and culture provide a foundation to unite members in a marginalised community, alter their perception of others and encourage them to take collective action in the name of their group (Kadayifci-Orellana 2009; Luckham, Moncrieffe, Harris, Phillips & Crabtree 2006; Melvin, 2007). Although all forms of identity politics are not necessarily exclusionary or foster violence, both the Sinhalese and the Tamils used identity politics in this instance to articulate exclusion and discontent. In the case of the Sri Lankan conflict, the salience of cultural identity became the deciding factor in LTTE’s ability to mobilise a large portion of the Tamil polity towards violence.

The analysis above explained the emergence of the Tamil separatist movement through a horizontal inequality perspective, and emphasised those factors, which were used as devices for mobilising the Tamil polity and gaining momentum for the LTTE. From its early inception in the 1970s to its defeat in 2009, the LTTE crafted a message of self-determination to correct political, socioeconomic and cultural inequalities, which was tailored to an increasingly receptive Tamil audience, both locally and internationally. To legitimatize its power, the LTTE often pointed to popular manifestations of the public’s endorsement of the separatist movement, such as protests against the Sri Lankan state and recognition of the organisation by the Tamil polity. While its legitimacy has been questioned by some, there is evidence to suggest that it received a tremendous amount of support from Tamils in Sri Lanka as well as Tamil diaspora elsewhere. Particularly, there was broad support among the Tamil community in the West for the LTTE’s fight for Tamil autonomy in Sri Lanka, and they saw

42 Examples of ‘cultural genocide’ can be found in some conflicts. Gurr (2000) explains the treatment of the Kurds by Turkey where the former were not allowed to use their own language in public, and official policy of denying their existence as an example of ‘cultural genocide.
43 However, some diaspora Tamils interviewed noted that while many members of the Tamil diaspora willingly and actively support the LTTE, others have been subject to intimidation, extortion, and physical violence as the LTTE sought to suppress criticism of its abuses and to ensure a steady flow of income.
the LTTE as a legitimate representative of the Tamil people and their interests. The LTTE was able to articulate a sense of shared history and shared suffering between Tamils in Sri Lanka, the Tamil diaspora in other countries, and even non-Tamil supporters around the world.\textsuperscript{44} Thus, the LTTE became a powerful symbol and an effective tool to create a new Tamil identity.

5.6. Discussion and Conclusion

This study is cognizant of the fact that horizontal inequalities in Sri Lanka may not have been extreme, and concerted action by post independence governments had the opportunity to prevent conflict. In the case of Sri Lanka it is the nature of inequality, rather than the extent of inequality, that determined the likelihood of violent conflict. There is credible evidence to show that inequalities that align with political, economic, social and cultural aspects are more likely to result in violence (for example, Gradstein & Milanovic 2004; Langer 2005; Langer & Brown 2007; Murshed & Gates 2005; Stewart, 2004, 2006; Stewart, Brown & Langer 2007; Stewart & Brown, 2007). This is especially the case when there are multi-dimensional horizontal inequalities, where ethnically defined groups experience multiple forms of exclusion from political, economic, social and cultural domains. Often these forms of inequality, exclusion and marginalisation interact and compound one another: unequal access to land and natural resources, for example, may result from the lack of access to power and decision making (for example, Gradstein & Milanovic 2004; Langer 2005; Langer & Brown 2007; Murshed & Gates, 2005). Among Sri Lankan Tamils, there is a strong sense of collective injustice, due to actual and perceived exclusion based on social or cultural identity. This perception increased their feelings of alienation from the wider society. Invariably, this led to animosity and resentment. Over time, these tensions fostered mobilisation of the Tamil polity and fuelled violent conflict.

\textsuperscript{44} For example, some UK MPs openly supported the LTTE (see, Waduge 2013).
Horizontal inequalities in Sri Lanka are multidimensional, with the main dimensions being economic, political, social and cultural, with numerous interconnected elements within each category. Table 5.4 summarizes some examples of inequality inducing state policies and actions across the four dimensions. Exploiting the power of the ballot, the majority Sinhalese has appropriated the state power and used it to its own advantage. Ever since independence in 1948, government policies tended to undermine the social, economic and cultural rights of Tamils: through state sponsored colonisation of the North and East by Sinhalese settlers, through a discriminatory language, education and recruitment policy. These actions pursued one strategic aim: the gradual exclusion of Tamils from the national polity.

Table 5.4. Horizontal Inequality Inducing State Policies and Actions in Sri Lanka

<table>
<thead>
<tr>
<th>Political</th>
<th>Economic</th>
<th>Social</th>
<th>Cultural</th>
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<tbody>
<tr>
<td>Exclusion from political process</td>
<td>Restrictions on public sector employment</td>
<td>Restrictions on university entrance</td>
<td>Exclusionary language policies</td>
</tr>
<tr>
<td>State-sponsored settlement policies</td>
<td>Anti-Tamil riots</td>
<td></td>
<td>Buddhist-Sinhala nationalism</td>
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<tr>
<td>Exclusionary development policies</td>
<td></td>
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<td>Restrictions on Tamil cultural products</td>
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Literature (for example, Langer 2005; Langer & Brown 2007; Murshed & Gates 2005; Stewart 2000, 2005, 2008) shows the domestic environment can affect the degree to which horizontal inequalities can translate into conflict onset. The Tamil separatist conflict highlights the political context that influenced the relationship between political horizontal inequalities and conflict propensity. While Sri Lanka is a ‘democracy’, the political participation and rights of Tamils have been steadily eroded since country’s independence in 1948. The discourses centred on the notion of Tamil statehood (homeland) were the context for the zero-sum politics evolved in Sri Lanka. This is because Sinhalese viewed the country as
inherently indivisible; they rejected any argument that could be interpreted to mean ceding power and territory to a hostile outsider. In this context of politics of exclusion, the greatest concern of the Sinhalese leaders has been to maximise the relative share of power and resources accruing to their community, and to exclude the Tamils from partaking in the common wealth. In this environment, the Tamils faced exclusion in the awarding of higher education opportunities, in employment and in other opportunities for empowerment because they were not considered equal members of the national political community. The Sri Lankan case illustrates that the simultaneous presence of socioeconomic inequalities, and cultural inequalities and political exclusion are especially explosive.

The Government of Sri Lanka reasoned that it is appropriate to extend special assistance to Sinhalese in employment and settlement to offset the effects of historically practiced discrimination (especially during colonial times) against them. While affirmative action policies are controversial, they have been adopted elsewhere without leading to violent inter-ethnic conflicts. Malaysia, a multi-ethnic country, implemented an affirmative action policy regime designed to favour the ethnic Malays to create opportunities, and to defuse inter-ethnic tensions following the extended violence against Chinese Malaysians in the 1960s (Abdullah 1997; Bruton 1992; Jesudason 1989; Jomo 2004; Lee 1991). Malaysia is a good regional comparison for Sri Lanka because they both share much in common in terms of economic, social, political and cultural factors, including ethnic composition and the inequalities between ethnic groups (Bruton 1992).

Introduced in the 1970s, these preferential policies include quotas for the following: admission to government educational institutions, qualification for public scholarships, positions in government, and ownership of businesses (Bruton 1992; Jesudason 1989; Jomo 2004; Lee 1991). Most of the policies were established in the Malaysian New Economic Policy (NEP). Many policies focus on trying to achieve native Malays' share of corporate equity, comprising at least 30% of the total (Jomo 2004:3-7). The policies followed by Malaysia included
quotas, land ownership, public service employment, affirmative action in education, and ownership of quoted companies (Jomo 2004). This policy regime has been considered racially discriminatory, particularly against the sizeable Chinese and Indian Malaysian minorities (Lahiri 2008; The Economist 2003). However, Stewart (2005b:13) notes that the NEP did narrow differentials and succeeded in maintaining peace between the communities over a long period. Malaysia was also able to avoid the possibility of ethnic conflict, while achieving economic growth along with the promotion of employment and equity (Jesudason 1989).

An important question is why Sri Lanka gradually deteriorated into a state of prolonged conflict, while a country like Malaysia achieved sustained economic development and avoided potential ethnic unrest. Unlike in Malaysia, Sri Lanka’s ability to implement affirmative action policies without creating severe animosity between the Sinhalese and Tamils was limited. First, as discussed earlier in Chapter four, a distinctive feature of the development policy in post independence Sri Lanka for almost three decades (1948–1977) was the gradual move towards restrictive economic regimes (i.e., state intervention and trade restrictions) through a variety of policy swings. In the context, the country faced a deep and prolonged economic stagnancy, and failed to capitalize on the opportunities that the international market offered. The situation shifted with the change in the government in 1977, with the introduction of policy reforms towards an export-oriented industrialization within a liberalised trade regime. The change was too late to achieve enough economic gains to accommodate the socioeconomic demand for resources and opportunities that would satisfy the populace.

By contrast, Malaysia followed a consistent policy regime since its independence in 1957 by formulating the development strategy, with emphasis on export-oriented industrialization as well as rural and urban development programmes (Bruton 1992, Jesudason 1989; Jomo 2004). The rapidly expanding economy in
Malaysia was able to accommodate the demand for resources and opportunities in Malaysian society, regardless of ethnicity. It virtually achieved full employment with rising income, which led people from urban/rural sectors and ethnic groups to share in the benefits of growth. Consequently, Malaysia was in a better position to lessen the possibility of political conflict. The outcome in Malaysia could have been different had the affirmative action programmes been implemented in a stagnant economic climate. In such a context, people might have felt excluded from the development process. In Sri Lanka, this seems to have been the case. Sri Lanka used affirmative programmes, like standardizing measures in university admissions, to address perceived inequalities. In this case, the policy challenged the Tamils in their quest for resources and opportunities in a stagnant economy. The policy was indeed effective in curtailing socioeconomic demand emanated from the Tamils minority, and redirecting benefits to the Sinhalese majority. Because the curtailment took place in a stagnant economy, the disadvantages for the Tamils became more pronounced.

Second, in both Sri Lanka and Malaysia political power was concentrated mainly in the hands of the majority ethnic groups with special privileges being granted to the language and religion of the majorities. However, a significant point of departure in Malaysia is that the Malaysian government directly intervened through its far more ambitious affirmative action programme to deal with ethnic inequalities. The government stressed that the NEP’s ultimate and over-riding objective was to forge national unity (Jomo 2004). An important point in the context of policy articulation is that the government was able to mobilise political will to implement the NEP, although the overall Malay electoral power in the country was on the decline. The Malaysian political leaders responsible for the formulation and implementation of the NEP had little difficulty in obtaining strong support from the majority Malay community. To have a wide based support from all communities, especially the Chinese, it had to resort to both coercive and persuasive methods (Abdullah 1997). To drive a message of urgency, the then Prime Minister of Malaysia Tun Razak asserted that the NEP “was the last
The government conceived and formulated it as a political response to violence that took place in 1969. It is unlikely the Sri Lankan political system would have fully backed affirmative action policies to address economic inequalities. Given that the political system is dominated by Sinhalese political parties, strong and comprehensive socioeconomic redistribution policies were harder to implement, and the governments were not willing to use their political capital to address minority equity issues.

In summary, it is evident that horizontal inequalities existed between the Sinhalese and Tamils provided a fertile environment where the conflict could begin and thrive. The key observation that emerges from evidence covered in this chapter is that any Tamil advantage that they had at the time of the country’s independence in 1948 was small, and that advantage was diminishing by the 1960s. It is suggested here that, far from undermining the importance of inequality, these small disparities in key symbolic areas and marginal changes in inter-ethnic inequality were actually instrumental in the intensification of the conflict. Thus, not just actual levels of inequality between the Sinhalese and Tamils but also the discursive strategies through which inequality was politicized become important to understanding the conflict. There is adequate evidence to suggest that attention must be paid to grievances in understanding the causes and resolutions of conflict. The relative status of the structural characteristics (such as education, employment, access to land, etc.) and social psychological characteristics (such as self-determination and land rights) among the Tamils and Sinhalese has certainly shaped the conflict. As a result, disparities between the Tamils and Sinhalese in access to a range of economic, political and social resources (horizontal inequalities) have played a key role in triggering the conflict. Finally, this exploration of past inter-ethnic inequality will prove useful in attempts to resolve conflict. If resentment and rivalry have featured so prominently in the lead up to conflict and violence, it can only be assumed that future policy decisions regarding inter-ethnic inequality and the distribution of
political and economic resources in Sri Lanka are likely to remain critical in preventing conflict re-emergence. These issues will be discussed in the next chapter.
Chapter 6. Post War Development Policies in Sri Lanka: Do They Address Horizontal Inequalities?

6.1 Introduction

Stewart (2000, 2002) points out political, economic, cultural and social inequalities (horizontal inequalities) can provoke feelings of exclusion that may provoke violent group mobilisation and conflict along ethnic, religious or regional lines. Support for this view has been provided by numerous case studies (for example, Langer 2005; Murshed & Gates 2005; Østby 2006; Mancini 2008; Thorp, Caumartin, Molina, Paredes & Zavaleta 2010). They document the importance of horizontal inequalities in provoking violent conflicts and the ways in which these differences were used to mobilise people for armed conflict. The presence of horizontal inequalities between the majority Sinhala and minority Tamil population in Sri Lanka grew into a violent armed conflict by the early 1980s. As discussed in chapter four, the escalation of hostilities was based on both real and perceived horizontal inequalities between Sinhalese and Tamil communities. With the end of the war in 2009, Sri Lanka is transitioning to a post war phase. Boutros Ghali (1992) describes how this phase offers the chance for conflict-affected countries to establish new institutional frameworks – social, economic, political and cultural – that can facilitate equitable developmental outcomes. Similarly, Stewart, Brown and Langer (2007) argue that designers of post conflict policies need to find out whether horizontal inequalities were an important cause of conflict in a country and include policies to correct them where they were of significance, to prevent such inequalities becoming a source of recurrent conflict.

Sufficient time has now passed since the end of the war in Sri Lanka to assess the nature of the post war development and its outcomes. This chapter sets out to assess the extent to which post war development policies have addressed horizontal inequalities. The central question that this chapter seeks to answer is
whether the post war development policies are conflict sensitive, in other words whether they are capable of reducing horizontal inequalities. To do so, this chapter is organised into five sections. Following the introduction in section one, section two will provide a brief overview of Sri Lanka’s political environment with a specific focus on the former war zone (i.e., the North and East of Sri Lanka). The third section reviews the emerging post war development paradigm. Given that socioeconomic, political and cultural inequalities were linked to the conflict in Sri Lanka, the fourth section will examine the major developmental shifts that have been taken place in the North and East since the end of the war and their implications on horizontal inequalities. It will explore to what degree the former war zone has fared in relation to horizontal inequalities to assess whether current policies are sufficiently equitable to prevent future conflict. The final section discusses and summarizes key findings in order to identify areas for attention.

6.2 The Post War Landscape in Sri Lanka

In most cases, armed conflicts ended as a result of a formal surrender (e.g., Tanzania’s victory over Uganda), a negotiated cessation of hostilities (e.g., Cambodia), or peace talks followed by a peace treaty (e.g., Bosnia). This signifies a dichotomy: ‘Conflict’ signifies a situation characterized by violence carried out by various actors, while ‘post conflict’ signals the end of violence and the return to a peaceful state. ‘Conflict’ and ‘post conflict’ situations are complex and a simplified understanding does not help us comprehend phenomena of large-scale violence. Taking a process-oriented approach, Brown, Langer and Stewart (2011:4-7) argue that “post conflict” countries should be seen as lying along a transition continuum. Rather than placing in more or less arbitrary positions of being ‘in conflict’ or ‘at peace’, they identify a series of post conflict milestones: Cessation of hostilities and violence; signing of political/peace agreements; demobilisation, disarmament and reintegration; refugee repatriation; establishing a functioning state; achieving reconciliation and societal integration; and, economic recovery.
In post conflict environments, there is an absence of war, but not essentially stable peace. Brahimi (2007: 3) states that “the end of fighting does propose an opportunity to work towards lasting peace, but that requires the establishment of sustainable institutions, capable of ensuring long-term security”. However, according to Junne and Verkoren (2005a:1) “there are few truly post conflict situations. Conflicts become more or less violent, more or less manifest or latent, but they seldom stop altogether”. Even where violence ends, it is hard to identify the end of a conflict with any accuracy. The end in such cases, according to McCormick, Horton & Harrison (2007:327) “is almost always indecisive, in the sense that there is seldom a climactic engagement that marks the terminal point of the insurgency”. In addition, human security regularly deteriorates in the delicate period after wars are officially declared over: “So-called post conflict realities rarely bear much resemblance to what is implied by their definition. Rather, death and injury rates often remain comparatively high even after an armed conflict has come to an end” (Muggah 2005:289).

From this perspective, it is difficult to characterised the situation in Sri Lanka as ‘post conflict’ simply because open warfare has come to an end. As it will be discussed later in this chapter, the situation in Sri Lanka remains fragile. Despite comprehensive defeat of the Liberation Tigers of Tamil Eelam (LTTE), neither the process of comprehensive post war settlement nor reconciliation has been completed. Sri Lanka is by no means a ‘post conflict’ country, which essentially denotes a situation where foundational causes of the conflict as well as the consequences of violence have been addressed or at least a situation in which significant attempts have been made to achieve this goal. As one Sri Lankan politician explained, “the war is now over, but the conflict is not” (opposition parliamentarian, personal communication, January 07, 2013). This study, therefore, characterises the current situation in Sri Lankan as ‘post war’ to signify an environment in which only open warfare has come to an end.
6.2.1 Militarisation of Post War Development and Reconstruction

It is timely to examine whether the post war government policies and priorities are distinctive from the conflict era policies, as post conflict countries tend to need policies that differ from what was pursued during the conflict. For instance, maintaining military spending during the post conflict period at levels much closer to wartime can divert essential investments away from public and social spending. Collier (2006:4), for instance, finds that “high military spending by the government in post conflict societies is counterproductive – it significantly and substantially increases the risk of further conflict. This adverse effect is distinctive to military spending in post conflict situations”. The proper precautions would be to consider only those components of military spending that are unrelated to the risk of civil war (Collier 2006:4). Thus, the transition from war to peace offers an opportunity for the Sri Lankan government to reallocate resources from the military to more productive efforts (e.g., social and economic development). However, one of the most striking developments in post war Sri Lanka is its militarisation and securitization of government, economy and society.

Even though the civil war ended in 2009, the country’s defence expenditure in 2012 stood at US$ 1.5 billion. As Table 6.1 shows, since end of the war in 2009, Sri Lanka has maintained its military expenditure closer to wartime levels. The government also announced in 2012 it would increase defence spending by over 25 per cent in 2013 (Aziz 2013:n.p.). The continued increase in defence spending is to further strengthen the military amid growing opposition among workers, the rural poor and youth to the government’s austerity program. Defence spending will be almost double the combined expenditure on health and education (Gunadasa 2012b:n.p.). This means that the military continues to receive the highest expenditure in the government’s national budget despite the end in 2009 of its 26-year war against the LTTE.
Table 6.1. Military Expenditure in Sri Lanka, Selected Years (in constant 2011 US$ million)

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<tbody>
<tr>
<td>Value (US$)</td>
<td>1,599</td>
<td>1,675</td>
<td>1,073</td>
<td>1,517</td>
<td>1,737</td>
<td>1,794</td>
<td>1,672</td>
<td>1,706</td>
<td>1,543</td>
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According to some observers, weapons do not make up the bulk of military expenditure in Sri Lanka and such expenditure have, in reality, sharply reduced since the end of the war. Instead, personnel costs (e.g., wages, benefits, etc.) account for more of the Sri Lankan military budget today (government policy maker, personal communication, January 15, 2013). Unlike weapons these expenditures are hard to curtail without creating unrest among the service personnel. While the Sri Lankan military claims that it maintains a large military force ostensibly due to a possible re-emergence of the LTTE (Ministry of Defence and Urban Development, 2013a:n.p.). A number of interviewees noted that the government is also motivated by the need to contain potential opposition to the regime (opposition parliamentarian, personal communication, January 07, 2013; former government policy maker, personal communication, January 11, 2013). Quite apart from the inherent undesirability of post war militarisation, such a policy is extremely ineffective since it wastes a large pool of labour.

According to Lewis (1999:75), the creation of a new recipe for civil-military relations is a common challenge confronting most post conflict societies. A striking development in post war Sri Lanka is its securitization of government activities. The Defence Ministry, for instance, has taken under its control ministries responsible for urban development, land reclamation, development
and construction, waterways, as well as the registration of nongovernmental organisations.45 Several observers (for example, Miles 2013; Wood 2013; Samarajiva 2013; Senanayake 2011) have pointed out that post war militarisation is also extended to commercial activities, from army personnel selling vegetables to bring down escalating food prices to navy personnel taking tourists on dolphin-sighting tours off the southern coast. Recently, in response to student protests against deteriorating conditions in public higher education system, the Sri Lankan Ministry of Higher Education announced that the army would give undergraduates 'leadership training' to develop their 'soft skills' (Haviland 2011a; Hensman 2011).

Militarisation of government and commercial activities is often legitimated by the assumption that the country’s public sector and business community are incompetent and what is needed for the country’s development is the discipline and capability of the military. This logic, that the military can do a better job at tasks performed by the public sector or the business community, is often promoted by military and government propaganda (for example, Ministry of Defence and Urban Development 2013b; Rajasingham-Senanayake 2011). Some respondents questioned the accuracy of the assertion that the military would do a better job of development; they noted that military business tend to thrive in post war Sri Lanka due to invisible state subsidies in the form of free land, the use of military assets, and loans (Tamil community leaders, Jaffna, personal communication, January 14, 2013; nongovernmental organisation representatives, personal communication, January 18 & 19, 2013).

Since the defeat of the LTTE in May 2009, the government has gradually increased the presence of troops in the North and East. According to some Sri Lankan observers, about 35,000 Sri Lankan troops are still stationed in the Jaffna peninsula alone, overseeing a population of 626,000 people – roughly one

45 In 2010, government departments and ministries were restructured, and the responsibility for urban development was brought under the Defence Ministry.
soldier to every 18 residents (Pieris 2012:n.p.). In March 2011, the new headquarters of the Sri Lankan Army’s 51st Division was established in Jaffna, the northern cultural capital and seat of the insurgency, on a LTTE graveyard earlier flattened by the army, almost two years after the war ended (Haviland 2011b:n.p.). This appears to be a strategy to suppress possible militancy, and stems from the government’s deep-seated distrust of communities in the Tamil dominated areas. The Sri Lankan military’s involvement in the former conflict zone in active combat is now very minimal, but their presence has expanded to various economic activities such as the maintenance of tourist destinations, mega construction projects, agricultural projects, vegetable stalls and urban development. The Sri Lankan military is given corporate representation in the government where various military branches had its own enterprises, which operated businesses in construction, manufacturing and resource extraction.

