LINKING PEACE AND DEVELOPMENT IN SRI LANKA

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Peace is a much talked about subject in Sri Lanka today. This is not surprising in a country that is going through one of the most brutal and protracted internal wars in the world. We have often been told by diverse sources that, if not for the war, Sri Lanka would have been an economic Tiger of the East Asian variety. It would seem that we have missed the opportunity of being a South Asian NIC (Newly Industrializing Country) because of the war. An obvious deduction from this is that peace is development friendly and once we have peace, Sri Lanka should be able to shift to a development mode more easily. The link between peace and development appears to be a 'natural' one. Is it really so? Peace may be development friendly but does the converse hold? What is the track record? I think it would be fair to say that historically the relationship between development and peace has invariably hinged on uncertain premises in this country as well as the rest of the world. Globally speaking, the history of modernization is not one of a simple unilinear process of universal progress and peace. Rather it is a more complex story involving the rise of some nations to dominance in the world scene, colonization and marginalization of large sections of humanity, wars between states and intra-state distributional conflicts that took violent forms at times. Understood as an immanent process, development not only involves growth and improvement but also decay, destruction, distributional conflicts and impoverishment. Indeed, the inherent unevenness of this process can be compounded by policies that discriminate against particular regions or social groups. Conflicts over distribution of resources, opportunities and political power are among the key links in the causal chains of internal wars.

In multiethnic polities, these conflicts have high potential to be turned into ethnic conflicts. The 'ethnic conflict' in Sri Lanka can be seen as the product of a sustained ethnicization of distributional conflicts. This is not to say that there are no distributional conflicts outside the ethnic conflict in Sri Lanka. In fact there are many such conflicts, which are not ethnic or religious and some of them have turned violent in the past and the potential for such violent turns of these conflicts remains high. In the post-colonial era, this country saw its first insurrection in 1971 and it took place in the South. 1971 was a violent statement of the frustrations of the Sinhalese youth. In 1989, we witnessed its revival and the horrifying scale of violence in the South where thousands of lives, most of them innocent, were lost.

However, ethnicization has subsumed distributional conflicts into contending ideologies of identitarianism and, over time, brought about a polarization of society along ethnic lines. The nearly two decades old war has deepened this polarization and made the national question even more intractable. This polarization has its most dramatic manifestation in the battlefront in the North-East Province. The Sri Lankan armed forces are more than 90 percent