The Sri Lankan military is becoming increasingly embedded into post war development and reconstruction in the North and East. It has penetrated many facets of civilian life, in all regions of the country, and become an integral part of civil life. Particularly in the North, the military continues to monitor civilians, decides policies and controls many aspects of peoples’ lives. Community leaders reported that the level of military scrutiny in northern Sri Lanka is so high that civilians have to seek permission even to hold religious or other personal gatherings like weddings. In some instances, the military is known to attend private functions and take pictures of people attending in order to gather intelligence. Furthermore, the military continues to impose restrictions on humanitarian and developmental work, accentuating existing resentments and impeding post war recovery (Tamil opposition parliamentarian, personal communication, January 08, 2013; nongovernmental organisation representatives in Jaffna, personal communication, July 12, 2013). As observed during this research, the main road from Jaffna to Kilinochchi (epicentre of the former LTTE administration) is dotted with security checkpoints every few kilometers. These posts hint at the level of continuing control inside the former
war zone, where the military has become the dominant institution of both civil and political life.

The usual reaction of the Sri Lankan government has been to maintain its military spending during the post conflict at levels much closer to wartime. Collier and Hoeffler (2006) investigate whether this strategy is effective. Because military spending is evidently endogenous to the risk of conflict, they account for it using variables such as likelihood of external threats that may influence military spending but not the risk of rebellion. They find that, in reality, in many post conflict environments military spending significantly increases the risk of further conflict rather than being effective as a deterrent. This adverse effect of military spending on the risk of conflict is distinctive to post conflict situations. An implication for Sri Lanka is that the post war government should aim to downsize the military rapidly and substantially. Collier (2007:4) points to Mozambique as a useful post conflict example of this process and its manifest success.

‘No development and reconstruction without security’ is becoming more and more to be a development policy paradigm in post war Sri Lanka. There is evidence to suggest that security has become part of the conventional objectives assigned to development, while development and reconstruction plans are systematically added to military interventions and post war programmes. For instance, 2005 and 2010 election manifestos of the current Sri Lankan president implied that security is a precondition for development (Rajapaksa 2005:36; Rajapaksa 2010:17-21). Thus, in the national political discourse, the distinction between development and security has disappeared. An integrated development model, whose purpose is to ensure close coordination between security forces and various state development actors, reinforces the merging of post war security and development. Sri Lankan government sees development as a powerful post war strategic tool for military operations to gain acceptance and legitimacy. As witnessed during this research, there is a tendency among government policy makers to make a causal link between development and
violence in many official Sri Lankan development documents. It will be discussed later in this chapter that the Sri Lankan military has become humanitarian actors not only providing security but also directly participating in development activities, as a way of improving their image. The necessity of a security and development nexus, which integrates security and development actors in the country in a single system, is promulgated as improving efficiency for both sectors. But, too little attention has been devoted to the consequences of linking security and development. An assessment is timely because besides the straightforward economic burden of maintaining a huge defence force, securitization of development and reconstruction poses several challenges to government’s ability to address horizontal inequalities.

This study contends that securitization of post war development and reconstruction has a number of implications. First, the lack of distinction between security and development policy creates an impression that the country still has no clearly thought-out vision of the balance or direction of causality between these two policy goals, but rather an ad hoc approach. The result is that ‘securitisation’ influences the government’s decisions on where and how development and reconstruction resources are allocated and used. Thus, developmental action taken in the name of ‘security’ may have little to do with the well-being of vulnerable populations (Anderson 2011:3-5; Larzillièrè 2012:7-10; Stern & Öjendal 2010). Second, there is a case for ensuring development and reconstruction effectively addresses the insecurity many vulnerable people in the war affected areas face. It will be discussed later in this chapter that the Sri Lankan government has had only mixed success in this regard, and the fusing of development and security has made the situation even more problematic. As one interviewee noted that, in a securitized development process, “the government gives emphasis to security issues and it is motivated less by a concern for ordinary people and more by the perceived security interests” (Tamil opposition parliamentarian, personal communication, January 08, 2013). The respondent also stated “it is right to question such securitisation but, while doing so, must not
forget its potential to promote genuine security and justice for people who were traumatized by three decades of violence” (Tamil opposition parliamentarian, personal communication, January 08, 2013). There is a risk that the government may not play the most constructive role in addressing the root causes of violence and meeting people’s security needs.

Third, there are rarely such clear-cut distinctions between development and security. In protracted conflict situations like Sri Lankan, there may be security needs despite many years of developmental efforts, especially if the root causes of the original conflict are neglected. In such a situation, the distribution of developmental and reconstruction efforts can become enmeshed in the way the political process – another set of resources to be controlled, capitalized on and fought over by various state and society actors. These grey areas between security and development pose a challenge because such policies may be an inadequate framework for state and society actors to use in navigating the complex political and security context of which development has become a fundamental part.

### 6.3 Post War Development Strategies in Sri Lanka

Historical evidence has shown that 25 to 50 percent of post conflict countries fall back into conflict within a few years (United Nations Development Programme 2008:16). Consequently, international donors, multilateral institutions and nongovernmental organisations have called on post conflict governments to integrate conflict prevention into their development policies (Gaigals & Leonhardt 2001:11-19). Greater attention to conflict sensitive development has arisen in response to the need for conflict prevention. In this sense, policies that address the root causes of conflict are at the core of conflict sensitive development (United Nations Development Programme 2002; Gaigals & Leonhardt 2001). Post conflict development policies, according to Langer, Stewart and Venugopal (2012:3):
... generally include policies aimed at reconstruction, macro-economic stabilization and growth, and the reintegration of ex-combatants. But it is also crucial to include policies that address the root cause of conflict, so as to reduce the likelihood of recurrence. Such policies will vary according to the nature and causes of the war. However, they include a focus on reducing HIs where these have been a major source of conflict, as is frequently the case.

The failure of development interventions to adequately prioritise conflict prevention can mean that potentially beneficial programmes could create mistrust and disharmony and ultimately undermine the successful achievement of stability and development. Gaigals and Leonhardt (2001:8) note that inadequately planned or inappropriately targeted programmes can marginalise vulnerable groups, overlook underlying root causes of inequalities and contribute to the risks of violent conflict. Although conducting a comprehensive analysis of the post-war development process is beyond the scope of this study, this section aims to offer a brief examination of some relevant policy interventions with the objective of assessing their implications from a horizontal inequalities perspective.

Stewart and Fitzgerald (2001:207-208) maintain that, in many civil war situations, international support for development has been suspended or postponed because the conditions are regarded as inappropriate, while external aid is focussed on humanitarian assistance, greatly increasing the economic costs of the wars. However, in Sri Lanka, uninterrupted internationally assisted development programmes have accompanied the civil war. Since the end of the war in 2009, the inflow of international assistance continues without any interruptions. This inflow of international assistance has helped to sustain the economy at the national level. The International Monetary Fund (IMF) commended Sri Lanka's macroeconomic performance as it approved a loan (US$2.6 billion) to aid recovery from the war. Approval, granted in 2009, was contingent on considerable reductions in military expenditure and the creation of social safety nets for war-displaced people (International Monetary Fund, 2012b). In a move reflecting concerns about the Sri Lankan government’s human rights
record, both Britain and the United States abstained from the IMF board discussion (Palmer 2009).

In recent years, the Sri Lankan government has been increasingly looking towards the East for its developmental inspirations and funding. In 2005, President Rajapaksa, in his election manifesto before his first term, had signalled very clearly his ideological turn eastward, away from the strong economic and geopolitical ties of previous governments with Western nations. Following on this, over the last five years there has been considerable economic engagement with the Eastern nations, particularly China, India and Iran (Athukorala & Jayasuriya 2012:1-2). China’s engagement in Sri Lanka today is defined by its role in financing economic development: Government data show that in 2012 China was Sri Lanka’s biggest aid donor, with US$1.05 billion in commitments (Ministry of Finance & Planning, 2012:19). Chinese aid to Sri Lanka is in commercially priced loans and exports credits at high interest rates (ranging from three to seven percent) from state-owned banks, rather than grant aid (Sirimanna 2011a). These loans, according to Wheeler (2012:13):

… serve to subsidise the entry of Chinese business into the Sri Lankan market: as dictated by financing terms, Chinese firms are usually lead contractors on all of the Chinese-funded infrastructure projects and normally at least 50 percent of procurement must come from China.

Chinese companies have also been investing in electronics, infrastructure projects, textile, tourism and real estate (Aneez 2013:n.p.; Ministry of Defence and Urban Development 2013c:n.p.; Xinhua 2013:n.p.). The vast proportion of Chinese financing is directed to infrastructure development, mainly in the central and southern parts of the country. In addition, China was Sri Lanka’s third largest trade partner in 2012, followed by the European Union and India (European 46 In contrast, multilateral donor agencies such as the World Bank and the Asian Development Bank provide loans at a very low interest rates ranging from 0,25 percent to 3 percent (World Finance 2013 n p.). But these organisations stipulate strict conditions, while China does not impose similar conditions.

47 Chinese-supported projects include the new seaport and a new airport at Hambantota, in the Sri Lankan president’s constituency in the south, an oil-storage facility, a coal-fired power plant and an expressway to the southern Sri Lanka. China is also rebuilding the main roads in the war affected areas.
Union Directorate General for Trade 2013:5). The last few years of the civil war also coincided with the deepening of relations with China. According to the Stockholm International Peace Research Institute (SIPRI) Arms Transfers Database, China has been Sri Lanka’s largest supplier of conventional arms, and between 2005 and 2010 Sri Lanka was China’s eighth largest arms market. As a result of new sources of financing, the Sri Lankan government has managed to reduce the reliance on the Western nations for developmental assistance with the economic strength of the emerging Eastern countries.

In the aftermath of military victory, Sri Lanka experienced a considerable economic recovery. The country’s gross domestic product (GDP) growth in 2012 reached 6.4 percent, up from 3.5 percent in 2009, inflation came down from 22.6 percent in 2008 to 9.2 percent in 2012, unemployment fell from 5.7 percent in 2009 to 4.0 percent in 2012 (Central Bank of Sri Lanka 2013:1-2,17). Soon after the end of the war, the Colombo Stock Exchange nearly doubled in value in 2010 and was one of the best performers among global markets (Fernando, 2010:n.p.). But, the post war government expenditures such as high defence spending have limited the fiscal choices available to the Sri Lanka government, unless it chooses to either impose severe austerity measures or continue with borrowing. Sri Lanka has resorted to the latter to support its spending programmes. The country’s external debt increased from US$8.4 billion in 2000 to US$22.81 billion in 2012. Consequently, the fiscal implications of peace in Sri Lanka are discouraging. The government continues to pursue revenue-raising policies introduced during the war period (e.g., defence levy). Collier and Gunning (1994: 12) argue that it is essential for war affected countries to take actions that reassure reluctant private sector investors and encourage them to make investments. Some respondents noted that government revenue-raising tools (e.g., defence levy) prevent the private sector from investing more financial

48 The Colombo Stock Exchange emerged the best performing market in the world, up 110.9 percent year to date beating Mongolia at 109.7 percent. Another South Asian country – Bangladesh – came at a distant third at 56.4 percent (Fernando 2010).
resources in recovery, especially in the former war zone (nongovernmental organisation representatives, personal communication, July 12, 2013; Tamil opposition parliamentarian, personal communication, January 08, 2013). Recently, despite its overall positive forecast for Sri Lanka’s economic growth, Asian Development Bank (2011) has noted that private investment remains too low to achieve national development goals (Asian Development Bank, 2011). Private investment in particular needs to be scaled up substantially to achieve development goals laid out in the government’s 10-year development plan.

6.3.1 Emerging Economic Dirigisme: The Ten-Year Horizon Development Framework

In 2005, the President of Sri Lanka introduced a new development strategy entitled “the Mahinda Chinthana: Ediri Dakma’ or Mahinda Vision: A Vision for the Future” (Government of Sri Lanka 2005). The resulting Ten-Year Horizon Development Framework (2006-2016) signalled a more populist economic policy shift. The populist policies received backing from important segments of the governing coalition who used the failure of economic reform policies to push for more interventionist economic policies. They argued that the failure of neo-liberal economic policies demonstrated the need for returning to a more nationalist economic programme. They also linked the nationalist programme to post war recovery. President Rajapaksa (2010:2) maintained that:

	[The people of our country are now awaiting the victory in the “economic war”, in a manner similar to our victory in the war against terrorism. I am well prepared and ready to face this challenge. I also truly believe that our economy should be independent, resilient and disciplined, with a strong growth focus, operating as per international standards, whilst maintaining our local identity. Therefore, over the next six years, I will lay special emphasis on implementing our country’s National Economic Policy; which takes our collective aspirations into account.

With the military victory, the government was politically strong enough to disregard both the domestic critics of its economic policy direction and the directives of international agencies like the International Monetary Funds and the
World Bank. The new assertive power allowed the government to make its populist policy shift explicit. The outcome of this new policy orientation is that the state began to exert a strong directive influence over economic affairs (Athukorala & Jayasuriya 2012:12-17; Bastian 2013:10-13).

In the context of the Ten-Year Horizon Development Framework, the government has taken a dual tract to economic policy (Kaminski & Ng 2013). In the first tract, the government shifted toward a more interventionist model of economic development. The Ten Year Horizon Development Framework was promoted as a vehicle for generating ‘growth with equity’. Unlike previous development policies, the government ruled out privatization of key state-owned enterprises previously earmarked for privatization, such as banking, power, energy, transport and ports (Rajapaksa 2010:21). With the election of President Rajapaksa in 2005, there has been a sharp reversal of trade liberalization and a marked shift back towards nationalist-populist statist economic policies, reflecting the pressures of resurgent nationalism. To a considerable degree the economic nationalist rhetoric harked back to the populist and statist economic programmes of the 1960s and 1970s. Consequently, in the context of the new development strategy, the role of the state in the economy has expanded extensively.

First, populist policies were particularly evident in the tariff regime. Purcell (2011) has documented how the Sri Lankan government since 2004 systematically erected new protectionist barriers through the introduction of various new import taxes. There were sharp increases in tariff rates: For instance, according to Kaminski & Ng (2013:26), the average tax rate for agriculture increased from 28,1 percent in 2004 to 46,8 percent, for industrial products from 10,7 percent in 2004 to 24,1 percent in 2011, and for all imported items from 13,4 percent in 2004 to 27,9 percent in 2011 products (Kaminski & Ng 2013:26). These new tariff rates were very high compared to lower tariffs that existed in 1980s and 1990s. The design of Sri Lanka’s tariff structure has been informed primarily by import-substitution considerations to provide high levels of protection to already existing
products (Kaminski & Ng 2013:26,30). According to Kaminski and Ng (2013:27), Sri Lanka’s tariff rates are “exorbitant by the standards of countries at a similar level of economic development”. The tariff structure appears to be effective in protecting domestic producers as they successfully keep imports subject to higher rates. Higher import tariffs have also spurred import-substitution industrialization in the country’s nascent manufacturing sector. For instance, Indian automobile manufacturer, Maruti, set up its first car assembly plant outside of India, in Sri Lanka in collaboration with a local partner. This step from the company comes after the Sri Lankan government hiked import tariffs. The government raised its import duties from 120 percent to 200 percent in April 2012 (Bhattacharya 2012:n.p.). The outcome of these various tariffs pursued in the 2000s was a major reversal from trade liberalisation policies from the previous two decades.

Second, since the end of the civil war, the government has embarked on further expansion of the role of state-owned business enterprises (SOBEs) in the economy. The government re-nationalised some previously privatized ventures, revitalised closed-down SOBEs, undertook new nationalizations, and set up new state-owned ventures. The new SOBE ventures included a budget airline, hotels, and real estate. To enable nationalization, the government also introduced an expropriation law in November 2011, entitled ‘Revival of Underperforming Enterprises and Underutilized Assets Act’, to acquire and manage 37 “underperforming” or “underutilized” private enterprises (Wijedasa 2011:n.p.). Although the existing constitution prohibits expropriation of foreign owned assets, this Act nonetheless expropriated seven enterprises with foreign capital participation (Amerasinghe 2011:n.p.). While the government has publically stated that no further companies or assets will be appropriated under the bill, it can add more appropriates through legislative amendments. In response, international rating agencies, Fitch Ratings and Moody, warned that there could

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49 Sri Lanka’s 55 SOBEs lost combined SLRs.107.1 billion (approximately US$850 million) in 2012. Between 2005 and 2011, the total loss of SOEs increased by 432 percent (The Island 2013:n.p.).
be foreign investment losses as a result of the appropriation move by the government (Xinhua 2011b).

Third, although Sri Lanka has seen a steady inflow of foreign investment projects into the country over time, the record has been less than impressive when compared with many emerging economies. Sri Lanka attracted an annual average foreign direct investment (FDI) of US$500 million (about 1.5 per cent of gross domestic product) during the last decade, while East Asian countries, for instance, attracted FDI inflows exceeding US$5 billion annually – close to 5 per cent of gross domestic product (Group of Fifteen 2010:3). To bridge this investment deficit, in 2008 the Sri Lankan parliament passed the Strategic Development Projects Act, empowering the minister responsible for the Board of Investment (BOI) to grant exemption to "strategic development projects" from all taxes, for a period of up to 25 years. In the Act a strategic development project is defined as "a project which is in the national interest and which is likely to bring economic and social benefits to the country and which is also likely to change the landscape of the country, primarily through provision of goods and services which will be of benefit to the public, substantial inflow of foreign exchange, substantial employment, and technology transfer" (Government of Sri Lanka 2008:3). This definition leaves a great deal of room for discretion to the Minister of Economic Development in the investment approval process. Since its introduction, the government has approved projects ranging from casino and entertainment enterprises to power plants. Some analysts have argued that, in 2010, the government has foregone around SLRs.6.6 billion (approximately US$55 million) in tax revenues (equivalent to around 1 percent of government revenue) from tax incentives given to strategic development projects (Wijesinha 2013:n.p.).

50 In 2013 an Australian investor agreed to invest US$350 million as a 'strategic development project' to build a casino and gaming enterprise to be opened in 2016 (Aneez & Yueyang 2013). In 2013, the government also approved a heavy industrial zone project in eastern Sri Lanka. This special zone for heavy industry is to be established in three phases at an investment of US$4 billion (David 2013).
Finally, successive governments carried out a number of poverty reduction and alleviation programmes (Alailima 1995, 1999). The Ten-Year Horizon Development Framework assumes that continuing economic growth would alleviate poverty in the country. The framework expects to reduce poverty from 15.7 percent in 2005 to 4.2 percent in 2016 (Government of Sri Lanka 2010:2). The government claimed that:

Sri Lanka has made considerable progress in human development, which is reflected in increasing incomes and the impressive reduction in poverty. The Mahinda Chintana goals of the Ten Year Socioeconomic Development Strategy are to build on these achievements and to reach higher and more equitable levels of human development by 2020. Social services need to be expanded and improved further to achieve this goal. (Government of Sri Lanka 2010:195).

In 2013, the Sri Lankan government established the new department (Samurdhi Authority of Sri Lanka) by combining several currently existing poverty alleviation agencies to better achieve the grassroots economic development and alleviate poverty in the country (Ministry of Economic Development, 2013). This programme, as one analyst noted, “is probably one of the most ambitious attempts at grassroots development which has even been attempted in this country” (Ratwatte 2013:n.p.). In reality, however, Sri Lanka’s populist economic strategies were designed to achieve specific political goals of the governing regime. Those political goals included: (1) mobilising support within organised nationalist political groups; (2) obtaining complementary backing from domestically oriented business; and, (3) politically distancing Western countries. Some observers claimed that these populist strategies were designed to appeal to the government’s core rural constituency, the military and small business, while attempting to not alienate big business and international investors, agencies and international donors (opposition parliamentarian, personal communication, January 07, 2013; nongovernmental organisation representatives, personal communication, January 18, 2013). Thus, respondents believe the Ten-Year Horizon Development Framework is simply an attempt by the government to shape a strategy that aligns with its political and social goals.
In the second tract, the government continued to articulate a set of policy priorities to hasten the pace of post war economic growth (Government of Sri Lanka 2005:20,90,202). In the 2012 budget speech, the President of Sri Lanka claimed:

This nation was placed on to a very destructive path from 1977. This path was overshadowed by neo liberal economic policies on the one hand and separatist terrorist activities, on the other. This caused tremendous hardships to the general public (Presidential Secretariat of Sri Lanka 2011:1).

The main thrust of the government’s 2012 budget was about tax reform and financial liberalisation, reducing both the income taxes of the wealthy, as well as facilitating the flow of capital into the country (Athukorala & Jayasuriya 2012; Presidential Secretariat of Sri Lanka 2011; Ministry of Finance & Planning 2011). The liberalisation of finances continues to build on previously initiated major tax reform and deregulation of the finance and banking sector. Under these policies, domestic banks are encouraged to capitalize on foreign financing. The integration of domestic banking with global finance is meant to augment the opening up of capital markets including sovereign bonds and stock market capitalization. Since the end of the war, Sri Lanka had the advantage of being labelled as a post war economy, which drew more of the capital flowing to the emerging markets from the West affected by the economic crisis of 2008. As a result, there was a rapid rise of the Colombo Stock Exchange’s (CSE) All Shares Index, which in May 2009 when the war ended was at 2,000 and by May 2013 had reached 6,000, almost tripling the value of assets with the inflow of global finance capital (Bloomberg 2013:n.p).

However, some respondents questioned the continued sustainability of the financial liberalisation drive, arguing that the Sri Lankan financial market is at risk if there is a sudden fall in confidence of global investors (opposition
parliamentarian, personal communication, January 07, 2013; nongovernmental organisation representative, personal communication, January 18, 2013). They also pointed at a possible balance of payments problem for Sri Lanka, particularly if foreign reserves collapse with capital flight. This would probably mean bail-out by the IMF with further conditions of austerity and cuts in social welfare spending. Such financial problems can also spread through the liberalised domestic banking sector down to the households and affect their savings. They maintained that the current economic policies are a continuation of the major shift inaugurated in 1977. The post war years have seen the acceleration of neo-liberal policies centred on liberalisation of financing. Thus, post war economic development has in effect meant a second wave of neo-liberal policies, beginning in 2010, with an emphasis on the tourism industry, infrastructure development (particularly roads, ports and power plants), and real estate development. The following section will examine the scope of these macro-level post war economic activities and their developmental implications on the individual and community levels.

6.3.2 Tourism in Post War Sri Lanka

The tourism sector is considered one of the service sectors that provide economic opportunities to countries at various stages of development. Research suggests that tourism can be a potential contributor to the socioeconomic development of less economically developed countries (for example, De Kadt 1979; Telfer & Sharpley 2008; Mitchell & Ashley 2010). For many conflict-affected countries (e.g., Cambodia, Vietnam, Croatia and Nepal) tourism is often the basis for their integration into the global economy and post conflict recovery and development (Anson 1999; De Sausmarez 2007; Causevic & Lynch 2011). In Sri Lanka’s Ten Year Horizon Development Framework, tourism is considered as a sector with high potential for stimulating employment generation, foreign exchange earnings, economic diversification as well as post war stability and
economic recovery (Government of Sri Lanka 2005:164-169). In his 2010 election manifesto, President Rajapaksa promised that he would:

…. introduce an accelerated development programme for the tourism industry. I will launch a programme to fulfill the infrastructure and other requirements in order to attract 2.5 million tourists annually, by the year 2016 (Rajapaksa 2010:94).

Therefore, the development of the tourism sector appears to have been as important to Sri Lankan policy makers as the development of other sectors of the economy.

Sri Lanka entered the international tourism market in the 1960s (Due 1980:53-57). Since then, tourism has been growing steadily as a promising sector for the economic development, subject to periodical setbacks especially the civil war which prevailed in Sri Lanka, 9/11 attack, the global economic crisis and natural disasters. According to tourist arrival data, arrivals grew by 50 percent or an increase to 855,975 from 438,475 visitors in 2011, compared to 2008. The foreign exchange earnings increased by 41.4 percent from US$575.9 million in 2010 to US$838.9 million in 2011 (Sri Lanka Tourism Development Authority 2011:7). In 2013, the country expects over half a million tourist arrivals. As a result, the tourism sector is earmarked as the most priority sector in the post war economy. Sri Lanka is developing a number of investment-intensive tourism projects to cater to high spending tourists especially from emerging markets (Ministry of Economic Development 2011:12). The Sri Lanka Tourism Development Authority has established 45 tourism zones in the country (Sri Lanka Tourism Development Authority 2013:n.p.). The government’s 2012 budget provided duty free imports for vehicles for tourist services and multi-year tax holidays for large tourism investments. Expectations of growth in tourism have become the rational for floating more debt in the form of sovereign bonds, the boom in the stock market and speculative real estate investment particularly in hotels (Kadirgamar 2011).
In recent years however, emphasis on tourism’s economic benefits has been countered by concerns over the uneven nature of such economic development and serious questions about its environmental sustainability, as well as negative social and cultural impacts (Hall & Brown 2010; Meyer 2010). Tourism as an ideal pathway for post conflict development has also been challenged because a number of countries are now confronting the challenge of harnessing local resources to build a sustainable and economically viable tourism sector (Burns & Novelli 2008). Given concerns over the ability to deliver sustainable and equitable growth, Sri Lanka’s focus on tourism raises questions about whether it could play a positive role in conflict affected areas. Many post war tourism projects in Sri Lanka are planned in environmentally sensitive areas and they need a considerable amount of resources (e.g., land, water, etc.), which are essential for community livelihoods (Fernando & Shariff 2013; Miththapala 2010). One nongovernmental organisation in the Eastern Province noted that the use of local materials to build tourism facilities provides employment for local people, but also raises the prices of the products for the local population (nongovernmental organisation representative in Batticaloa, personal communication, July 19, 2013). There are several new projects planned along the eastern coast where mangrove forests have already been cleared to make way for these developments, but there were virtually no consultations with local communities and local participation in decision making, policy formulation and implementation is completely lacking. In many cases people find out about these projects only after construction work has begun (nongovernmental organisation representative in Batticaloa, personal communication, July 19, 2013).

Government’s tourism policies mention environmental protection and impact on local communities (Government of Sri Lanka, 2005: 168); however there is very little attention is paid to these factors when it comes to implementation. Although there has been an influx of “eco-friendly” tourism projects across the country (Wickremasinghe 2012), according to some respondents the livelihood options of communities and ecological implications are seldom considered or addressed in
the tourism planning process (nongovernmental organisation representatives in Batticaloa, personal communication, July 19, 2013). Respondents also noted that although the government is interested in eco-tourism as a niche area, there is the risk that construction of accommodation and entertainment facilities to meet the growing needs of more tourists could lead to environmental degradation and competition over land as a scarce resource (nongovernmental organisation representatives in Batticaloa, personal communication, July 19, 2013; journalist, personal communication, January 24, 2013). According to them, eco-tourism efforts reinforce socioeconomic inequalities amongst the population because these projects mostly benefiting large-scale national and international operators rather than local entrepreneurs.

6.3.3 Infrastructure Development

In most conflict-affected countries, the reconstruction and redevelopment of physical infrastructure is crucial to economic reconstruction (Jones & Howarth 2012; Langer & Stewart 2012; MacDonald, 2005; Schwartz, Hahn & Bannon 2004). As this literature on post conflict development suggests, it is crucial that the development policy and policy makers do not exacerbate tensions and increase the likelihood of a return to conflict through their actions. It is important that the promoters of key infrastructure in post conflict scenarios be aware of the causes for the original conflict. Experiences of several post conflict countries also suggest that the nature and the rate of such reconstruction occur needs consideration (for example, Langer & Stewart 2012; MacDonald 2005; Mardirosian 2010). The presence of efficient infrastructure is essential for economic development, especially in developing nations. Infrastructure enables crucial economic activity such as manufacturing, trade, services and human capital growth. According Goldman Sachs (2008:3), a 1 percent increase in infrastructure facilities is associated with a 1 percent increase in national GDP. But, a sizeable infrastructure and investment gap exists in the developing world. According to a World Economic Forum (2006:6) report, emerging market
countries need an average of 5.5 percent of its GDP annually, but currently only receive 2 to 4 percent. Another study by Calderon and Serven (2008:28) found that investment of around 15 percent of GDP is required to close infrastructure gaps between Africa and other developing regions.

In the context of Sri Lanka, the LTTE often targeted infrastructure assets that are not only logistically important for the military, but also strategically and economically valuable. Key bridges, roads, power plants, transmission lines, airports, banks, and communications hubs were severely damaged, and required significant investment to be made fully operational. The conflict also created security problems for contractors, which together with a lack of local human and institutional capital (for instance a weak local private sector to undertake large construction activities) raised costs and the difficulties of implementing large-scale infrastructure projects (government policy maker, personal communication, January 11, 2013). In 1990s and 2000s, financial constraints also restricted the capacity of governments to invest as much as is needed for the development of infrastructure. The country’s infrastructure has been underdeveloped in many areas to support a high rate of defence spending (government policy maker, personal communication, January 15, 2013; private sector executive, personal communication, January 21, 2013). As a result, at the conclusion of the civil war in 2009, the economics of infrastructure development posed challenges to the Sri Lankan government because of the need to mobilise large amounts of capital. The environment for infrastructure investment was considered risky by investors because of the weakness of the rule of law, limited ability to enforce contracts, and the risk of rent-seeking behaviour in the country (private sector executive, personal communication, January 21, 2013).

In post war Sri Lanka, infrastructure investment is playing a significant role in the process of post war development and recovery. The economic development strategy in documents such as the Ten Year Horizon Development Framework (2006-2016) proposed an ambitious list of large-scale infrastructure development
projects. Sri Lanka was expected to spend US$53 billion to develop infrastructure to propel economic growth (Lanka Business Online 2013:n.p.). Recent policy has shifted towards trying to turn the country into an international transport hub using Chinese government concessional loans. The China Development Bank announced in June 2011 that it would finance infrastructure projects amounting to US$1.5 billion over three years (Lanka Business Online 2011:n.p.). The vast proportion of Chinese finance is directed to large-scale infrastructure development, mainly in the Western and Southern Provinces of the country. While it is difficult to obtain detailed and comprehensive information about infrastructure development projects, some of the major projects are outlined in Table 6.2. According some interviewees, providing funding for infrastructure projects is beneficial for the Chinese because loans serve to subsidize the entry of Chinese business into the Sri Lanka.

China is able and willing to fund infrastructure development, filling a gap left by some traditional bilateral donors. It unquestionably supports government development plans rather than attempting to shape them (opposition parliamentarian, personal communication, January 07, 2013). The terms of these loans dictate that Chinese firms are the lead contractors on all of the Chinese-funded infrastructure projects and at least 50 percent of input supply must come from China (opposition parliamentarian, personal communication, January 07, 2013). Such forms of development strategies provide limited benefits to Sri Lanka because they provide modest backward linkages to the local economy and communities. The utilization of local content is a key enabler of development of backward linkages, but virtually all Chinese-funded development projects import inputs (human and material) from China (opposition parliamentarian, personal communication, January 07, 2013). Although this model of development does not induce local sourcing, the government assumes that the spillover effects transferable between infrastructure development and other economic activities will have an overall positive impact (government policy maker, personal communication, January 11, 2013).
Table 6.2. Major Infrastructure Development Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Province</th>
<th>Investment (in US$, million)</th>
<th>Source of Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colombo South Port Expansion</td>
<td>Western</td>
<td>$350</td>
<td>China</td>
</tr>
<tr>
<td>Hambantota Port Development</td>
<td>Southern</td>
<td>Phase 1: $307, Phase 2: $810</td>
<td>China</td>
</tr>
<tr>
<td>Expansion of Bandaranaike International Airport</td>
<td>Western</td>
<td>$320</td>
<td>Japan</td>
</tr>
<tr>
<td>Development of Mattala International Airport</td>
<td>Southern</td>
<td>$190</td>
<td>China</td>
</tr>
<tr>
<td>Colombo - Katunayake Expressway</td>
<td>Western</td>
<td>$310</td>
<td>China</td>
</tr>
<tr>
<td>Southern Highway</td>
<td>Western &amp; Southern</td>
<td>$1,000</td>
<td>China, Japan and Asian Development Bank</td>
</tr>
<tr>
<td>Outer Circular Highway</td>
<td>Western</td>
<td>$1,650</td>
<td>China</td>
</tr>
<tr>
<td>Colombo - Kandy Highway</td>
<td>Western &amp; Central</td>
<td>$1,200</td>
<td>China &amp; Asian Development Bank</td>
</tr>
<tr>
<td>Norochcholai Coal Power Project</td>
<td>North Western</td>
<td>Phase 1: $455, Phase 2: $891</td>
<td>China</td>
</tr>
<tr>
<td>Upper Kothmale Hydro Power Project</td>
<td>Central</td>
<td>$352</td>
<td>Sri Lanka &amp; Japan</td>
</tr>
<tr>
<td>Sampur Coal Power Project</td>
<td>Eastern</td>
<td>$500</td>
<td>Sri Lanka &amp; India</td>
</tr>
<tr>
<td>Water Supply Project - Anuradhapura</td>
<td>North Central</td>
<td>$60</td>
<td>Japan</td>
</tr>
<tr>
<td>Performing Arts Centre</td>
<td>Western</td>
<td>$28</td>
<td>China</td>
</tr>
</tbody>
</table>

6.3.4 Post War Development Strategy and Inequality

Historically, horizontal inequalities in Sri Lanka are spatially distributed: the Northern and Eastern Provinces of the country are deprived compared to other regions like the Western and Southern Provinces. As discussed in chapter four, high concentration of economic activities is the major reason for high gross domestic product (GDP) rate of the Western Province. On the other hand, the problem of low prices for agricultural products and impact of the civil war have further weakened the Northern and Eastern Provinces (see Table 6.3). Uneven economic growth in the past has left many provinces (except the Western Province) lagging behind. The high growth rate is only in the Western Province and it accounts for 45 percent contribution to GDP and this reflects uneven distribution of employment and income. In addition, the majority of post war infrastructure projects are located in the Western and Southern Provinces (see Table 6.2). The Northern and Eastern Provinces were lagging behind in terms of post war infrastructure development. While the government justified this regional concentration of infrastructure investment as utilization of economies of location, a number of interviewees made an issue of the large regional disparity in post war infrastructure development financing. Particularly significant is the rapid rise in GDP contribution of the Southern Province where a number of large-scale development projects are located (e.g., Hambantota Port and Mattala International Airport). Incidentally, this is also the home province of President Rajapaksa.
Table 6.3. Gross Domestic Product (GDP) Contribution by Provinces, 2005 to 2011

<table>
<thead>
<tr>
<th>Province</th>
<th>2005</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western</td>
<td>50.8</td>
<td>45.1</td>
<td>44.8</td>
<td>44.4</td>
</tr>
<tr>
<td>Central</td>
<td>8.5</td>
<td>9.6</td>
<td>10.0</td>
<td>9.8</td>
</tr>
<tr>
<td>Southern</td>
<td>8.9</td>
<td>10.2</td>
<td>10.7</td>
<td>11.1</td>
</tr>
<tr>
<td>Northern</td>
<td>3.0</td>
<td>3.3</td>
<td>3.4</td>
<td>3.7</td>
</tr>
<tr>
<td>Eastern</td>
<td>4.7</td>
<td>5.8</td>
<td>6.0</td>
<td>5.7</td>
</tr>
<tr>
<td>North-Western</td>
<td>8.9</td>
<td>10.3</td>
<td>9.5</td>
<td>10.0</td>
</tr>
<tr>
<td>North-Central</td>
<td>4.3</td>
<td>4.8</td>
<td>4.8</td>
<td>4.6</td>
</tr>
<tr>
<td>Uva</td>
<td>4.5</td>
<td>4.6</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Sabaragamuwa</td>
<td>6.4</td>
<td>6.3</td>
<td>6.3</td>
<td>6.2</td>
</tr>
</tbody>
</table>


Post war infrastructure development policies have not sufficiently addressed the socioeconomic concerns of those living in the Northern and Eastern Provinces where the Tamil minority historically felt marginalised against in terms of development and economic growth. This is not entirely surprising because studies have demonstrated that a strong positive influence by infrastructure on economic growth does not necessarily ensure inclusive growth (for example, Brenneman & Kerf 2002; Ravallion & Datt 1999; Deninger & Okidi 2003). Evidence also suggests that not all types of infrastructure developments produce positive socioeconomic benefits. Brenneman and Kerf (2002), for instance, have demonstrated that infrastructure development expanded education (especially for transport and energy services), and positively affects health outcomes (especially for the water/sanitation, energy and transportation sectors), but that it was not that visible in telecommunications. Ravallion and Datt (1999) argue that inclusive growth requires a balanced development of infrastructure across regions so that growth is evenly spread across rich and poor regions over time. Thus, to overcome the initial imbalance, the poorer regions need more accelerated investment in infrastructure.
6.4 Post War Development and Reconstruction in the North and East

As discussed in chapter four, the politics of ethno-nationalism and development was evident in various development initiatives in colonial and post colonial periods of Sri Lanka. It is very important to study the relationship between the state-led macro development projects. The intersection between development and post war reconstruction is one of the main aspects of the current politics of development in the North and East. After ending the war against the LTTE, the Sri Lankan government launched a two-pronged development strategy for the former war zone. It included ‘Northern Spring’ and ‘Eastern Revival’ programmes for the North and East, respectively. These two projects were initiated in the last phase of the war between the Sri Lankan government and the LTTE, and they promised a new life for the residents of the most war-torn area in the country. Both programmes were also incorporated in the government’s Ten Year Development Plan (Presidential Secretariat of Sri Lanka 2010c). The three main themes of the project are security, resettlement and infrastructure. The priority areas of this project were identified as infrastructure development including road development, uplifting transport system, developing hospitals, repairing and reconstructing irrigation systems, electricity, water supply and sanitation, agriculture, livestock development, inland fisheries, as well as developing the level of livelihood through education, sports and cultural affairs (Yatawara 2011). Both projects were directly supervised by the central government, especially President’s office and the Ministry of Nation Building and Estate Infrastructure Development, while in the formulation of regional strategies a key role was to be played by local authorities like the newly appointed governors (who were former military commanders).

In reality, these development programmes have little community ownership; instead, the local implementation is controlled by the central government. Although Tamil community leaders interviewed in the war affected areas were impressed with the scale of the development and see potential benefits for their
communities, some concerns have been raised as to the manner in which programmes are proceeding as well as their impact on local communities and their land. According to many interviewees – Tamil politicians, community leaders and nongovernmental organisation representatives in war affected areas – there was concern over the way development was taking place in the war affected areas, arguing that local communities were not benefiting from development projects (Tamil parliamentarian, personal communication, January 08, 2013; community leaders in Jaffna and Batticoloa, personal communication, January 14 & 16, 2013; nongovernmental organisation representatives in Jaffna, personal communication, July 12, 2013).

The lack of community-driven development solutions has had a particularly negative impact on women in conflict-affected areas. The government and nongovernmental organisations have estimated that approximately 40,000 war widows are currently living in the North, with up to 30 percent of the populations of some villages consisting of women-headed households (Government of Sri Lanka, United Nations & Partners 2011:35). Their husbands or partners left dead or missing during the conflict, these women have now become the sole breadwinners of their households. Nongovernmental organisation representatives in the North have noted that there are a lack of policies and programmes designed to address the needs of female-headed households (IRIN news 2011a:n.p.). According to Vasudevan (2013:n.p.), in spite of their number, female heads of households are marginalised both by the government and their own communities in the North. They are discriminated against in hiring for most jobs, even though they are willing to work in non-traditional roles and also face more difficulties than men in accessing credit (Vasudevan 2013:n.p.). Some community leaders consulted were also concerned by the lack of consultation and participation of local people in the projects, the undermining of local knowledge and capacity, and the politicization of the development process (community leaders in Jaffna and Batticoloa, personal communication, January
Some respondents also noted that the articulation of development with ‘war against terrorism’ ideology and humanitarianism was clear in ‘Northern Spring’ and ‘Eastern Revival’ programmes. They believe that the political calculation behind these two development programmes was not a secret as the government has positioned them as a part of its broader goal of integrating ethnic minorities into the state and development (Tamil opposition parliamentarian, personal communication, January 08, 2013; nongovernmental organisation representatives, personal communication, January 18 & 19, 2013). According to Chaminda (2012:n.p.), for these two projects:

the government is driven to win over Tamil people’s active or passive consent towards the state. In this context, development is not only about economic well-being of Tamils but also about political consolidation of state power.

Within the context of post war development, the war affected areas can be identified as a fertile ground for the spread of free-market activities, given that these areas have not been touched by economic liberalisation for over 30 years. In this sense, the North and East have been ‘liberated’ not only for state consolidation but also for development objectives of the government. In the following sections, this study will examine whether the current approach to development in the war affected areas could resolve the horizontal inequalities that led to the conflict or whether they would re-produce them in the long run. To contribute to the emerging post war policy discourse in Sri Lanka, this study will also examine the drawbacks of the current development and reconstruction activities in the Northern and Eastern Provinces.

At the core of the conflict is the exclusion of the Tamil minority in political, socioeconomic and cultural spheres. In Sri Lanka, the nature of horizontal inequality, rather than the extent of inequality, determined the ethnic conflict. Political, economic, social and cultural inequalities contributed to the civil war in
Sri Lanka. Exclusion and marginalisation interacted and compounded one another: unequal access to land and natural resources, for example, resulted from the lack of access to power and decision making. Among the Sri Lankan Tamils, there is a strong sense of injustice and exclusion, due to actual and perceived exclusion based on social or cultural identity (members of Tamil diaspora in Toronto, personal communication, February 09, 2013; Tamil parliamentarians, personal communication, January 08, 2013; community leaders in Jaffna, personal communication, January 14, 2013). Invariably, this led to animosity and resentment. Over time, these tensions fostered mobilisation of the Tamil polity and fuelled the 30-year long violent conflict. Recent evidence from post conflict countries shows policies that address root causes of conflict are vital to reduce the likelihood of conflict recurrence (for example, Harris 1999; Langer, Stewart & Venugopal 2012; McCoy 2008; Paffenholz 2008). Thus, it is important that Sri Lankan policy makers identify reduction of horizontal inequality as an objective in post war development and introduce specific policies to address them. The following sections examine whether post war policies are sensitive enough to mitigate horizontal inequalities in access to political power, economic resources, social infrastructure and cultural status.

6.4.1 Political Inequalities

Political horizontal inequalities entail blocked or limited access to decision making authority within the state (Stewart, 2005, 2008). Because political inequalities among different ethnic groups tend to lead to violent conflicts, post conflict studies tend to stress political inclusion as a solution against a return to conflict. According to Lewis (1999:65):

The overhaul of a country’s political system is both an immediate and long-term task in the aftermath of conflict, and the rebuilding or creation of political institutions and systems of governance is essential to reconstruction efforts at all levels…. long-term development and planning cannot effectively take place in the absence of legitimate political structures and reasonably well coordinated efforts at the national and local level.
In some cases post conflict countries have devised mechanisms to balance the rights of various ethnic groups (e.g., South Africa), where “power sharing” was seen as a more promising method for managing inter-group differences (Lemarchand 1994:583). Azar (1995) notes that decentralised political structures hold the most promise in war affected societies as such structures facilitate local participation. Decentralisation of political power gives distinct ethnic groups a sense of control over their affairs. Research (Goodhand, Dennys & Mansfield 2012; Langer, Stewart & Venugopal 2012; Lewis 1999) also suggests that where states are less politically inclusive, they are less likely to undertake policies to address underlying political inequalities. Self-determination and self-government have been critical demands of Tamils in Sri Lanka since independence. They were also central to the conflict and were the basis upon which Tamil nationalism, and later Tamil militancy, was founded. Thus, taking into consideration post war experience, this section will explore the degree to which inequalities in access to political power has been addressed by the Sri Lankan government’s post war policies.

6.4.1.1 Denial of Power Sharing

Langer, Stewart and Venugopal (2012:7-8) posit that power sharing is the most sophisticated design of political institutions where group and regional inequalities can be taken into account. According to them, several new institutional arrangements and constitutional forms, such as Bosnia-Herzegovina’s Dayton Agreement and Northern Ireland’s Good Friday Agreement, were designed to distribute power across communal groups. These arrangements have “serious attempts to distribute calibrated amounts of representation and executive power to elites of all major ethnic/religious groups in order to reduce violence and resolve conflicts through institutionalized elite inclusion” (Langer, Stewart & Venugopal 2012:7). The experience in Sri Lankan thus far suggests that rather than democratization and power sharing, the Sri Lankan government has
attempted to blunt minority grievances through economic development, implemented primarily through large-scale infrastructure projects. But these efforts were initiated without meaningful community consultation or direct economic benefits for most residents in the war affected areas.

Since the end of the civil war in 2009, the Sri Lankan government has promised the much-anticipated extensions of the 13th Amendment to the Constitution, which would devolve powers to the provinces and thereby grant Tamil (and other) minorities more authority in the provinces where they figure more prominently. In July 1987, the Indo-Sri Lanka Accord\textsuperscript{51} was signed between then Indian Prime Minister Rajiv Gandhi and then Sri Lankan President J.R. Jayewardene. The expressed purpose of the Accord was devolution of powers to the provinces. The Indo-Lanka Accord also required the merger of the Eastern and Northern Provinces into one administrative unit and a referendum to be held by December 1988 in the Eastern Province to decide whether the merger should be permanent. The Accord allowed the Sri Lankan president to postpone the referendum at his discretion. In September 1988 the then President Jayewardene issued proclamations enabling the Eastern and Northern Provinces to be one administrative unit administered by one elected council, creating the North Eastern Province (Bandarage 2009:137). This was only meant to be a temporary measure until a referendum was held in the Eastern Province on a permanent merger between the two provinces. However, the referendum was never held and successive Sri Lankan presidents issued proclamations annually extending the life of the North Eastern Province. Sri Lankan nationalists opposed the merger of the Northern and Eastern Provinces because the combined North Eastern Province occupied one third of the country. Especially, at the height of

\textsuperscript{51} The Indo-Sri Lanka Peace Accord was expected to resolve the Sri Lankan civil war. Under the terms of the agreement, the Sri Lankan government agreed to devolution of power to the provinces, the Sri Lankan troops were to be withdrawn to their barracks in the North and the Tamil rebels were to surrender their arms. However, The LTTE declared their intent to continue the armed struggle for an independent state and refused to disarm (Bandarage 2009:133-138).
the war, the possibility of the LTTE controlling this province, directly or indirectly, alarmed them (Bandarage 2009:135-138).52

To enable this goal, in November 1987 the Sri Lankan Parliament passed the 13th Amendment to the 1978 Constitution of Sri Lanka along with the Provincial Councils Act No 42 of 1987 to establish provincial councils (Government of Sri Lanka 2010). The Accord sought to collectively address all the three contentious issues between India and Sri Lanka: strategic interests, people of Indian origin in Sri Lanka and Tamil minority rights in Sri Lanka. In the Sri Lankan context, the constitutional amendment meant devolution of political and administrative decision making authority from central government to elected bodies at lower levels (provinces), including, in theory, to the Tamil-majority north. In addition, the 13th Amendment stated that the official language of Sri Lanka is Sinhala while Tamil will also be an official language, with English as a ‘link language’ (Government of Sri Lanka, 2010). Many respondents noted that the key to sustainable peace is a political settlement that devolves power to the Tamils, which have reported being marginalised by the governing Sinhalese (Tamil community leaders, Jaffna and Batticoloa, personal communication, January 14 and 16, 2013; Tamil opposition parliamentarian, personal communication, January 08, 2013).

The Northern Council, which is located in the heart of the former conflict zone and where the Tamil ethnic minority is concentrated, is the only council of all the nine provinces that has not had elections since provincial boundaries were redrawn in 2006. The government promised to hold elections in September 2013 in the Northern Province when mostly Tamil voters are for the first time to elect a provincial council (Radhakrishnan 2012). In eight other Provinces Councils have

52 In July 2006, after a long campaign against the merger, the People’s Liberation Front, a leftist nationalist party, petitioned the Supreme Court of Sri Lanka requesting separate Provincial Council for the East. In October 2006 the Supreme Court ruled that the proclamation issued by President Jayewardene in 1988 was null and void and had no legal effect (Eichorst 2010:262). The North Eastern Province was formally demerged into the Eastern and Northern Provinces on 1 January 2007. Eastern Provincial Council elections for the demerged Eastern Province were held in May 2008 (Xinhua 2008).
been elected and the North is the only province without an elected Provincial Council. The promised elections are important for the government for a number of reasons. First, holding the election fulfil promises to major Western donor to Sri Lanka that want to see a genuine effort at national reconciliation after the defeat of the LTTE. Indeed, holding provincial elections in the North has also been a key demand by India, which has a large Tamil minority and where many Sri Lankan Tamil refugees have settled. During the latter stages of the civil war, in order to ensure India’s support to the on-going military operations, President Rajapaksa assured India that his government would sincerely and expeditiously implement the 13th amendment, once the war was won. On few occasions he remarked that his government would go even beyond the 13th amendment (Sunday Times 2013).

Second, the government has promised greater autonomy for the Tamils, especially in response to the United Nations Human Rights Council (UNHRC) resolution approved in March 2013 requesting the Sri Lankan government to do more to address Tamil minority concerns. The resolution called on the Sri Lankan government to “to fulfill its public commitments, including on the devolution of political authority, which is integral to reconciliation and the full enjoyment of human rights by all members of its population” (United Nations Human Rights Council 2013a:n.p.). Third, the LLRC also called for holding provincial council elections in the North without delay. Ahead of the promised provincial election in the war affected areas, the Tamil National Alliance (TNA, the political party that represents the majority of the Sri Lankan Tamil community) has been pushing to have as much power devolved from the central government as possible. A Tamil parliamentarian noted that:

The principle issue for us really is the extent of executive powers the governor who is appointed by the central government will be sharing with the provincial council ministers. We would certainly want the maximum

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53 The TNA is the largest national party in the national legislature that represents minority Tamils from the North.
54 Under the Sri Lankan constitution, the provincial governor appointed by the president determines the powers and the access to national budget resources of provincial councils.
amount of access to power and the full ability to govern. Democratically elected provincial council can help accelerate the region’s development. It can provide the environment in which there can be an overall improvement in people lives and region’s economy. Not only devolution of power can boost access to development funds currently controlled by the central government-appointed governor, it can also attract investments from the Tamil diaspora (Tamil opposition parliamentarian, personal communication, January 08, 2013).

However, a flashpoint in recent Sri Lankan media has been the Sri Lankan government’s reluctance to grant the Tamil community’s greater autonomy as originally promised.

There are increasing demands within the current governing party against holding the Provincial Council election in the North, and to narrow the scope of powers in all Provincial Councils. For instance, the National Freedom Front (NFF) and Jathika Hela Urumaya (JHU), ruling coalition partners, have launched a public campaign demanding the abrogation of the 13th Amendment, which established the Provincial Councils (Srinivasan 2013a). In June 2013, the Sri Lanka Cabinet approved two changes in the 13th Amendment to the Constitution. The first of these was to remove the provision for two or more provinces to join together. The government seems to fear that the Northern Province would join its neighbour, the Eastern province, which has a mixed population of Muslims, Tamils and Sinhalese. Combined, the two provinces would cover about 30% of Sri Lanka and have a Tamil majority. The LTTE always considered both provinces as traditional Tamil homeland. Sinhalese nationalists are convinced that the TNA has similar plans. The Sri Lankan president’s brother, Gotabaya Rajapaksa, the defence secretary, has said that a TNA win would “jeopardise national security and integrity” (The Economist 2013:n.p.).

The second change calls for removing the requirement that the consent of all Provincial Councils be obtained if there is to be constitutional change that impacts on the Provincial Councils. This requirement was added as a safeguard to prevent the central government from legislating on subjects allocated to the
Provincial Councils, without first obtaining their consent. This power has been vexing for the central government. Last year, for example, the Supreme Court of Sri Lanka ruled unconstitutional a national bill on rural development on the ground that many of its provisions were provincial issues (Jeyaraj 2012). Third, the government is attempting to rescind constitutionally granted, but thus far unimplemented provincial decision making powers over police and land (Ferdinando 2013). As one interviewee noted, “the government will not give more powers to a council that is not controlled by it or its allies” (Tamil parliamentarian, personal communication, January 08, 2013).

Tamil parliamentarians interviewed for this study noted that the basic provisions of the 13th Amendment and the Provincial Councils Act have not devolved power on the Tamil people. They noted that these legal instruments amount to a constitutional script for maintaining status quo, with power continuing to reside in a Sinhala dominated Central government (Tamil opposition parliamentarians, personal communication, January 08, 2013). Several respondents commented that Sri Lanka has seen a centralisation of power, especially around the President’s family. Elections in 2010, which kept the SLFP-led UPFA in power, were followed by amendments to the constitution that concentrate the President’s power and abolish term limits (Polgreen 2010). According to Fernando and Moonesinghe (2012:2) “the President can now exercise almost direct control over every arm of government, and is also constitutionally authorised to make appointments to a number of positions including the higher judiciary, thereby in effect allowing the UPFA to enjoy the support of over two-thirds of the members of Parliament”. A respondent noted that Sri Lanka’s biggest threat to stability comes from the continued centralisation of power at the national level, which has in turn been used coercively as a means to stamp out political opposition (journalist, personal communication, January 24, 2013).

Most Tamils interviewed for this study contend that the Sri Lankan government does not seem to focus on solving the Tamil problem (members of Tamil
diaspora in Toronto, personal communication, February 09, 2013; Tamil parliamentarians, personal communication, January 08, 2013; community leaders in Jaffna, personal communication, January 14, 2013). One Tamil parliamentarian commented that “the government is now moving to neuter the council, depriving the region of much of the autonomy it had been promised” (Tamil parliamentarian, personal communication, January 08, 2013). Their beliefs are not entirely unfounded. In May 2009, in his address to the nation, President Rajapaksa had promised to come up with a political solution acceptable to Tamils if he was elected for a second term. However, the fact that he chose not to touch on this issue during his second swearing-in ceremony indicates that he does not attribute enough importance to this issue any longer. The full implementation of the Accord and anticipated devolution of power to Tamils depended on sustained political support from both India and Sri Lanka. However, the intentions of the Accord got sidelined when political leaders who were unhappy with the Accord came to power in both countries almost at the same time (Hariharan 2010:n.p.). As a result, the Tamil minority in the North and the East, who had put their faith in devolution of power for them, are arguably being frustrated. After all, it was the Accord that enabled Sri Lankan Tamils to gain recognition for some of their demands within Sri Lankan politics and in the Sri Lankan Constitution.

6.4.1.2 Militarisation of Governance and Society

The transition to post war environment in its fullest sense has not yet taken place in the North and East because the de-militarisation of civil administration has yet to take place. Since the end of the war, the Sri Lankan government has appointed the military to overlook governance in the North and East. The government has appointed former military commanders who were in charge of military operations in the North and East during the time of the war to be governors of the Northern and Eastern Provinces (Perera 2013:n.p.). According to International Crisis Group (2012:15):
This civil administration in the north is parallel to – and frequently overruled by – a separate military architecture. The military command structure consists of a security forces headquarters (SFHQ), headed by a major general, roughly covering the boundaries of each district, in which army divisions and task forces are stationed in different camps. Each division is usually headed by a brigadier or a colonel. There are also naval and air force bases with separate commands structures, but under the overall coordination of the district SFHQ.

The role of the military’s civil affairs offices, and powers given to local level military commanders in relation to civilian life has become the new normal in the war affected areas. In Jaffna peninsula, the ratio between military and the civilian population is 1 to 11; this means about 40-50,000 soldiers out of a population of 600,000 (Perera 2011:n.p.). Invariably, this situation has created tensions with the Tamil population in the North and the East. The presence of military in the war affected areas is a sensitive issue for Tamils as virtually all military personnel are Sinhalese. Both National and international forums have raised the issue of continuing militarisation of the Northern and Eastern Provinces. For instance, the Lessons Learnt and Reconciliation Commission called on the government to demilitarise the former war zone and facilitate the return to civilian administration. One key informant commented, “although the presence of uniformed military personnel has been sharply reduced, they are been replaced by former military commanders in civilian clothes” (community leader in Jaffna, personal communication, January 14, 2013).

Discussions with community leaders in the North revealed a belief in the presence of military, which they feel is ubiquitous and also oppressive. They reported that there is a strong military presence that manifests itself now in the form of large numbers of intelligence personnel in civilian attire (community leaders in Jaffna, personal communication, January 14, 2013). There is a requirement that military authorities be informed of any gathering of several people, and that any seminar or discussion is likely to be attended by them or by informers. In addition, the military has established checkpoints and camps near peoples’ homes especially in the village areas. Some respondents also reported
that military personnel frequently patrol villages and the military’s intrusion into practically all aspects of civilian affairs remains a way of life (community leaders in Jaffna, personal communication, January 14, 2013). Tamils who returned to their communities from internally displaced camps have almost no freedom to move in and out of the area without military permission. They also have to inform the military if anyone from outside of the area comes to visit them. There are severe restrictions on freedom of assembly (Asian Human Rights Commission 2012; NfR Sri Lanka 2012; Sampanthan 2013). The comments of community leaders suggest that the government’s approach to reconciliation in the war affected areas has created a psychology of fear towards the security forces (community leaders in Jaffna, personal communication, January 14, 2013).

The dual role of the military (security and civil administration) does not create the conditions conducive to promoting reconciliation. The military’s role in facilitating infrastructure development may contribute to the economy growth of the North and East. Indeed, economic growth is important and necessary for post war reconstruction, there is also the need to address the issue of normalisation of civilian life after war. The constant comment of community leaders who live in the North and East is that military intelligence personnel are ubiquitous in their lives, and the requirement of getting their approval for even private functions that people organise serves to dampen their sense of being normal and free to speak and organise as they wish. They noted that the military attend community events, even if it is a personal one, and it is not uncommon for them to take photographs and film the gathering for intelligence (community leaders in Jaffna, personal communication, January 14, 2013; community leaders in Batticaloa, personal communication, January 16, 2013). The security forces, as one community leader noted, “are too present and too close to our lives” (community leader in Jaffna, personal communication, January 14, 2013). Arguably, the Sri Lankan government is concerned that civilian mobilisation or assembly could allow the resurgence of a separatist movement. According to one interviewee, this is one reason why such restrictions are placed in the former war zone (government
policy maker, personal communication, January 11, 2013). But this strategy does not support meaningful post war recovery. Most people in the war affected areas suffered for decades under the LTTE’s restrictive rules and the strong military presence does not allow the people to realise what freedom entails.

**6.4.2 Economic Inequalities**

A strong body of literature suggests that economic inequality generally exacerbates the potential for violence (for example, Gurr 1970; Stewart 1998, 2000; Stewart & Langer 2008; Langer 2005; Cederman, Weidmann & Gleditsch 2011). Thus, one of the major tasks facing conflict states is how to balance the demands for economic growth with those for greater social justice and equality. As recent studies have demonstrated, the governments that arise from the end of armed conflicts need to actively grasp the opportunities for structural change (Crosby 1990; Harris & Lewis 1999). Given that economic inequalities were a cause of conflict, moves to redress these are an important part of peace building. Langer, Stewart and Venugopal (2012:8) maintain that “while it is now widely accepted that the politics of peace must be supported by a substantial economic agenda of reconstruction, there is a need for broader recognition that the quantity of economic growth must be matched by its quality”. Since the end of the war, Sri Lanka has returned to a strong economic growth path. Indeed, the robust post war economic experience led some to be highly optimistic regarding the former conflict zone’s recovery from war. There are, however, some important differences between how the national economy and the former conflict zone are faring. Undoubtedly, the recovery of the conflict zone is vital to addressing the economic inequalities discussed in chapter four. The Sri Lankan economy retained a considerable level of development and economic resilience despite the fact that its resources have been severely limited. By contrast, as a result of three decades of war and severe economic restrictions placed on the rebel-controlled area, the war zone is economically weak compared to the rest of the
country. This section explores the degree to which post war development efforts have been used to address economic inequalities.

6.4.2.1 Economic Landscape in the War Affected Areas

As noted earlier, post war development in the North and East is taking place under two main schemes: in the North ‘Northern Spring’ and in the East ‘Eastern Awakening’. President Rajapaksa announced both programmes, and the Ministry of Economic Development drafted plans. Community leaders in war affected areas expressed concerns that these plans were prepared without consulting local-level officials or people living in conflict-affected areas (community leaders in Jaffna and Batticaloa, personal communication, January 14 & 16, 2013). Although there are no official government figures, a local organisation estimates about 30 percent of residents in the North are unemployed despite the region’s higher economic activity, driven primarily by public sector infrastructure investments (nongovernmental organisation representative in Jaffna, personal communication, July 12, 2013). Massive public sector construction projects are mechanized and require skills mostly lacking among residents and recently returned refugees. Most infrastructure development projects in the North are either constructed by military personnel or by expatriate Chinese contractors (community leader in Jaffna, personal communication, January 14, 2013). While unemployment affects towns and villages alike in the former war zone, the latter’s development lags far behind. Recognising the limited capacity of war affected economies to absorb large numbers in productive employment, the International Labour Organisation calls for the establishment of employment intensive public works programmes to address employment problems (International Labour Organisation 1995). These programmes are designed to create large-scale employment, assets creation, and stimulating economic growth.

A governing party parliamentarian noted that the government has allocated more than $15 million since the end of the war for village rehabilitation and
development works in the North and East with a special emphasis on rural areas. These investments supported over 9,000 kilometers of rural road development, and included grants of up to $45,000 for community-managed projects and the communities are not required to repay the funds. According to this legislator, “if these funds are invested properly recipient communities, they stay within the community as a financial resource,” asserting some communities have successfully reinvested interest paid on microfinance loans (funded by the grants) in their communities (governing party parliamentarian, personal communication, January 09, 2013). The Ministry of Economic Development, who is responsible for economic development initiatives in the former war zone, has claimed that about half of the 410 villages that have applied for funding have received support since 2010 (government policy maker, personal communication, January 11, 2013). However, some respondents in the former conflict zone noted that roads and new power lines have only begun to appear in towns, with some rural residents still oblivious to the post war infrastructure developments taking place elsewhere (community leaders in Jaffna and Batticaloa, personal communication, January 14 & 16, 2013). Although central government’s influence in rural development is not uncommon in Sri Lanka, the situation in the former war zone is different in many ways. First, in development projects in the North and East, central government’s involvement is at the highest level without any meaningful local involvement. Second, the development projects are planned and implemented mostly by leaders from the majority Sinhalese community in a largely minority Tamil area using workers from southern Sri Lanka. Thirdly, although new construction and road development projects are taking place along the main roads, few plans to further develop the transportation infrastructure to or within the interior regions of the North seem to be currently in place.

The government’s overarching focus for the former war zone is centered on economic development. This focus is important because, prior to the outbreak of the war, the Northern Province was the second largest contributor of the provinces to national GDP in 1981. Now ranks last on the list (Radhakrishnan
Revitalising the war shattered economy in the North and East requires new investments by the public and private sectors and donors, in addition to increasing public confidence to ensure the return or entry of investments. Disaggregate data on business activity in the North and East is currently not available; however, most community leaders noted that small and medium size enterprises account for most of the private sector businesses in the North and East. Some interviewees attributed relatively lower rate of economic activity in the North and East to the lack of private sector investments, especially from large-scale corporate entities (community leaders in Jaffna and Batticaloa, personal communication, January 14 & 16, 2013). Large private companies have reported a wait-and-see strategy on investing in the North and East, still viewing it as risky given the shortage of skilled workers, lack of investment incentives and uncertain returns on investment (private sector executive, personal communication, January 21, 2013).

The community leaders interviewed for this study claimed that the local Tamil politicians are mostly involved in the public relations aspects of the projects, and not in the planning and implementation (community leaders in Jaffna and Batticaloa, personal communication, January 14 & 16, 2013). Many community leaders believe that there is a lack of policies and programmes designed to address the economic needs of local communities. Financial and economic vulnerabilities were the often-stated concerns of community leaders consulted. The lack of reliable paid employment was common, with this having a negative impact on people’s health and well-being. Most community leaders consulted in the North noted that the scarcity of money prevented individuals, especially those recently returned from internally displaced camps, from maintaining control of their household expenditures and carrying on with almost every aspect of their daily lives (community leaders in Jaffna, personal communication, January 14, 2013). A 2009 study carried out by Husain, Anderson, Cardozo, Becknell,

55 It should be noted that a small number of large scale corporate actors are active in the Northern Province. Examples include resource companies seeking to discover oil in the Mannar basin and development of large luxury hotels (Sirimanna 2011; Dias 2011).
Blanton, Araki and Vithana (2011:528-529) in Jaffna found that 7 percent of the 1,448 residents included in the study (the majority of whom were Tamil women) were suffering from post traumatic stress disorder, 22.2 percent from depression, and 32.6 percent from anxiety.

The lack of adequate housing coupled with economic insecurity has created a highly precarious situation for many families, especially for female-headed households (nongovernmental organisation representative in Jaffna, personal communication, July 12, 2013). The current pattern of development has also contributed to intra-regional variations in development. Community leaders in the North noted that a significant difference in socioeconomic conditions, consumption and access to assets such as adequate housing is evident between those households who lived in or near urban areas and those living in more rural areas in the interior of the region. The former is better connected to roads and transportation where transport infrastructure remains poor in terms of transportation infrastructure (community leaders in Jaffna, personal communication, January 14, 2013). In addition, economic gains from current development initiatives in the former war zone are unclear, in particular due to the lack of a disaggregated labour force statistics for the Northern and Eastern Provinces. This makes it difficult to predict how much of these gains currently are, or will in the future, be beneficial to local communities.

Venugopal (2012) notes that private sector development is critical to understanding the trajectory of post conflict development and ethnic inequalities: “The success of failure of post conflict reconstruction often depends on the disaggregated micro-level investment decisions of thousands of small, middle-sized and large private-sector entrepreneurs…” (Venugopal 2012:110). However, he cautions against the potential negative impacts of the private sector on post conflict economies. Using post conflict examples from Cambodia, Bosnia-Herzegovina and Mozambique, Venugopal (2012:128-129) concludes that private sector development contributes to the creation and exacerbation of
regional imbalances in development and income levels, as well as ethnic dominance of business. As discussed in the previous section, southern regions of Sri Lanka have experienced greater economic growth in general compared to the North and East provinces. Indeed, a significant portion of this economic activity came in the form of a handful of mega-projects. Such imbalances in development continue to reinforce perceptions that the North and East are deliberately neglected, which might underlie future conflict. Thus, it is important that Sri Lanka policy makers articulate appropriate regulatory and institutional frameworks to mitigate the exacerbation of socioeconomic inequalities.

6.4.2.2 Militarisation of Development

Militarisation has been a problem in the North and East of Sri Lanka throughout the conflict. However, the level of military presence and influence in the former war affected areas is exceptionally high since the end of the war. Since 2009, the Sri Lankan military has played a major role in post war reconstruction of the Northern and Eastern Provinces. After the war much of the North and East of the country, was a war-ravaged wasteland. There was, and remains, an enormous task of rebuilding the physical, economic and social infrastructure that was destroyed during the 30-years of civil war. With its large number of military camps throughout the Northern and Eastern Provinces, the military has become the major player in the post war development process. In the post war era, militarisation in the North is taking place in complex ways at multiple levels. The military began to play an active role in development activities, to the point where permission to implement projects or development work was subject to authorisation by the military (Tamil opposition parliamentarians, personal communication, January 08, 2013). The Ministry of Defence (2013b:n.p) has noted that: "under the government's expedited northern development programme, the Army is extensively involved in a number of infrastructure development projects including road reconstruction, infrastructure development and housing".
According to Sri Lankan President and senior defence officials, major activities in which the defence forces are involved range from infrastructure development to humanitarian assistance. They noted that military personnel are motivated in their efforts to improve the lives of people affected by the civil war (Ministry of Defence and Urban Development 2013b, 2011b). According to one government minister interviewed:

The massive reconstruction effort in the Northern and Eastern provinces could not have been undertaken by the private sector, which generally has a short-term and profit-oriented outlook. Therefore, it is not realistic to expect the country’s private sector to accomplish the challenges of development in the former war zone on its own. Since there are no workable alternatives, it was the Sri Lankan military that took up the challenge of infrastructure development. Our military had and continues to have the trained manpower in sufficient numbers to undertake large infrastructure development projects (government minister and parliamentarian, personal communication, January 09, 2013).

Although the Sri Lankan defence officials consider these activities to be “humanitarian” actions, the military’s role in infrastructure development has not been received positively by the Tamil population due to concerns about the politicization of development work and the role of the military in these projects.

There is evidence of the army's increasing presence in the economy, including scores of army-run restaurants alongside major highways; military-owned farms, souvenir shops and grocery stores; navy control over fishing and the transportation of food as well as the civil-military coordination website listing “tourism” as one of its primary services. Some respondents also claimed that military-run businesses and restaurants undercut local economic opportunities. They also noted that in the rush of bringing new tourism projects to meet increased demand, the government has started appropriating land and various Tamil landmarks in the former war zone (community leaders in Jaffna and Batticaloa, personal communication, January 14 & 16, 2013). In July 2013 a delegation of European parliamentarian raised concerns that the military is becoming a part of everyday life of society, adding that they believed troops were
having an unfair advantage over civilian small businesses in the former war zone (EU Business, 2013). One politician noted that the Sri Lankan army runs about 40 restaurants and motels in Jaffna alone (Tamil opposition parliamentarian, January 08, 2013). The Sri Lankan Army also owns a resort brand and runs hotels to accommodate “war tourism” of former battle sites in the North. The evidence thus far suggests that the benefits of economic development have not been distributed equitably. According to International Crisis Group (2012:4):

Unfortunately, the economic “peace dividend” has yet to be distributed widely or shared equitably with northern Tamils – due to the heavy militarisation of the north, the central government’s tight control over development planning and the nature of Sri Lankan patronage networks for the distribution of government benefits and contracts.

The government developmental goals and priorities in the North and East give a central role to the military both in setting the overall framework for developing the former war zone as well as in everyday decision making and influence at the local level.

The militarisation of the development process in the former war zone, which followed the end of war in 2009, has become normalised and well entrenched (Tamil Guardian 2013). Its impact on the lives of those in conflict-affected areas is visible and severe. Respondents noted that the militarisation undermines democracy, equity, and economic growth in the North and East. Respondents consulted for this study viewed that the military power is used not only to suppress local movements for collective action, but also to promote state-sponsored or state-sanctioned private development projects. Another serious issue related to militarisation is the increasing labeling of legitimate local collective actions as "terrorists" actions of the LTTE sympathisers (nongovernmental organisation representative in Jaffna, personal communication, July 12, 2013; Tamil opposition parliamentarians, personal communication, January 08, 2013). Similarly, community leaders viewed that militarisation deprives local peoples of freedom to initiate community-driven development activities (community leaders in Jaffna, personal communication,
January 14, 2013). In the context of development, these conditions mean local communities have no meaningful direct control over key project decisions, including management of investment funds. Militarisation also makes development less inclusive, arrest empowering poor people in war affected areas, and hinder building social capital.

6.4.2.3 Income Generation

A recent study found that a large proportion of the population in the Northern Province lives below the poverty line (Petersson, Nanayakkara, Kumarasiri & Liyanapathirana 2011). The situation is worst in the Killinochchi district56 where 26 percent of all households live below half the poverty line (Petersson, Nanayakkara, Kumarasiri & Liyanapathirana 2011:13). Most community leaders in the former war zone did not see improvements since end of the war in terms of the development of employment opportunities. They noted that employment opportunities have in fact worsened (community leaders in Jaffna and Batticaloa, personal communication, January 14 & 16, 2013). These views were particularly evident in the East. It is likely that the latter perception is partly a spill-over effect of the detrimental effects on livelihoods of the major floods that took place in 2011 and 2012. The high prevalence of poverty and people’s perceptions about economic opportunities may illustrate the underdeveloped nature of the region’s economy and households’ low capacity for income generation. The most common primary income generation activities in the Northern Province are precarious in nature. Most key informants noted that non-agricultural daily labour (e.g., working in restaurants, commercial establishments and construction projects) is the most common primary income source, while farming is the second most common primary income. While fishing was prominent in Jaffna and Mannar districts prior to the civil war, most respondents noted that restrictions imposed by the Sri Lankan navy have severely curtailed their ability to continue

56 Killinochchi was the administrative center and de facto capital of the LTTE until January 2009, when troops of the Sri Lankan Army recaptured the town.
with fishing in northern coastal areas. While local residents are only permitted to fish between 6 am and 6 pm, these restrictions do not apply to fishing operations owned by the Sri Lankan navy (community leaders in Jaffna and Batticaloa, personal communication, January 14 & 16, 2013).

Lake (1990:19-20) posits that credit services are crucial to enable households to re-establish agriculture production in conflict affected areas. The inability of households to generate enough income or to access credit services to cover essential expenses has resulted in coping strategies including these to raise income or reduce expenses. It is evident that these coping strategies have resulted in high indebtedness and liquidation of assets, such as televisions, mobile phones, jewellery, as well as different livelihood-related commodities like tractors and fishing equipment. For instance, respondents in the former war zone asserted that many households borrow from relatives and neighbours to meet essential expenditures. They also referred to instances where households had to sell or pawn the jewellery and other valuables they possessed (community leaders in Jaffna and Batticaloa, personal communication, January 14 & 16, 2013). From an economic standpoint, these survival strategies lead to a number of suboptimal outcomes. For instance, they can transfer assets from poor households to those that are more economically well off. In the Sri Lankan context, local merchants and middlemen stand to make significant gains in such circumstances. Brown, Langer and Stewart (2008:16) maintain that establishing effective service delivery is a key aspect of the broad development agenda, and is of particular importance – and faces particular obstacles – in the post conflict environment. The failure to establish good service delivery may increase the risk of a return to conflict. Walter (2004) also found strong positive correlations between poor and worsening post conflict living conditions and civil war recurrence.

Inequalities in resource distribution and access to financial resources have far-reaching social and political implications at individual and community levels. The
social implications can be seen in areas like education. As discussed in Chapter five, the spread of educational opportunities has been an important channel of social mobility among the Tamils in the past. It has been a means of equalising opportunities. However, meeting the high costs of children’s education was also mentioned by a number of community leaders interviewed as a significant challenge for many poor households, especially in terms of securing their own long term well-being, since well-educated children are more likely to obtain jobs and financially support the family (community leaders in Jaffna and Batticoloa, personal communication, January 14 & 16, 2013). Community leaders noted that poor female-headed households face severe challenges in this context because they are unable to provide additional educational resources such as private tuition classes, which, over the past decade, have become a widespread, unofficial part of the education system in Sri Lanka.\textsuperscript{57} While exact data is currently not available, some community leaders indicated that many households are paying for private tuition classes for their children (community leaders in Jaffna, personal communication, January 14, 2013). This is a major expense for most poor households, and particularly for female-headed households, in both absolute terms and relative to their overall expenditure. It is important note that they are also required to pay for books, uniforms and in some cases, transportation to school.

6.4.2.4 Youth Unemployment

Stewart (2012:71-74) maintains that employment is a critical issue in most post conflict settings, not simply because it has an impact on horizontal inequalities, but also because youth unemployment is widely considered as a source of conflict causation. Thus, post conflict policies need to give high priority not only to creation of employment, but also to its equitable distribution. As discussed in chapter four, the disenfranchisement of youth was a critical contributing factor to

\textsuperscript{57} These classes are usually taken in preparation for the highly competitive national school qualifying examinations at the end of the 5th, 10th and 12th grades.
the conflict in Sri Lanka. Despite the war coming to an end and a consequent increase in the country's economy and decrease in overall national unemployment (Central Bank of Sri Lanka 2013:17), the divide between the North and the rest of the country continues, with rising unemployment in the Northern Province. Although official unemployment figures for the former war zone are not currently available, respondents identified unemployment as the most critical challenge facing young adults in the former war zone (community leaders in Jaffna and Batticaloa, personal communication, January 14 & 16, 2013). In Jaffna, the impact of unemployment is more severe compared with other areas of the Northern Province. Some estimate produced by local nongovernmental organisations suggests that in Jaffna alone, there are about 6,000 unemployed youth with university degrees (IRIN news 2011b). According to one respondent, “there are some opportunities in the private sector. But most business owners bring employees from the south – they don’t hire locals” (community leader in Jaffna, January 14, 2013). However, one respondent in Jaffna noted that most youth are “unemployable”, because they have no information technology skills and lack English proficiency (Community leader in Jaffna, personal communication, January 14, 2013).

This outcome is not entirely unexpected: The Jaffna youth did not have opportunities to develop skills and pursue higher education during the civil war. While the government has a responsibility to devise programmes to ensure that youth have opportunities for growth and suitable employment, there is a dearth of inclusive recruitment policies. Using the experience of Northern Ireland, McCrudden, Ford and Heath (2004) have demonstrated how inclusive employment policies in the private sector have played an important factor in post conflict reconstruction. Community leaders in the North were particularly sensitive to what they consider to be unfair allocation of public sector jobs (community leaders in Jaffna, personal communication, January 14, 2013). According to one government policy maker, the government is mindful of the unique situation in the North, and engaging public, private and nongovernmental
sectors to generate “balanced” employment opportunities (community leaders in Jaffna, personal communication, January 14, 2013).

Post war policy initiatives have not led to significant reforms or changes in dynamics that excluded young Tamil people from both political and economic spheres. While it recognises the importance of employment, the main thrust of government policy vis-à-vis employment generation in the North and East is to focus on the supply of employment training rather than increasing the demand for labour. Supply-side initiatives have very limited effect on correcting horizontal inequalities in employment. Currently, there are no explicit policies to address the issue of employment generation in the former war zone so as to reduce inequalities between the Tamils and Sinhalese; instead, there is a patchwork of vocational training programmes offered by nongovernmental organisations, government ministries and the Sri Lankan military to train young adults (nongovernmental organisation representative in Jaffna, personal communication, July 12, 2013). The Sri Lankan government has not introduced policies that influence employment inequalities in war affected areas in terms of adequate employment opportunities. Recent experience from Nepal suggests that the emergency employment schemes were an important part of the post conflict employment programmes (Stewart 2012:76). In Sri Lanka, by contrast, most public sector development projects in the former war zone are resources by military personnel and expatriate contractors rather than local population (Community leaders in Jaffna, personal communication, January 14, 2013; Tamil parliamentarian, personal communication, January 08, 2013). An interviewee also alleged that government has deliberately ignored Tamil educational institutions in the East in the selection of institutions for introduction of technical education under advanced level technical education programmes. Consequently, the Tamil students in the East stand to lose any chance of learning technical education because of this discrimination, although there are over 100 institutions eligible for such educational programmes (nongovernmental organisation representative in Jaffna, personal communication, July 12, 2013).
Most studies (for example, Keen 1998; Stewart 2012) of the socioeconomic drivers of conflict agree that a lack of employment opportunities, especially for young men, increases the risk of conflict. As discussed in Chapter five, unemployed Tamil youth formed the foundation of the Tamil rebellion. The continuing socioeconomic exclusion has implications, not only for post war peace-building efforts, but also for long-term stability of the country. Community leaders consulted for this study noted that young Tamil people are very aware of and affected by the surrounding decay of political and economic opportunities in the post war era. Opinion by Tamil youth characterized by disillusionment with the current situation in war affected areas, was coupled with a strong degree of cynicism of government’s reconstruction and peace-building efforts (Community leaders in Jaffna, personal communication, January 14, 2013). This obviously has implications for sense of hopelessness being accepted by young people and reinforced. Youth apathy may hold as many risks for future youth mobilisation towards violence. This is significant because collective mobilisation of youth for the purpose of armed insurgency was a key driver of the Sri Lankan conflict. An emerging disillusionment and resulting disinterest among many youth in social change and transformation could be a significant source of grievance; as such, it is important to avoid or correct them in post war setting.

6.4.2.5 Issue of Land

As discussed in chapter four, land in the former war zone has been a highly politicized and ethnicised issue that is closely tied to the conflict. As Elhawary and Pantaliano (2013) have noted, the demand for land reform can be particularly important issue in societies undergoing post conflict transition. Thus, as the North and East of Sri Lanka attempt to transition from civil war to peace, a key issue to address is that of land. Given the importance of land at the individual, household and community levels, the ownership, control of, and access to land are important components in ushering in sustainable peace.
Evidence thus far suggests that the Sri Lankan policy makers have not articulated strategies that address the productive use of land and the needs of the war affected people in the North and East. According to community leaders and nongovernmental organisation representatives in war affected areas interviewed for this study as well as media reports, Sri Lankan government appears to be involved in land issues in the war affected areas by taking over land for security purposes or under various government ministries (community leaders in Jaffna and Batticoloa, personal communication, January 14 & 16, 2013; nongovernmental organisation representatives in Jaffna and Batticoloa, personal communication, July 12 & 19, 2013; TamilNet 2013a, 2013b). They also believe that the government is also supporting and, in some cases, sponsoring people from the Sinhalese community from central and southern regions of the country to settle in the North and East.

The Sri Lankan military and government continue to occupy large tracts of land previously owned by Tamils (Sumanthiran 2013; TamilNet 2013c). The government has taken over land that either belongs to Tamils through the creation of high security zones (HSZs). In some cases large areas of land are taken over through executive orders making the land seizure permanent. Small areas of land are also taken over unofficially, for military camps or military installations. According to the North East Secretariat for Human Rights, 220 sq. km (one-third of the total land area of Jaffna district) has been taken over for the HSZ, displacing an estimated 70,000 people (North East Secretariat on Human Rights, 2005: 5). Some HSZs are located on the coast, which affects fishing, while a large part of the area taken over is arable land that was used for farming. In August 2004, the Supreme Court of Sri Lanka ruled in favour of returning land to people displaced by the HSZ and asked the army to explain the security need for appropriating land (Centre on Housing Rights & Evictions 2009:9-10). However, NGOs working in the former conflict zone noted that despite this decision there has been little effort by the government to return land to people
The military seizure of land is causing damages in a number of ways: loss of land; direct competition with local farmers; and, competition for resources (such as water). Despite complaints by residents and local politicians, the situation has become contentious, with the military trying to seize more land in the former war zone (nongovernmental organisation representatives in Jaffna and Batticoloa, personal communication, July 12 & 19, 2013). Tamil politicians and community leaders maintained that many Tamil communities could not return to their ancestral land they vacated during the final phase of the war because it was seized by the military (community leaders in Jaffna and Batticoloa, personal communication, January 14 & 16, 2013; Tamil opposition parliamentarians, personal communication, January 08, 2013). One politician noted “more than 3,000 acres that Tamil farmers used for farming before they fled are now under military control” (Tamil opposition parliamentarian, personal communication, January 08, 2013).

The Sri Lankan military is also involved in various committees set up by the government to address land issues in the North and East. The military’s increasing control of administrative decisions in the former conflict zone, including distribution and use of land, has turned the issue of land ownership into a deeply politicized and ethnically charged issue. Given the distribution of state land in the North and East to rural Sinhala peasantry was a contributing factor to the conflict, the continuing encroachment of land in Tamil dominated areas by the state is likely to become a critical socioeconomic issue. This is referred to in the literature either as illegal occupation of land (Fonseka & Raheem 2010) or as land grabbing, which is when members of one ethnic group illegally occupy land belonging to another ethnic group, a practice that increased when majority Tamil areas were occupied by the Armed Forces and when majority Muslim areas were occupied by the LTTE (Angel 2008).
Another post war trend is that administrative and developmental decisions in the North and East are frequently taken by the military in consultation with the Presidential Task Force for Resettlement, Development and Security in the Northern Province (Ministry of Defence and Urban Development 2013e). The Task Force was established in 2010 with a mandate “to prepare strategic plans, programmes and projects to resettle internally displaced persons, rehabilitate and develop economic and social infrastructure of the Northern Province” (Ministry of Defence and Urban Development 2010:n.p.), but some local leaders see it as a military enterprise with strategic goals. They feel that the government’s primary goal is to change the demographic composition of the North by limiting Tamil resettlement (community leaders in Jaffna, personal communication, January 14, 2013). According to Suryanarayan and Bonofer (2011:n.p.):

The Sri Lankan Tamils, with justification, feel that Colombo is determined to change the demographic character of the north just as they did in the eastern province after independence. The establishment of army cantonments in the north and provision of housing facilities to Sinhalese soldiers will lead to permanent settlement of Sinhalese in the Tamil areas. The induction of the Sinhalese is taking place at a time when many Tamils have gone to foreign countries in search of asylum.

This sentiment of occupation was repeated by those interviewed in the war affected areas (community leaders in Jaffna and Batticoloa, personal communication, January 14 & 16, 2013). The evidence, they argue, can be found in government actions, including attempts to change the demographic patterns of Tamil areas through various land redistribution schemes. The appropriation of Tamil-owned has also prompted accusations against the government of Sinhalese colonisation of the North, akin to the Mahaweli scheme settlement (discussed in Chapter five) in which over a million farmers (mostly Sinhalese) were given land in the central and north-eastern regions, exacerbating tensions with Tamils who saw those areas as part of their traditional homelands.
6.4.3 Social Inequalities

Stewart (2002) notes that a group’s relative performance in social dimensions is an important source of individual welfare and can cause serious instability. Chapter four revealed that social forms of inequality – differences in access to social services – were important factors in the outbreak of violence in Sri Lanka. These findings are consistent with conclusions from other case studies on the onset of conflicts that demonstrate that sharp social inequalities between ethnic groups have a major impact on the outbreak of civil war (for example, Mancini 2008; Stewart 2002, 2008). Social horizontal inequalities are affected by changes in government policy. The analysis in this section will concentrate on social horizontal inequalities, and will consider the multiple dimensions through which inequality could be manifested and recreated in the post war era.

6.4.3.1 Food Insecurity

It is estimated that approximately 360,000 persons were internally displaced in the Northern Province during the entire war period. While the exact number is unknown, an estimated 250,000 persons were displaced in the final stages of the war, in late 2008 and early 2009 (United Nations 2009:n.p.). Since the end of the war, there was a significant resettlement of Tamil households in the former war zone, especially those households who moved into camps for the internally displaced during the latter stages of the war. A recent assessment found that more than 60 percent of households in the Northern Province remained food insecure, while 46 percent moderately food insecure and 15 percent severely food insecure (Petersson, Nanayakkara, Kumarasiri & Liyanapathirana 2011:77-78). The trend and severity of food insecurity are particularly higher in some areas in the former conflict zone like Killinochchi. Low-income levels and high food prices have led to weak purchasing power of households in the North and East. As a result, among households in the Northern Province, there are signs of asset depletion, high indebtedness and adaptation of relatively serious coping
behaviours. In Vavuniya and Jaffna districts of the province, the level of food insecurity among recent returnees from post war refugee camps is particularly worrisome. Dietary intake also shows a clear deterioration from 2010 to 2011 among returnees from refugee camps in the Northern Province (Petersson et al 2011:86-87).

Studies on internally displaced populations recognise the need for various levels of relief assistance, protection and livelihood support. Recognising people’s responses to livelihood-related and protection risks, a number of studies (for example, Jaspars 2009; Kulatunga & Lakshman 2010) have emphasised comprehensive approaches, integrating protection and livelihood support as key programme strategies, including access to markets, strengthening services, and supporting advocacy to ensure the government meet its responsibilities with regards to livelihood resources. However, a number of respondents commented that there is a severe lack of social welfare and basic services geared to recently returned internally displace persons (IDPs). Both community leaders and nongovernmental organisation representatives in war affected areas attributed food insecurity among the recently returned IDPs to a number of policy and infrastructural factors (community leaders in Jaffna and Batticoloa, personal communication, January 14 & 16, 2013; nongovernmental organisation representatives in Jaffna and Batticoloa, personal communication, July 12 & 19, 2013). According to them, families that have been returned and resettled in the war affected areas of Kilinochchi, Mannar and Mullaitivu have very limited employment opportunities, income and livelihood support. Most of the people in these areas are either farmers or fishermen, but they are unable to return to cultivation or fishing in most areas for security military-imposed fishing restrictions and because of uncleared landmines. And, in some areas like Mannar and Kilinochchi, cultivation occurred for one season, but some people have no access to their land. NGOs in Kilinochchi also noted that food assistance played an important role in maintaining adequate food supply for the recently returned refugees (nongovernmental organisation representatives in Jaffna,
But, as food assistance has been gradually scaled down, a nongovernmental organisation involved in humanitarian assistance noted that the dietary intake of households has shown significant deterioration, to levels below what is required (nongovernmental organisation representative, personal communication, January 19, 2013).

The need for food among the not recently returned population is of similar severity as the recently returned refugees. This is a concern for local organisations because long-term returnees are typically not the focus of assistance provided by the government. Relatively few key informants stated that there was a retail food shop in their village, constituting a potential impediment to food access. Other stark observations included borrowing food from friends or relatives, or food purchasing on credit, as well as more extreme coping mechanisms like reducing the number of meals per day (community leaders in Jaffna, personal communication, January 14, 2013). It should be noted, however, that some key respondents from the Jaffna district in the Northern Province indicated more positive trends in food availability than in other districts in the province. They noted that food availability had improved since the end of the war but in many other districts respondents said they did not observe any positive changes (government policy makers, personal communication, January 11, 2013; community leaders in Jaffna, personal communication, January 14, 2013).

The disruption to agricultural activity and residential displacement can severely curtail agricultural production and increase food insecurity. In 2009, the World Food Programme (WFP) was feeding 280,000 people in temporary transit camps set up in the conflict zone by the Sri Lankan government. Three years since the end of the war, the provision of international food assistance is declining. Many households who received food assistance in 2010 were no longer receiving any food assistance as they completed the permissible time (nongovernmental

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58 Under the World Food Programme’s cash/voucher programme, beneficiaries receive vouchers valued at US$11 per month per person for a six-month period (government policy makers, personal communication, January 11, 2013).
organisation representatives in Jaffna, personal communication, July 12, 2013). The respondents noted that the proportion of former internally displaced households in some districts (like Mullaitivu) which received assistance has completely diminished. Given that agriculture is a major source of income generation in many conflict-affected economies, Collier and Gunning (1994: 16) maintain that there should be a social premium upon investment in agriculture. Some government policy makers agreed that it is necessary to expand the coverage of the government-sponsored Samurdhi National Programme for Poverty Alleviation to food insecure areas of the Northern Province (government policy makers, personal communication, January 19, 2013). In addition, Tamil politicians asserted that attention should be given to the review of land use policies to resolve the lack of land and to the scaling-up of agricultural extension services for farming and livestock (Tamil opposition parliamentarian, personal communication, January 08, 2013).

The Sri Lankan post war policy choices vis-à-vis socioeconomically vulnerable people in the North and East run counter to successful poverty reduction strategies undertaken in some post conflict countries. For instance, investments in social services explain the relatively peaceful legacy of Ghana. In the mid-1990s, conflict broke out in the northern region, but substantial government spending on infrastructure and social welfare schemes contributed to the containment of violence and the restoration of peace (Snyder & Bhavnani 2005). Although a significant amount of time has now passed, the Sri Lankan government has shown little inclination to resolving income and livelihood support issues. In the context of income-generating opportunities, difficulty of accessing sufficient areas of land for cultivation was widely reported by interviewees, particularly in the Jaffna district (community leaders in Jaffna, personal communication, January 14, 2013). In some areas land allotment were

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59 The main thrust of the Samurdhi Programme is poverty reduction by ensuring participation of the poor in the production process. Implicit in the strategy is the enhancement of the health and nutritional status of the poor (Samurdhi Authority of Sri Lanka 1998).
made in the 1960s, which was adequate for food production at that time. The growing population since then and the effects of the war has put pressure on the limited resources. The large areas of government land and the possibility of increasing its productivity are possible solutions for current challenges. Although the size of high security zones has shrunk recently and access for fishing, cultivation and return has improved, a large area of land in the former conflict zone is still under the control of security forces. In addition, restrictions in movement and use remain a constraint for livelihoods in some areas in the former war zone. However, at the time of this research, the Sri Lankan government has not articulated any programmes or policies to address these deficiencies.

Collectively, the above-mentioned conditions in war affected areas have led to several negative outcomes at individual and community levels. In most instances people were provided a minimal basic support at the initial stages of resettlement after the war ended. Many respondents in the North and East commented that there are many reports of people unable to get back to the areas where they came from. The most important issue here is the support given by the government in resettling people affected by the last stage of the war, is far below than what is required to meet basic needs (community leaders in Jaffna and Batticoloa, personal communication, January 14 & 16, 2013; nongovernmental organisation representatives in Jaffna and Batticoloa, personal communication, July 12 & 19, 2013). Over the past three years there has been very limited alleviation of this problem. The inhabitants in war affected areas are yet to receive tangible benefits from development projects by way of their access to public goods and service. Criticism has also been levelled especially at the lack of access to educational, health and social services in many war affected areas (IRIN news 2013a, 2013b; IRIN news 2012).
6.4.3.2 Human Rights

Like in many conflict-affected countries, issues of human rights are at the core of development and stability in Sri Lanka. Human rights scholars and practitioners have long argued that the different categories of human rights (civil, political, economic, social, and cultural) are inalienable, indivisible, and interdependent (Boyle 1995; Landman 2005). Human rights, conflict, post conflict peace and development are inextricably linked. Denial of human rights, or failure to protect human rights, means that basic human needs, related to access, acceptance and security, are frustrated. According to O'Neil and Piron (2003:3-4):

The main value of adopting a human rights approach is that the beneficiaries of development are considered to be right-holders, not subject to charity, and are thus able to make legitimate claims on governments for their rights to be respected. This applies not just in the area of civil and political rights (for example, the right to a fair trial, to vote), but also in the social and economic spheres (for example, right to education, labour rights). Such an approach highlights obligations and duties that governments have to ensure that they do not engage in discriminatory practices, provide protection against discrimination, and take positive steps to promote respect for equality, both in terms of treatment and outcomes.

Political, socioeconomic and cultural exclusions highlight how people are often deprived of different things at the same time (e.g., citizenship rights, opportunities for employment, social services). From a human rights perspective, self-determination, usually conceived of in terms of rights, can be understood as a collective need for identity, freedom and security (O'Neil and Piron 2003:7-9). In other words, human rights realisation is a means to satisfy basic human needs, because it helps to secure the goods, services and conditions necessary to meet them. The close relationship between human rights and basic human needs also helps to explain why social tension usually arises when people cannot exercise their rights, as they cannot dismiss their underlying basic needs. The United National Development Programme takes a more human rights-centric approach to human development that includes an analysis of social protection, basic services and livelihoods (United Nations Development Programme 2000). This
approach acknowledges the integral connection with human rights as a means of ensuring the freedom, well-being and dignity of all people.

The post war human rights situation has been criticised by both national and international human rights organisations. For example, the United Nations Human Rights Council (UNHRC) passed two resolutions in 2012 and 2013 requesting the Sri Lankan government to conduct an independent and credible investigation into alleged war crimes, and voiced concern at reports of continuing human rights violations. It also expressed concern at reports of enforced disappearances, extra-judicial killings, torture, threats to the rule of law, religious discrimination and intimidation of civil society activists and journalists (United Nations Human Rights Council, 2012, 2013a). One nongovernmental organisation commented that:

The respect for basic rights has declined in Sri Lanka since the government defeated separatist Tamil rebels. Sri Lankan government views human rights are not essential to meet the immediate needs of post-conflict reconstruction. Government leaders also believe that the local political culture is not accepting the western notions of human rights (nongovernmental organisation, personal communication, January 19, 2013).

Although various reports have detailed numerous cases to demonstrate that violent repression of dissent and consolidation of political power have been mutually reinforced under the current government (for example, Amnesty International, 2013; United States Department of State 2012b), the Sri Lankan government has consistently denied committing any human rights abuses or violations of international humanitarian laws during the final stages of the war (Ridgwell 2013; Thottam 2012). The Sri Lankan government’s official attitude towards those who question its human rights record has been to label them as

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60 Allegations of war-time human rights abuses and violations of international humanitarian laws included: the Sri Lankan government knowingly shelling a UN field hospital; denying adequate food and medicine to civilians in the no-fire zone; and firing heavy weapons into an area full of civilians. It is important to note that unlike in some conflict situations (e.g., Syria, Iraq and Libya), there were no independent observers in the war zone in the war against the LTTE. The Sri Lankan government refused to allow journalists or international aid agencies to document ground situation in the war zone. Consequently, the calls for accountability began only after the war ended in 2009.
‘traitors’. As Amnesty International (2013b:n.p) notes, “since the 2009 end of the civil war, the Sri Lankan Government with its official attitude that equates ‘dissent’ with ‘treason’ is intensifying its efforts to literally stamp out its critics”. Sri Lanka has established a Human Rights Commission in 1996 to protect and promote human rights and rule of law. However, Hogg (2011:6) notes that the lack of substantive independence for the commission has deepened the impunity with which state officials and security forces can violate the law, and has directly contributed to a situation where there has been no independent investigation into any of the alleged human rights violations.

In response to domestic and international criticism of past and present human rights violations (for example, Amnesty International 2010, 2012b; Human Rights Watch 2010, 2013a; United Nations Human Rights Council 2013b), the government often claimed its commitment to implement the recommendations of the Lessons Learnt and Reconciliation Commission (LLRC), as a strategy in the post war reconciliation process (Presidential Secretariat of Sri Lanka 2013).61 Appointed by President Rajapaksa in 2010, the LLRC was mandated to report on lessons to be learnt from the events from February 2002 to May 2009, their underlying concerns and to recommend measures to ensure that there will be no recurrence of conflict. The LLRC was mandated to report whether any person, group or institution directly or indirectly bears responsibility in events that occurred during the final seven years of the war. It was to recommend measures to be taken to prevent the recurrence of such concerns in the future, and promote further national unity and reconciliation among all communities (Presidential Secretariat of Sri Lanka 2010a). The government claimed that:

This inquiry stems from the President’s overriding interest in the need for restorative justice by the Sri Lankan people. Its findings will seek to take the Sri Lankan nation towards the common goals of a multi-ethnic polity, in a spirit of cooperation, partnership and friendship, learning the lessons

61 In several post conflict states, similar structures have been set up to investigate human rights abuses or violations of international humanitarian laws. Examples include: Truth and Reconciliation Commission (South Africa); Commission for Reception, Truth and Reconciliation in East Timor; Historical Clarification Commission (Guatemala); and, National Commission for Reparation and Reconciliation (Colombia).
from recent history to ensure that there will be no recurrence of such tragic conflict in the future (Presidential Secretariat of Sri Lanka 2010b:n.p).

However, the eight-member LLRC has been accused of being partial to the governing regime, not protecting witnesses and of having an inadequate mandate to investigate war crimes’ allegations (Amnesty International, 2010). A number of national and international nongovernmental organisations, such as Human Rights Watch, Amnesty International and International Crisis Group publicly declined the LLRC’s invitation to testify in public hearings, citing its failure “to meet basic international standards for independent and impartial inquiries” and “government failure to address impunity and continuing human rights abuses” (Amnesty International, 2010:n.p.).

According to one respondent, the government’s rationale for the LLRC is not to account for violations of international humanitarian and human rights law during the civil war, but rather “to block any international probe into the allegations of war crimes. In reality, the commission’s work is propaganda for the government” (nongovernmental organisation representative, personal communication, January 18, 2013).

In October 2010 the government established the Inter-Agency Advisory Committee to implement the LLRC's interim recommendations. The interim report highlighted five areas where immediate action was required. The Sri Lankan government accepted these interim recommendations in the areas of: (1) detention; (2) land issues; (3) law and order issues; (4) administration and language issues; (4) socioeconomic and livelihood issues (Ministry of External Affairs, 2010). Although the state media reported that the government will implement the interim recommendations, they remained largely unimplemented (Jayawardene 2012). The LLRC's final report released in 2011 admitted that there had been no progress in the implementation of its interim recommendations

62 The independence of membership of the LLRC has been questioned by various national and international organisations. Both the chairman of the LLRC, C.R. de Silva, and commission member H. M. G. S. Palihakkara were senior government representatives during the final year of the war. They publicly defended the conduct of the government and military against allegations of war crimes (for example, Amnesty International 2010; Centre for Policy Alternatives 2012).
(Lessons Learnt and Reconciliation Commission 2011:171-175,302,308). In addition, the final LLRC report recognised that there were significant civilian casualties, and acknowledged, for the first time, that grievances have contributed to the civil war. It also made a number of recommendations on governance, land issues and the need for a political solution (Lessons Learnt and Reconciliation Commission 2011:308,341,355,361,369). However, the LLRC’s final report was criticised for not providing a thorough and independent investigation of alleged violations of international humanitarian and human rights law that the national and international organisations have been asking for (Amnesty International 2011; Centre for Policy Alternatives 2012; International Crisis Group 2011a). International Crisis Group (2011a:n.p.) noted that without an independent investigation, “accountability for the crimes committed at the end of the civil war is highly unlikely; without accountability, and a full understanding of the nature of the violations which took place on all sides, the seeds of future conflict will grow”.

In March 2012, the Sri Lankan government announced the formulation of an action plan to implement the recommendations of LLRC. In a speech to the United Nations Human Rights Council, the government’s special envoy on human rights stated that:

The government will continue to address these issues in a systematic and thorough manner. Some of the areas in which gains have been made include the resettlement of IDPs; demining; rehabilitation of ex-combatants; implementation of the language policy; the recruitment of Tamil speaking police officers; the removal of the military from facilitation of civil administration in the north making available land previously used for security purposes for resettlement/return; and carrying out a comprehensive census in the Northern and the Eastern Provinces. There are also other recommendations in the Report which need to be comprehensively addressed (Samarasinghe 2012:n.p.).

However, many respondents noted that the release of an action plan has done very little to address human rights issues in war affected areas. The government neither investigated alleged war crimes and human rights violations nor has it established independent institutions to hold state agencies and military accountable (Tamil community leaders, Jaffna and Batticoloa, personal
communication, January 14 and 16, 2013; Tamil opposition parliamentarian, personal communication, January 08, 2013; nongovernmental organisation representatives in Jaffna, personal communication, July 12, 2013). They particularly singled out a number of LLRC recommendations that the government has not yet implemented, including meaningful demilitarisation of the North and East; reducing the size and role of military in civilian affairs in the North and East. In addition, military-supported settlement of Sinhalese in the North and East, continued displacement due to illegal land takeovers by the military, surveillance of the civilian population in the North and East, military involvement in commercial activities as well as in implementing development and humanitarian activities were identified as examples of government’s lack of commitment to implement LLRC’s recommendations.

Examining the processes underlying human rights highlights the way in which inequality is experienced according to the identity and characteristics of individuals and communities. Recent reports on the poor human rights situation in Sri Lanka suggest a connection between poverty, social exclusion, access to land and human rights abuses (for example, United States Department of State 2007; Human Rights Watch 2007; Amnesty International 2007). These factors are likely to manifest at individual and community levels in a number of ways. As highlighted by a number of respondents, poor individuals and households lack social networks, for example those that can connect them to employment opportunities or link them to health services. Also, intra-household inequalities mean that women can be chronically poor even in a household that is less poor (Tamil community leaders, Jaffna and Batticoloa, personal communication, January 14 and 16, 2013; nongovernmental organisation representatives in Jaffna, personal communication, July 12, 2013). Equally, poverty is also a source of indirect discrimination, such as social stigma associated with external signs of poverty. More importantly, poor people are also prevented from claiming their rights because of a lack of income and capabilities, although inequality and discrimination may exist without significant levels of poverty. They are less likely
to be able to pay the transportation costs, or bribes, associated with going to court to equally claim their rights, and may be less comfortable with formal legalistic procedures.

One of the ways intersection of human rights and exclusion is manifested for female Tamils in war affected areas is in their exposure to serious forms of violence. Media reports (Ashok 2013; Asian Human Rights Commission 2013; TamilNet 2013d, 2013e) have highlighted sexualized violence in war affected areas. In addition, sexualized abuse of detainees by Sri Lankan government forces has been documented. Human Rights Watch (2013b) reports that Sri Lankan security forces continue to detain mostly Tamil women and men, accuse them of being affiliated with the LTTE, and subject them to sexualized violence. A representative of a nongovernmental organisation in the North noted that members of the military have attacked community activists who have documented state-sponsored violence, and female activists in particular are sometimes targeted with sexualized violence. Also, local nongovernmental organisations are forced to seek permission from local military administrators to work on issues of sexualized violence, which means that most organisations are thus prevented from working on the issue at all (nongovernmental organisation representative in Jaffna, personal communication, July 12, 2013). According to Cramer (2009:8), there is an undeniable link between poverty and sexual violence. Sexual violence can jeopardize a person's economic well-being, often leading to homelessness, unemployment, interrupted education and health, mental health, and other daily stressors and struggles. In turn, living without one's basic needs fulfilled and being powerless can increase a person's risk for sexual victimization. As Human Rights Watch (2013) suggests, perpetrators of sexual violence in war affected areas target individuals who seem vulnerable whether due to race or ethnicity; they exploit victims and survivors caught in catch-22 situations created by poverty and exclusion.
These outcomes echo the argument that human rights, political, socioeconomic and cultural inequalities are interconnected. Therefore, the lack of human rights could have a considerable impact on Tamils’ ability, especially those in the war affected areas, to redress inequalities. Second, the evidence to date suggests that human rights abuses may be connected to resource distribution as ‘rent-seeking’ elites in the government trying to maintain their disproportionate share of resources in the North and East. Some interviewees pointed out instances where military officials as well as governing party politicians and officials have obtained lucrative infrastructure development contracts in the North and East (community leaders in Jaffna and Batticaloa, personal communication, January 14 & 16, 2013). Third, the lack of human rights offers limited institutional mechanisms for Tamils in the war affected areas to channel their grievances in ways that can reduce their social and political precariousness in a peaceful and democratic manner. It could be argued that when individuals find that they cannot realise their human rights, they are likely to express discontent. If they cannot do so peacefully (e.g. through political mobilisation pressure), or if they are not feeling heard or acknowledged over a long period of time, they may resort to violence to ensure attention to the desired change.

6.4.4 Cultural Inequalities

Culture, Langer and Brown (2008:42) argue, plays a fundamental role in framing socioeconomic and political horizontal inequalities in Sri Lanka. If one accepts that there is a link between how government policy translates into real and perceived cultural exclusion, then policy interventions should be more concerned about addressing their effect on horizontal inequalities. Chapter four outlined the links between culture and mobilisation of the LTTE, based on the grievance that Tamil cultural practices and customs are differentially recognised in and by the Sri Lankan state. Sri Lanka has historically privileged majority Sinhala-Buddhist identity over others – the country’s post independence constitutions went as far as ascribing a privileged place for Sinhala and Buddhism. Arguably, then, post
conflict policies could be tailored to lessen horizontal inequality as a way of lessening grievances that can spark violence. Given cultural inequalities were a contributing factor to the ethnic conflict in Sri Lanka, this section will analyse whether the post war policies are directed toward meeting cultural needs and whether they are sensitive enough to prevent conflict recurrence.

6.4.4.1 Post War Consolidation of Sinhala-Buddhist Nationalism

Sinhala-Buddhist nationalism has played a critical role in the onset of the inter-ethnic conflict between the majority Sinhalese-run state and the LTTE (discussed in chapter four). The dominance of Sinhala-Buddhist ideology has penetrated many aspects of Sri Lankan politics and society (DeVotta 2007; Jayasundara-Smits 2011; Wijeyeratne 2012; Gunawardana 1979). During the final phase of the war (2005-2009), the governing regime received an unprecedented level of support from the political coalition of Sinhala-Buddhist nationalist formed against the LTTE (Ridge 2007a, 2007b; Sengupta 2007). Since coming to power in 2005, the government led by President Rajapaksa projected the military campaign against the LTTE as a patriotic war. In this patriotic narrative, the state’s mandate is defending the nation of Sinhala-Buddhists. It is a patriotism that defends challenges to state’s interest and, by extension, the interests of the Sinhala-Buddhists majority. Thus, the government mobilised support from Sinhala-Buddhist nationalist parties holding extreme views. As a result, during the civil war, Sinhala-Buddhist nationalists argued vociferously against any self-determination for the Tamils in the North and East, including even the measure of autonomy that most observers believe was necessary for peace (Ridge 2007a). The defeat of the LTTE and consolidation of the centralised state has strengthened the supremacy Sinhala-Buddhist nationalism. With this supremacy there are new articulations of the nationalist discourse. As Gunasekara (2012:n.p.) notes:

Sinhala supremacism does not accept the existence of an ethnic problem. According to this worldview, the war happened because the Tamils forgot their status as permanent guests and made unfair demands – initially
language rights and then the right to their own state. According to the Sinhala supremacist worldview political solution based on devolution is not only unnecessary but also dangerous; by accepting the minorities as co-owners of the country with inalienable rights, a political solution would undermine the natural hierarchical order, paving the way for the destruction of the land, the race and the religion.

The Sinhala-Buddhist nationalist narrative provided the ideological and social base for a state buttressed by the military establishment and controlled by a powerful centralised state (DeVotta 2007:29-33; McGowan 2012:n.p.).

Since the end of the war, the Sinhala-Buddhist discourse on nationalism has become even more susceptible to political manipulations in a fiercely competitive political arena. Today, this is particularly apparent among the various political factions of the Sinhalese majority, where competition for state power and resources has intensified. According to some interviewees, the present Sinhala-Buddhist discourse on nationalism is a cultural revivalist movement rather than a political reform movement, supported primarily by some segments of Buddhist clergy as well as country’s Sinhala-Buddhist social and political elites (media personnel, personal communication, January 24, 2013; nongovernmental organisation representatives, personal communication, January 19, 2013). For instance, a number of hardliners of Sinhala-Buddhist political movements have gained an important voice, as members of the overall ruling elites, in national politics. The National Heritage Front63 (known locally as Jathika Hela Urumaya or JHU is a constituent party of the current governing coalition) and the Buddhist Power Force (known locally as Bodu Bala Sena or BBS) are perhaps the two most prominent new political movements that have been led by Sinhala-Buddhist nationalists. These groups have become extreme vocal opponents of devolution.

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63 The JHU was established in 2004. The Buddhist clergy, who publicly claims to represent the majority Sinhala-Buddhist interests, leads the JHU. It also wishes to re-establish pre-colonial Sri Lanka on the basis of the values and principles of Buddhist and Sinhala culture (Deegalle 2006b). Formed in 2012, the BSS aims to: halt family planning services offered by state health institutions; replace various legal systems used in the country with a single legal system; preferential treatment in university admission for students who attended Buddhism classes; use of Buddhist monks in government schools to teach history and other classes; and no solution for the country’s ethnic problems which was based on race/religion (Edirisinghe 2012).
of power to Tamils and vociferously oppose the implementation of the 13th amendment to the constitution (Balachandran 2013; Srinivasan 2013b). The JHU is also vocal in reclaiming vast areas of land in the North and East of the country. Some interviewees noted that these plots of land, which Tamils regard as their homelands, were originally donated to the Buddhist temples before the British had arrived and are now claimed to belong to the Sinhala-Buddhist cultural heritage (community leaders in Jaffna and Batticoloa, personal communication, January 14 & 16, 2013).

Recently, Sri Lanka has also witnessed a sharp increase in religious violence, spreading from Buddhist attacks on Muslims and Christians, and counter attacks by aggrieved Muslims (Haviland 2011c; Sivayogalingam 2013; Vatican Insider 2012). The hardline Buddhist nationalistic groups led by the BBS have targeted the Muslim community’s religious, cultural and personal practices and norms (Samaranayaka 2013; Stewart 2013). Following the success of Hindu fundamentalists in neighbouring India, who have passed anti-conversion law in six Indian states (American center for Law and Justice 2009), legislators from the JHU drafted a similar bill that would outlaw the conversion, “by the use of force or by allurement or by any fraudulent means” of a person from one religion to another (Centre for Policy Alternatives 2013). The United States Department of State’s 2012 International Religious Freedom Report on Sri Lanka stated that there were various reports of abuses of religious freedom. Although the government publicly endorsed religious freedom, in practice there were serious problems in many areas. The report noted that:

Buddhist monks were under the protection of the ruling coalition government. Some monks, particularly outside the capital of Colombo, operated with impunity in trying to eliminate Christian and Muslim places of worship (United States Department of State 2012a:6).

Sri Lanka’s nationalist Buddhist monks are at the frontline of Sinhalese-Buddhist nationalism, which views all minorities as outsiders (Ghosh 2013; Hayward 2011). The Buddhist Power Force recently asked its followers to “defend the country from Muslims and Christians” (Agenzia Fides 2012). In this context,
minority groups in Sri Lanka have become the scapegoat of the Sinhala-Buddhist nationalism, as their very existence is considered to be not in harmony with Sinhalese nationalistic values.

Ethno-religious nationalism in and of itself is not enough to usher racial and religiously inspired violence. However, the acquisition of power by the Buddhist nationalists in the post war era was a pivotal component in fusing Buddhism into the Sinhalese identity and forging the Buddhist religious violence (Zhu, 2010). They have fashioned a national identity in which the Sri Lankan, Buddhist and Sinhala identities are ideal substitutes. A number of factors have accounted for this marked increase in state-sponsored Sinhala-Buddhist hegemony and violence. First, the defeat of the LTTE and the regaining of the LTTE controlled areas in the North and East of Sri Lanka, in a number of ways, paved the way for the further consolidation of Sinhala-Buddhist ethno-religious hegemony and sentiments in Sri Lanka. According to Athukorala and Jayasuriya (2012: 13) “the aftermath of the military victory, the political message that came through the various pronouncements and proclamations of the government and the leaders was the strong assertion of Sinhala Buddhist hegemony in the socio-political life of Sri Lanka”. This notion of supremacy has justified the exercise and dominance of majoritarian hegemony over minority communities and their religious, linguistic and cultural identity. Although debates about religious beliefs and practices are an important part of democracy, this requires that those engaged in such a debate demonstrate a commitment to principles of democracy and inclusiveness. More often than not, the Sinhala-Buddhist nationalists do not pass this important test. Instead, in the post war political context, they have clear political and economic vested interests in pursuing an ethno-religious nationalism, and they are not committed to genuine inter-group equality and have the power to influence state mechanisms in their favour. Moreover, they have shown that they have little respect for democratic principles such as rule or non-discrimination. On the contrary, the recent anti-Muslim acts have shown that Sinhala-Buddhist nationalists are willing to use any means possible to maintain their hegemony.
Second, the weakening of democratic institutions and rule of law, the constriction of civil and political rights has opened a fertile ground for hardline nationalists. In the post war period, Sri Lanka witnessed a steady erosion of rule of law and political rights (Fonseka 2013; Jayasuriya 2013; Hensman 2013). Referring to independence of the judiciary, the country’s former Chief Justice commented that: “the very tenor of rule of law, natural justice and judicial abeyance has not only been ousted, but brutally mutilated” (Hensman 2013:n.p.). This allowed various hard-line Sinhala nationalist groups to be mobilised effortlessly by the state for purposes of political interests. An interviewee claimed “the use of Sinhala-Buddhist rhetoric has been one of the most effective mode of politics available to Sinhala-Buddhist political elite and the state, when it comes to tying the Sinhala-Buddhist majority into a nation” (media personnel, personal communication, January 24, 2013). Third, the consolidation of Sinhala-Buddhist nationalism is complemented through the concentration of power in the hands of a limited number of Sinhala-Buddhist governing elites. One of the intriguing facts to witness in Sri Lanka, is the large number of Buddhist monks and laypeople directly dominating the political scene with an ethno-nationalistic orientation (Deegalle 2004; Schalk 2006). Schalk (2006:139) calls this “political Buddhism” and the ultimate political aim of it is “ethnic homogenisation and political centralisation”.

Langer and Brown (2008:42) argue that “an important link between culture and group mobilisation, including violent conflict, is the extent to which cultural groups’ practices and customs are differently recognised in and by the state”. Chapter four explained how political, economic and social issues were complemented by cultural inequality and contributed to the ethnic conflict in Sri Lanka. The different ways in which different ethnicities were treated by the majority-run Sinhalese state and others formed a significant horizontal inequality, which contributed to mobilisation of the rebel movement, in tandem with other horizontal inequalities. In Sri Lanka, cultural inequalities have become fused with
political inequalities where some ethno-cultural groups are given state patronage and privileged status. In this context of state sponsored exclusion, the resurgence of ethno-religious nationalism in the post war period can continue to fuel those inequalities by reproducing culturally based privileges. According to Jayasundara-Smits (2011:82):

> The influence of the extreme form of Sinhala-Buddhist nationalist ideology is, interestingly enough, not limited to pure cultural interpretations, but more importantly also seems to transpire increasingly into secular areas. The ideology is, for example, already firmly rooted in the economic development and foreign policy orientations of Sri Lanka. The underlying formula of the Sinhala cultural identity, which comprises themes of weva, dageba and yaya, (i.e., tank, temple and paddy-field), has become the foundation for the largest development project that was launched in Sri Lanka.

Thus, ethno-religious nationalism is a salient factor in the context of post war development and reconstruction because of its impact on horizontal inequalities. This is particular significant because the government combines Sinhala-Buddhists nationalism and post war development.

6.4.4.2 Language Rights and Cultural Freedoms

The privileging of one language over another often signals, or is at least perceived by minority-language speakers as signalling the dominance of those for whom that language is the mother tongue. The United Nations development Programme notes, “[r]ecognizing a language means more than just the use of that language. It symbolizes respect for the people who speak it, their culture and their full inclusion in society” (United Nations Development Programme 2004:9). As discussed in chapter four, language is one of the leading causes of the conflict in Sri Lanka. The language problem has its roots in the 1956 Official Language Act, which substituted Sinhala alone for English as the official language. The 1978 Constitution retained Sinhala as the official language but conferred the status of ‘national language’ on both Tamil and Sinhala. While the Constitution of the country recognises the Sinhala and Tamil languages as both
official and national languages, in reality there is no parity between Tamil and Sinhala. A Language Audit conducted in 1998 found that:

> [t]here have been chronic shortages of Tamil speaking cadres and no serious attempt appears to have been made to correct this deficiency in any of the offices visited, although they all served large numbers of Tamil speaking people. In consequence, Tamil speaking persons are often compelled to transact their business in Sinhala (sometimes through interpreters whom they bring along) or, in a few cases, in English (Nesiah 2012b:24-25).

A Tamil politician interviewed note that Sri Lanka is party to all major human rights treaties. In 1982 it ratified the International Convention on the Elimination of All Forms of Racial Discrimination, which requires elimination of any distinction, exclusion, restriction or preference based on race, colour, descent, or national or ethnic origin. “Yet, the Tamils in Sri Lanka have to struggle to achieve equal opportunities” (Tamil opposition parliamentarian, personal communication, January 08, 2013).

The situation of language rights has not improved since the end of the war. In December 2010, government officials had forced Tamil school children in the Jaffna to sing the national anthem in the majority Sinhala language rather than in the Tamil language at a state function where the Sri Lankan Prime Minister had presided. Both school teachers and the Zonal Education Officer (who was killed a week later by unknown attackers) had protested that the children were unfamiliar with the Sinhala version of the national anthem to no avail (Nidahasa OnLine 2010). Interviewees noted that the incident had reignited a sense that the victorious state disrespected the language and culture of the minority Tamil community (Tamil opposition parliamentarian, personal communication, January 08, 2013; community leaders in Jaffna and Batticoloa, personal communication, January 14 & 16, 2013). In spite of Sinhala and Tamil being the official languages of Sri Lanka the packaging of most products contain descriptions and instructions mostly in English and Sinhala. Some interviewees claimed that this is a greater concern with packaging for potentially hazardous and dangerous materials. They pointed out it is in the public interest that the information on
products should be available without any language barrier, to all citizens of the country (community leaders in Jaffna and Batticaloa, personal communication, January 14 & 16, 2013). One interviewee noted that when medication is provided to patients in the North, the instructions as to how to use them are only provided in Sinhala. Also, most letters, documents and application forms that are sent to Tamil schools are still in Sinhala, although the medium of instruction in Sri Lanka includes Sinhala, Tamil and English (community leaders in Jaffna and Batticaloa, personal communication, January 14 & 16, 2013).

6.5 Conclusion and Discussion

After the war ended, the centrality of development and reconstruction returned to Sri Lanka’s political agenda in a new context. The government appears to think that economic development in the former conflict zone is the key to post war reconstruction. The Sri Lankan government’s position is based on the assumption that the ethnic conflict was more a terrorist threat to the sovereignty of the state than a conflict arising out of inequalities which would call for political and socioeconomic rethinking. Therefore, the government’s approach appears to suggest that what is necessary is to strengthen the national security and defence capabilities to arrest any future insurgency threats, while integrating the Northern and Eastern Provinces with the rest of the country through rapid infrastructure and economic development. The integration of national security, strong state and economic growth makes the government’s vision for post war political and socioeconomic change resonate closely with the developmental state models pursued in some authoritarian South-East Asian countries in the past (e.g., South Korea). The post war situation in Sri Lanka resembles what Lasswell (1941:455) calls a “garrison state” where “specialists on violence are the most powerful group in society”. In this articulation of civil-military relations, the state is organised to serve primarily its own need for military security. Some analysts have called the post war situation as the ‘victor’s peace’ (Goodhand 2010; Höglund & Orjuela 2011; Walton 2011). In this context, the war victory has
enabled the Sri Lankan government to claim the veto power over the terms and conditions of any political settlement with the Tamils.

6.5.1 Horizontal Inequality Overhang and Implications

Have post war policies designed by the Sri Lankan government been sensitive to the issue of horizontal inequalities in access to socioeconomic resources? What has been their impact? Since the end of the war, in the interests of national security, the government has been reluctant to allow international nongovernmental organisations to have access to war affected areas for several years (Haans 2012:52). This precaution impeded much needed international support at the beginning of the reconstruction process. While the government of Sri Lanka had to rely on national resources for the reconstruction in the initial stage, the lack of international engagement allowed the government to strengthen its control of governance, development and civil life in the war affected areas. The Sri Lankan political system appears to be failing to consider broader issues of horizontal inequalities that exist between the Tamils and Sinhalese. Although some improvements have been made since the end of the war, the overall system appears deeply biased against policies that might modify horizontal inequalities. While there is a focus on increasing economic growth in the war affected areas, there is limited evidence to suggest that the government is pursuing a conflict sensitive approach to post war development.

A conflict sensitive approach to development can serve not only to decrease levels of violent conflict or the potential for violent conflict, but also to increase the effectiveness of the development process. As recent studies (for example, Fukuda-Parr 2012; Langer, Stewart & Venugopal 2012; Nkurunziza 2012) have shown, development without conflict sensitivity can inadvertently encourage

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64 Since the end of the war, legal and regulatory regime has become more repressive in relation to both international and domestic NGOs, especially those engaged in developmental work with a socioeconomic focus. The threats that these organisations have faced in recent years have been of an extra-legal nature.
conflict, and end up doing more harm than good. The process of implementing a conflict sensitive approach includes a number of principles, including: participatory process; inclusiveness of actors, issues and perceptions; impartiality in relation to actors and issues; transparency and accountability; respect for people’s ownership of the conflict and their suffering; partnership and coordination; complementarity and coherence; and, timeliness (International Alert, Saferworld & International Development Research Centre 2000:4-6; Langer, Stewart & Venugopal 2012:16-27; Smith:11-18). In essence, conflict sensitivity involves understanding the operational context, an appreciation of the interactions between a developmental intervention and that context, and the capacity to act upon to avoid negative developmental impacts and maximise positive ones.

While the political goal of a unified Sri Lanka and Sinhala-Buddhist hegemony is strategically advantageous to the governing regime, these objectives dismiss the grievances of Tamils in the North and East of the country. Rather than confronting existing inequalities between the Tamils and the Sinhalese, the government has contended that such inequalities do not exist. As President Rajapaksa noted:

> [t]here are no signs of obvious starvation in any part of the country. In fact for over 25 years, since the beginning of the LTTE’s violent challenge to our very existence, to our sovereignty, the government has been sending food, medicine and educational material to the two districts dominated by the LTTE. Every single teacher, nurse, doctor, hospital and government official in the LTTE controlled areas is appointed and paid by the government in Colombo. Very few countries grappling with terrorism have been so accommodating (Rajapaksa 2008:n.p.).

What is missing from the government’s agenda is an acknowledgement of Tamil grievances that led to the conflict: meaningful power sharing; self-determination; language and cultural rights; access to resources (land); and, equitable economic development. Since its victory, the government has done little to identify and address the root causes of the conflict. Instead, the political, socioeconomic and
cultural inequalities that contributed to the conflict are being supplemented with new inequalities.

The findings of this study suggest that the post war development and reconstruction agenda of Sri Lankan political leaders and policy makers pays little recognition to horizontal inequalities as an important issue (see Table 6.4). Instead, they shift to almost exclusive focus on national security and Sinhala-Buddhist political hegemony. Scant attention is being paid among national political leaders and policy makers to the institutional and policy requirements that conflict sensitive policies demand. Consequently, the government is continuing to give indications of its reluctance to establish a provincial council in the Northern Province with the devolved powers as provided by the 13th Amendment, believing that a Tamil-led provincial council in the former war zone might pose a danger to the sovereignty and Sinhala-Buddhist hegemony. Devolving power to a political entity that has had links with the LTTE – the TNA – is viewed by the government leaders as dangerous. As several interviewees noted, the failure to address fundamental issues relating to Tamil grievances in Sri Lanka is already generating nostalgia for the LTTE among some sections of the Tamil population (Tamil diaspora community, personal community, February 09, 2013; community leaders in Jaffna, personal communication, January 14, 2013). Continuing to discount existing horizontal inequalities has the potential to re-ignite the conflict.
Table 6.4. Summary of Horizontal Inequalities in Post War Sri Lanka

<table>
<thead>
<tr>
<th>Horizontal Inequality</th>
<th>What Happened to Horizontal Inequality</th>
<th>Recognition of Horizontal Inequality by the State</th>
<th>Implementati on of Action to Correct Horizontal Inequality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political</td>
<td>Exclusion from political process remains. The state had refused to implement power sharing and political devolution.</td>
<td>No</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Militarisation of civilian governance in the former war zone.</td>
<td>No</td>
<td>None</td>
</tr>
<tr>
<td>Economic</td>
<td>Restrictions on public sector employment remains. No policies have been implemented to address imbalances.</td>
<td>No</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>The state continues to support settlement of Sinhalese in Tamil majority areas.</td>
<td>No</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>State continues to implement exclusionary development policies by focusing post war development in central and southern Sri Lanka.</td>
<td>No</td>
<td>None</td>
</tr>
<tr>
<td>Social</td>
<td>Restrictions on university entrance: Policies established in 1980s are still in force. However, the universities located in the former war zone are now fully functional.</td>
<td>No</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Economic opportunities for youth in the North and East have declined. Increase in youth unemployment in the former war zone.</td>
<td>Some programmes supported by the government and private sector</td>
<td>In part</td>
</tr>
<tr>
<td></td>
<td>Quality of life in the former conflict zone continues to deteriorate.</td>
<td>No</td>
<td>None</td>
</tr>
</tbody>
</table>
Findings from recent studies (for example, Brown & Caumartin 2011; Cederman, Wimmer & Min 2010; Langer, Stewart & Venugopal 2012; Østby 2008a) lead one to challenge the effectiveness of the post war development and reconstruction approach taken by the Sri Lankan government. Cederman, Wimmer and Min (2010) have shown that the frequency of conflict increases with the degree of political exclusion. Their analysis of 124 ethnic conflicts that occurred between 1946 and 2005 shows “excluded groups are much more likely to experience a rebellion in their name (0.66 percent) compared with groups in power (0.23 percent)” (Cederman et al 2010:103). They consider “excluded groups” and income levels and found that “excluded groups across all income levels are three times more likely to initiate conflict against the state as compared with included groups that enjoy representation at the center” (Cederman et al 2010:106). Saferworld provides a further illustration in an analysis of the conflict in Yemen, where the political exclusion of certain groups from decision making and the concentration of power in the hands of the elite were identified as key drivers of violence (Saferworld 2011:6).
A report by the Geneva Declaration on Armed Violence and Development also asserts that countries that record severe socioeconomic inequalities face a greater probability of facing violent conflicts, and that these risks are amplified in contexts characterized by low levels of economic development and religious polarization (Geneva Declaration on Armed Violence & Development 2010:20). The World Bank cites social inequalities as a significant driver of conflict: a survey of citizens in six conflict-affected countries named poverty, poor education, injustice and corruption as primary drivers of conflict (World Bank 2011b:9). The United Nations Development Programme provides very similar findings. In a multi-country survey, the United Nations Development Programme (2011:4) found that belief in the injustice was the third most stated reason why young people join rebel movements.

The distortions in post war development policy have some obvious implications. First, the current model of development in the former war zone has resulted in the rise of militarised and ethnicised economy in a way that access to business opportunity and employment for Tamils are severely constrained. The military and Sinhalese entrepreneurs from southern Sri Lanka dominate the region’s nascent economy. The exclusion of Tamils from participation in avenues of prosperity has contributed to the creation of sharp ethnicised economic inequalities. Second, in a post war context, the issue of land has taken on more prominence as the displaced return and individuals attempt to assert control over land they claim as a part of the larger effort towards normalisation. Since the end of the war, the Government has largely adopted a piecemeal approach to addressing the wide range of land problems in the war affected areas. Third, the government’s overarching focus for the war affected areas is centered round economic development and security. As a result, military-owned enterprises have an increasing presence in the war affected areas. Their presence and business activities have a direct impact on the land rights of local residents. For example, with the current form of exclusionary development, land is acquired under the guise of national defence and those occupying and owning land are being
dispossessed with no proper information or compensation. Fourth, the horizontal inequalities found in Sri Lanka are durable, meaning that they have existed for a number of decades without dissipating. The Sinhalese attempts to preserve their privileges and dominance over the minority Tamils continue to drive the durability of inequalities. In this context, advantages become cumulative and lead to further inequalities. As evident from the independence of the country, the Sinhalese with political and socioeconomic advantages were able to gain leverage in accessing power and resources, often leading to educational and employment advantages.

6.5.2 Centrality of Conflict Sensitive Development and Reconstruction

Evidence presented in this chapter revealed that important gaps and inconsistencies exist in post conflict development reconstruction policies. What kinds of socioeconomic policies will help to promote longer-term stability, development and reconstruction in a post war society like Sri Lanka? An increasing number of scholars have recognised that ethnic conflict is a complex phenomenon and have proposed to design the post conflict development in a multi-faceted way, addressing the root causes of conflict (for example, Collier 2007; Junne & Verkoren 2005a; Langer, Stewart & Venugopal 2012; McCoy 2008; Stewart 2005). While they do not propose a one-size-fits-all approach to mitigating horizontal inequalities, these findings nonetheless provide a framework that helps to explain sources of success, and failure, and points to requirements and constraints in devising conflict sensitive development and reconstruction policies. There is agreement among these authors that, in designing post conflict policy, it is essential to address the main factors which led to the onset of the conflicts. They also point to conflict sensitive policy actions: demobilisation; reconstructing infrastructure; and, re-establishing conditions for economic growth.

Given that horizontal inequalities were a driver of conflict in Sri Lanka, what should be the policy response? International case studies highlight three types of
successful policy interventions adopted to achieve greater group equality in political and socio-economic outcomes (for example, African Development Bank 2008; Collier, Elliott, Hegre, Hoeffler, Reynal-Querol & Sambanis 2003; Stewart 2005; Venugopal 2012). The first type of policies includes interventions directed at changing processes which are either directly or indirectly discriminatory. The second type of policies includes directing assistance to excluded or marginalised groups. The third type of policies provides targets and quotas as a way to correct horizontal inequalities. These policies have been adopted both in Northern Ireland and Malaysia with considerable success (Abdullah 1997; Jomo 2004; O’Leary 1998). O’Leary (1998) points out that the Good Friday Agreement incorporated strategies to correct political inequalities, through policies such as power sharing. The Agreement also committed to religious and linguistic diversity, especially in relation to the Irish language, Ulster Scots, and the languages of Northern Ireland’s ethnic minorities. Similarly, following a decade-long civil war between the Government of Nepal and the Maoist fighters, both parties signed a peace agreement in 2006. In the post conflict period, Nepal turned to power sharing as a way to bring all sides of the conflict together. This reduced the likelihood of a return to violence, and stabilized the country to create a favourable atmosphere for consensus politics (Miklian 2008).

Literature on post conflict societies argues that community-led post conflict development has emerged as a promising approach to sustain economic growth, equality and stability in divided post conflict societies (for example, Lawson 2011; Strand, Toje, Jerve & Samset 2003; United States Agency for International Development 2009; World Bank 2006, 2011b). Such programmes range from rehabilitating infrastructure to generating short-term employment and providing social services. Community-led post conflict programmes focus on local communities with the possibility of addressing the drivers of conflict, supporting livelihoods, and building local capacity to solve problems in an inclusive and non-violent manner. United States Agency for International Development (2009:9-11) notes that community-led rehabilitation projects can generate short-term
employment opportunities for community members, including vulnerable populations such as youth, ex-combatants, women and returning refugees and displaced persons. By providing vital community needs like educational and social services, they lessen tensions in conflict-affected communities. More importantly, employment generation through community-led programmes can serve to help rebuild local economies and improve livelihoods. The use of such salient inequality-correcting programmes can also support further stabilization of post conflict settings by keeping vulnerable groups, like youth and ex-combatants, from being pulled back into conflict.

In summary, after three decades of violent conflict, Sri Lanka entered into post war status in 2009. The Sri Lankan case is an example of conflict driven by horizontal inequalities, both as a motive for civil war as well as a possible threat to post war stability. However, post war development policy in Sri Lanka seems to move forward without considering the root causes of the conflict. The government’s focus of economic growth and security as the best path to stability has done little to prevent the rise of political, economic, social and cultural inequality in post war Sri Lanka. Post war policy interventions seem to be designed without properly considering the political and socioeconomic consequences. Policy decisions that impact conditions in conflict-affected areas, from economic development to settlement, are taken without adequately addressing causes of inequality or potential negative outcomes. Since the end of the war, Sri Lankan government’s policies have made post war period unstable by militarising socioeconomic relations, incorporating ethnic exclusion into government decision making, deepening gaps in economic opportunities, and institutionalizing majoritarian hegemony. In conjunction with ethno-religious nationalism and national security, the post war state behaviour has created a negative policy environment for the articulation of development and reconstruction policies. These are the broader lessons drawn from the Sri Lankan case. It is difficult to expect many improvements in inequalities if the state power remains in the hands of majoritarian elites who do not recognise
minority grievances. The state elites are unlikely to create effective strategies to address structural constraints that war affected areas face. Unless the Sri Lanka government modifies its policy interventions to be more conflict sensitive, the reduction of horizontal inequalities is unlikely to be advanced. In such a scenario, reducing the likelihood of conflict recurrence will be difficult to achieve.
Chapter 7. A Precarious Peace?

Literature (for example, Langer, Stewart and Venugopal 2012; Østby 2008a, 2008b, 2003; Stewart 2000, 20005, 2008) points to the importance of horizontal inequalities between ethnic groups to explain group mobilisation and, eventually, violent conflict. However, inter-group inequalities have received scant attention in the literature on ethnic conflict in Sri Lanka. Although the literature on Sri Lanka’s conflict include claims that socioeconomic factors have contributed to the Tamil insurrection, very few studies have examined the relationship between horizontal inequalities and development policy. Generally, studies on the Sri Lankan conflict have proposed economic inequality (for example, Abeyratne 2004) or spatial inequality (for example, Kumara & Gunewardena 2009) rather than horizontal inequality between ethnic groups as the reason for conflict. After almost three decades of war, the armed phase of the ethnic conflict ended in 2009. While it is critical to assess whether the current model of development in Sri Lanka is a conflict sensitive solution, this is difficult to achieve because there is a dearth of studies that explore the intersection between post conflict development policies and their potential impact on horizontal inequalities. To bridge the gap in research, this study investigated the extent to which horizontal inequalities contributed to the emergence of the ethnic conflict, and the extent to which post war development policies have addressed horizontal inequalities.

7.1 Horizontal Inequalities and Conflict: Understanding Ethnic Conflict Emergence in Sri Lanka

Various studies present a number of explanations of conflict causation that highlight how various causal mechanisms can lead to violence. While there is a strong body of literature on the causes of conflict, there is no single formula applicable to all conflict situations. For some analysts (for example, Stewart 2005, 2008, 2009; Østby 2004, 2008) economic factors are analysed alongside other factors (e.g., political, social and cultural) as a means to improve
understanding of the complex causes and dynamics of war. For others (for example, Collier 1999; Collier & Hoeffler 1998, 2001), economics alone is the primary explanatory framework for conflict analysis. The findings of this study support Stewart’s (2008) conclusion: the combination of political, economic, social or cultural inequalities provided a motive for violent group mobilisation. The analysis presented in Chapter five demonstrated that the Sri Lankan ethnic conflict was a product of underlying political, economic, social and cultural inequalities between the country’s majority Sinhalese community and the minority Tamils. The roots of the conflict date back to the 1950s, where the demand for self-determination and for the independence of the Tamil-dominated Northern and Eastern Provinces first emerged.

In the case of Sri Lanka, this is especially so because there were multi-dimensional horizontal inequalities, where Tamils experienced multiple forms of exclusion from political, economic, social and cultural domains. Often these forms of inequality, exclusion and marginalisation interacted and compounded one another: the lack of access to power and decision-making contributed to unequal access to land and natural resources. As discussed in Chapter five, among the Sri Lankan Tamils, there is a strong sense of collective injustice, due to actual and perceived exclusion based on social or cultural identity. This feeling increased their feelings of alienation from the wider society. Invariably, this led to animosity and resentment. Over time, these tensions fostered mobilisation of the Tamil community and fuelled the violent conflict.

One important finding of this study is that both the presence and perception of horizontal inequalities were critical to understanding Sri Lanka’s conflict. The violent conflict that lasted over three decades occurred because feelings of alienation and inequality cut across social classes and generational groups in the Tamil community. This study also found that horizontal inequalities that existed in Sri Lanka may not have been extreme, and concerted action by post independence governments had the opportunity to prevent the conflict. Ever
since independence in 1948, government policies tended to undermine the social, economic and cultural rights of Tamils: through state-sponsored colonisation of the North and East by Sinhalese settlers; through a discriminatory language; education; and, recruitment policy.

In summary, there is adequate evidence to suggest that attention must be paid to historical inter-ethnic grievances in understanding the causes of, and resolutions to, conflict (for example, Gradstein & Milanovic 2004; Langer 2005; Langer & Brown 2007; Murshed & Gates 2005; Stewart, 2004, 2006; Stewart, Brown & Langer 2007; Stewart & Brown, 2007). This study shows that the conflict is at root configured around political exclusion, uneven development patterns, disparities in access to socioeconomic resources, and hegemonic nationalism. The relative status of the structural characteristics (such as education, employment, access to land, etc.) and social psychological characteristics (such as self-determination) among the Tamils and Sinhalese has certainly shaped the conflict. The resulting disparities between the Tamils and Sinhalese in access to a range of economic, political and social resources (horizontal inequalities) have played a key role in triggering the conflict. Among the Sri Lankan Tamils, there is a strong sense of collective injustice, due to actual and perceived exclusion based on social or cultural identity. These combined to increase their feelings of alienation from the wider society. Invariably, this led to animosity and resentment. Over time, these tensions fostered mobilisation of the Tamil population and fuelled the violent conflict.

The Tamil separatist conflict highlights the nexus between political horizontal inequalities and conflict propensity. While Sri Lanka is a ‘democracy’, the political participation and rights of Tamils have been steadily eroded since country’s independence in 1948. In this environment, the Tamils also faced exclusion in the awarding of higher education opportunities, in employment and in other opportunities for empowerment because they were not considered equal members of the national political community. The Sri Lankan case illustrates that
the simultaneous presence of socioeconomic inequalities, and cultural inequalities and political exclusion are especially explosive. It is evident that the horizontal inequalities that existed between the Sinhalese and Tamils provided a fertile environment where the conflict could begin and thrive. The key observation that emerges from this study is that attention must be paid to inequalities in understanding the causes and resolutions of conflict. The relative status of the structural characteristics (such as education, employment, access to land, etc.) and social psychological characteristics (such as self-determination) among the Tamils and Sinhalese has certainly shaped the conflict. As a result, disparities between the Tamils and Sinhalese in access to a range of economic, political and social resources (horizontal inequalities) have played a key role in triggering the conflict.

This exploration of inter-ethnic inequality in the past will prove useful in attempts to prevent possible emergence of future conflict. If resentment and rivalry have featured so prominently in the lead up to conflict and violence, it can only be assumed that future policy decisions regarding inter-ethnic inequality and the distribution of political and economic resources in Sri Lanka are likely to remain critical in preventing conflict re-emergence, just as they were in causing conflict. Langer, Stewart and Venugopal (2012:18) note that in countries where horizontal inequalities are recognized in policy design, in almost every instance implementation has been partial or weak. Consequently, the effective outcomes requires strong recognition of horizontal inequalities, as well as sustained policy attention to a comprehensive range of political, socioeconomic and cultural interventions.

7.2 Post War Development Policies and Continuity of Horizontal Inequalities

Since resentment and rivalry between the country’s majority Sinhalese community and the minority Tamils have featured so prominently in the lead up
to conflict and violence, it can only be assumed that future policy decisions regarding inter-ethnic inequality and the distribution of political and economic resources in Sri Lanka will be critical in preventing conflict re-emergence. With this concern in mind, this study investigated the extent to which post war development policies have addressed horizontal inequalities. It explored whether the Sri Lankan government has recognised the role of horizontal inequalities, and whether the government has made a commitment to tackling them. In addition, if the government recognised the presence of horizontal inequalities, this study also investigated whether the government has implemented effective policies to address them.

As already mentioned, political, economic, social and cultural outcomes for the first four years of post war Sri Lanka (1999 to 2013) display ‘contradictory results’. While it may be too early to make firm conclusions about the policy successes or failures of the post war government actions, evidence suggests that the Sri Lankan government has done little to prevent the rise of political, economic, social and cultural inequalities in post war Sri Lanka. Another important finding of this study is that there is lack of recognition by the Sri Lankan government that horizontal inequalities contributed to the emergence of ethnic conflict, and that these need to be addressed in post conflict development is absent in the government policy discourse. The findings of several recent studies (for example, Brinkman, Attree & Hezir 2013; Langer, Stewart & Venugopal 2012; McCoy 2008; Stewart, Brown & Langer 2008) support the proposition that horizontal inequalities need to be addressed not just because their direct effects on conflict but also because of their long-term impact on long-term inter-ethnic peace and stability. Yet, as discussed in Chapter six, consciously designed post war government policies have created conditions that make it very difficult to address those inequalities that contributed to the emergence of the conflict. In fact, these may be contributing to the emergence of new forms of exclusion and discrimination. For example, the denial of power sharing will heighten the Tamil community’s belief that there are no peaceful and legitimate mechanisms to
address their demands for self-determination and autonomy. In addition to these policies, a range of activities, such as militarisation of war affected areas and securitization of social relations, has affected the perpetuation of horizontal inequalities.

While a positive context for peace, economic growth, development and reconstruction has emerged, so too have a range of new challenges with potentially having long-term consequences. The post war peace that emerged following the end of open conflict appears to have had negative effects on horizontal inequalities between the majority Sinhalese community and the minority Tamils. The end of the three-decade long civil war in Sri Lanka in 2009 generated widespread expectations of a peace dividend that would enable the country to embark on a period of sustained economic growth. With the help of foreign donors, the Sri Lankan government has invested in road and rail development, power production, port facilities, and water and sanitation, particularly targeting the southern parts of the country. The Fitch Ratings in 2013 recognised the Sri Lankan economy as strong, with a continual improvement of the current account deficit. GDP grew by 8,2 percent in 2011 and 6,4 percent in 2012; current projections are of around 7 percent growth in 2013 and 2014 (Matsangou 2013:n.p.).

First amongst these is that the end of the war did not represent an inclusive negotiated political settlement for long-term peace and stability, but an exclusionary situation of ‘victor’s peace’ (Goodhand 2010; Höglund & Orjuela 2011; Walton 2011). Rather than addressing underlying inequalities, this arrangement reconstructed power relations between the Sinhalese and Tamils. For example, as discussed earlier in the preceding chapter, the 13th amendment to the Sri Lankan constitution was made when India intervened in 1987 to end the conflict between the Sri Lankan government and the LTTE. This was seen as a way to achieve political settlement and national reconciliation through the meaningful devolution of power so as to ensure that all citizens of Sri Lanka,
including the Tamil community, would lead a life marked by equality. However, a recent political flashpoint has been the Sri Lankan government’s refusal to grant the Tamil community’s greater autonomy as originally promised under the 13th amendment. This situation is detrimental to long-term peace and stability. In the absence of any genuine process of autonomy for the Tamil population, the most likely scenario is the emergence of socioeconomic grievances similar to what existed prior to the civil war. As Stewart (2008:18) has pointed out strong political horizontal inequalities mean that Tamils feel politically excluded and are thus more likely to lead to future rebellion.

A second consequence, as noted earlier, is that although the political system can play a central part in alleviating inequalities through inclusive government policies, an over-centralised political system in Sri Lanka has exacerbated longstanding political grievances of the Tamil community. In August 2013, following a fact-finding mission to Sri Lanka, the United Nations High Commissioner for Human Rights noted:

I am deeply concerned that Sri Lanka, despite the opportunity provided by the end of the war to construct a new vibrant, all-embracing state, is showing signs of heading in an increasingly authoritarian direction (United Nations News Centre 2013:n.p.).

The increasing Sinhalese politico-military domination of political and economic spheres in the post war period represents a situation where political and military elites are prioritizing their control of the spoils of post war reconstruction and development. They is no recognizable commitment to addressing inequalities and other forms of exclusion through inclusionary development projects and through broader transformation of state institutional structures. In this context, efforts to transform the war economy in the North and East into a post war economy by militarising the post war development and reconstruction process is likely to impede the emergence peace and stability in the former war zone. The militarisation of development in conflict-affected areas could likely to undermine the interests of the Tamil-speaking population who form the majority in these areas.
Third, the government appears to think that economic development in the former conflict zone is the key to post war reconstruction. The Sri Lankan government’s position is based on the assumption that the ethnic conflict was more of a terrorist threat to the sovereignty of the state than a conflict arising out of inequalities which would call for political and socioeconomic rethinking. Therefore, the government’s approach appears to suggest that what is necessary is to strengthen the national security and defence capabilities of the state, in order to arrest any future insurgency threats. This is done while simultaneously integrating the Northern and Eastern Provinces, with the rest of the country through rapid infrastructure and economic development. The continuation of socioeconomic inequalities means that the Tamils as a whole will likely continue to have strong grievances and are thus more likely to be mobilised possibly towards future rebellion.

Fourth, since the end of the war, the Sinhala-Buddhist discourse on nationalism has become even more susceptible to political manipulations in a fiercely competitive political arena. Today, this is particularly apparent among the various political factions of the Sinhalese majority, where competition for state power and resources has intensified. A number of hardliners of Sinhala-Buddhist political movements have gained an important voice, as members of the overall ruling elites, in national politics. These groups have become extreme vocal opponents of devolution of power to Tamils and vociferously oppose the implementation of the 13th amendment to the constitution (Balachandran 2013; Srinivasan 2013b). They have also called for reclaiming vast areas of land in the North and East of the country, land which Tamils regard as their homelands. As discussed in Chapter five, the distribution of state land in the North and East to rural Sinhala peasantry was part of a set of policies that defined the post colonial Sri Lankan state and contributed to the conflict. The continuing encroachment of land in Tamil dominated areas by the state is likely to become a critical issue. Since the Northern and Eastern Provinces contain within them a larger area underutilised
land in the country, these areas are bound to be the focus of state policy makers as well as private entrepreneurs. Invariably, this has prompted accusations against the government of Sinhalese “colonisation” of the North and East, similar to post independence settlement programmes (discussed in Chapter five) in which over a million farmers (mostly Sinhalese) were given land in the island’s central and north-eastern regions, exacerbating tensions with Tamils who saw those areas as part of their traditional homelands. The issue of land, if not resolved, could lead to a range of land disputes that would likely to act as conflict flashpoints.

Finally, horizontal inequalities outlined above induce severe complications at individual and community levels. The main factors affecting livelihoods included violence, insecurity, displacement, access to productive resources, and people’s ability to mobilise and use social networks. Implicit for those living in war affected areas is the idea that the state should support their livelihoods by providing basic services and social protection. However, as discussed in Chapter six, the lack of adequate social service (e.g., housing) coupled with economic insecurity has created a highly precarious situation for many families, especially for female-headed households. Collectively, current socioeconomic conditions in war affected areas have led to several negative outcomes at individual and community levels. Inequalities in resource distribution and access to financial resources have produced far-reaching social and political implications at individual and community levels. The social implications can be seen in areas like education and health. In most instances people were provided a minimal basic support at the initial stages of resettlement after the war ended. There are many reports of people unable to get back to the areas where they came from. The support given by the government in resettling people affected by the last stage of the war is far below than what is required to meet basic needs. Over the past three years there has been very limited alleviation of this problem. The inhabitants in war affected areas are yet to receive tangible benefits from development projects by way of their access to public goods and services.
In summary, it is almost five years since the war ended in Sri Lanka. The findings of this study suggest that the post war development and reconstruction agenda has paid little recognition to horizontal inequalities as an important issue. Scant attention is being paid among national political leaders and policy makers to the institutional and policy requirements that conflict sensitive policies demand. The government has identified security issues and economic growth as central to the post war development and reconstruction process and they are given greater emphasis in policies compared to underlying causes of violent conflict: inequalities in access to political power, economic resources and/or cultural status. The failure to address fundamental issues relating to Tamil grievances has the potential to re-ignite the conflict. Many post war policies sought to promote development and reconstruction, but only a small number of them explicitly addressed the root causes of the conflict. Although sufficient time has now passed since the end of the war, as discussed in Chapter six, the Sri Lankan government has not addressed equality issues or prefer conflict sensitive approaches to post war development and reconstruction.

7.3 A Case for Laying a Foundation for Conflict Sensitive Post War Development Policies: Some Concluding Remarks

Research studies (for example, Fearon, Humphreys & Weinstein 2009; Haughton 1998; Krause & Jütersonke 2005; Langer, Stewart & Venugopal 2012) suggest that in conflict affected environments dominant forms of development and economic growth are insufficient to aid a country’s transition into a peaceful and stable society. Generally, the stated goals of many dominant development models are economic growth, efficiency, and competition (Barbara 2008; Hahn 2005; Paris 1997, 2004; Prasch 2012). While these goals may be appropriate long-term economic objectives, they are not suitable for stabilizing an economy emerging from conflict. In countries where equality in political, socioeconomic and cultural spheres is lacking, the goal of government initiatives should be first
and foremost to reduce the root causes of conflict. In this sense, it is important to recognise that inclusive development and reconstruction is different from conventional forms of economic development. Recently, greater attention to conflict sensitive development has arisen in literature, in response to the need for more effective development solutions with demonstrable positive impact as well as to the pressure for interventions that minimise the possible negative consequences of development interventions (Bennett, Pantuliano, Fenton, Vaux, Barnett & Brusset 2010; Organisation for Economic Co-operation and Development 2008a; Uvin 2002). Exclusionary development policies, it is widely accepted, can contribute to the exacerbation of conflict and inequality (Björkdahl 2000, 1999; Brachet & Wolpe 2005; Ferreira 1999; Galva 2001; Gowen 2007; Storey 1999).

Why conflict sensitive development matters in Sri Lanka? First, exclusionary development programmes have the potential to increase tensions and exacerbate conflict between groups, even in relatively stable environments. For example, a study of development initiatives in Ethiopia (Nicol, Arsano & Raisin 2000) found that large-scale commercial farming enterprises deepened inequality, restricted access to vital resources and increased tensions between competing pastoralist groups and between pastoralists and the state. The tensions ultimately led to open conflict which has yet to be fully resolved. Nicol et al (2000) found that targeted programmes can marginalise vulnerable groups, overlook underlying root causes of poverty and contribute to the risks of violent conflict. Consequently, many donors and multilateral organisations have revised their approach in support of policy frameworks that emphasise inclusiveness, power sharing, and human rights (for example, Organisation for Economic Co-operation and Development 2008b; United Nations 2001; World Bank 2005). Sri Lankan political leaders and policy makers are yet to recognize that inequalities contribute to the emergence of the violent conflict and that they need to be addressed in post war development and reconstruction policies. Targeted
solutions to correcting inequality between the Sinhalese and Tamils are essential if Sri Lankan government expects to prevent future emergence of violence.

Second, the Sri Lankan government has made poverty alleviation a priority (Government of Sri Lanka 2010). The country aims to reduce poverty from 15.7 percent in 2006 to 7.6 percent in 2010 (Government of Sri Lanka 2010:2). However, Ball (2004) has pointed out, poverty reducing development policies are most likely to occur when political systems facilitate a reasonably equitable distribution of economic and political power and a reasonably equitable division of developmental outcomes. As discussed in Chapter six, the Sri Lankan government has yet to undertake adequate steps towards developing and implementing comprehensive policies and programmes that are underpinned by equality and inclusion principles. The adoption of such policies can serve as an indication that the Sri Lankan government recognises the need to reduce political, socioeconomic and cultural disparities between the Sinhalese and Tamils. This recognition, as Langer, Stewart and Venugopal (2012:17) note, would represent the first steps towards the design and adoption of policies to address horizontal inequalities, and forms a vital part in moving recognition into concrete action.

Third, the government may not be able to sustain the costs of a possible future conflict in Sri Lanka by in both financial and human terms. Evidence shows (Atwood 2003; Cramer 2009; Justino & Verwimp 2006; World Bank 2011) that poorer countries are more likely to experience violent conflict, while conflict-affected countries tend to experience higher levels of poverty. As seen in Sri Lanka and many other conflict affected countries, violent conflict has resulted in the destruction of economic and human capital. A country emerging from conflict is often faced with damaged physical infrastructure, scarce employment opportunities and increased capital flight. In addition, conflict increases military expenditures, which invariably diverts resources from public and social spending. Conflict sensitive development and construction is particularly important in Sri
Lanka’s war affected areas because the combination of poverty and unequal access to socioeconomic opportunities could result in many people, particularly young men, who can be easily mobilised and recruited to armed groups. Additionally, unrepresentative governance and political structures that characterize Sri Lanka’s post war environment are likely to be incapable of preventing the onset of violence by peaceful means.

Fourth, Western governments, multilateral institutions and nongovernmental organisations have called for the Sri Lankan government to incorporate conflict prevention into its range of post war development instruments. For example, in its post war development efforts in Sri Lanka and elsewhere, the Organisation for Economic Co-operation and Development (OECD) recognises that there is a need to improve understanding of how its aid contributes to ending or sometimes sustaining conflicts (Chapman, Duncan, Timberman & Abeygunawardana 2009). Conflict prevention, conflict resolution and peace building have taken on higher profiles among international donor and have become mainstream issues in international aid programming and in respect of donor funding decisions (Fukuda-Parr 2007; Rose 2005; Wood 2001). While Sri Lanka is no longer international aid dependent, it will be expected to reflect these concerns in developing its post war development policies. If Sri Lanka takes this seriously, then conflict prevention and durable peace building will require true local ownership springing from legitimate and participatory processes that promote understanding and reconciliation. Additionally, local civil society organisations are responding to the need to address conflict issues and their work is being supported by all ethnic groups in the country. These organisations are asking the government to operationalise concepts of peace building and conflict prevention in country strategies and programmes. This means that Sri Lankan political leaders and policy makers will be required to address fundamental roots of conflict and the ways to overcome them.
In the case of Sri Lanka, horizontal inequalities served to escalate conflict into violence when ethnicity was politicized, economic opportunities were curtailed and social capital was distorted via state actions. Inequalities were accentuated in this context, to some degree, by market forces (e.g., economic liberalization) and development policies, which favoured the majority Sinhalese-dominated regions that were relatively better off than regions dominated by the Tamils. However, the state, through its action and inaction, played the defining role in fuelling the conflict. Although it has been almost four years since the war ended, it is not too late to reverse recent policy trends and instead articulate, or focus on, policies that will address inequalities that make future conflict an ongoing possibility. Arguably, given the contentious nature of ethno-cultural relations dating back to the independence of the country, political leaders and policy makers have to be sensitive to the tensions and opposition that might arise from the implementation of policies aimed at addressing minority grievances. Despite these possible challenges, doing nothing and permitting historical and new inequalities to heighten is a perilous policy choice in post war Sri Lanka.
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Appendix A. Interview Questions – Group 1

Group 1 included: Community leaders in the former conflict zone.

1. Thinking about the period before the war (prior to 1983), how would you describe the situation in this region? Probe for political, economic, social and cultural aspects in the region.

2. To what do you attribute the origin of trouble in this region? Probe for political, economic, social and cultural disparities.

3. How would you describe the level of development existed in this region before the war?

4. How would you describe the current situation in this area? If the respondent refers to any political, economic, social and cultural disparities in the pre-war period, probe whether they have changed since the end of the war.

5. Can you tell me what you think about development activities currently under implementation in this area?

6. What do you think about potential opportunities for long-term peace in this area?

7. What do you think about potential challenges to long-term peace in this area?

8. What do you think are the issues that need government's particular attention in the near future?
Appendix B. Interview Questions – Group 2

Group 2 included: Members from Tamil diaspora community in Canada; members from Sinhala diaspora Community in Canada; Sri Lankan politicians; government policymakers/advisors; domestic nongovernmental organisation representatives; international nongovernmental organisation representatives; private sector executives; and, local media.

1. There are conflicting views with regard to conflict in the country, some emphasizing political differences, while others had tended to cite various causes. What were the immediate causes of the conflict in your personal opinion?

2. Taking into consideration the new emerging political and economic system in the North and East, what do you think about the long-term peace and stability in the former war zone?

3. How do you describe the chances that Sri Lanka can develop conflict resolution system of its own to prevent conflict in the future?

4. What measures are taken by the government of Sri Lanka to avoid the recurrence of conflict and to consolidate the process of peace and reconciliation?

5. How would you describe current post war development model pursued in Sri Lanka?

6. What obstacles and/or difficulties are there in the search for inclusive development in the former conflict zone?
7. What obstacles and/or difficulties are there in the search for long-term peace in the country?

8. What are the basic prerequisites for peace and reconciliation?

9. What lessons can be learnt from the different crises which have shaken so many countries (whichever ones they may be) and what measures did you think are the most effective in dealing with the related problems?

10. What alternative courses of action are possible for mobilizing the population in Sri Lanka on the basis of common interests and a shared future?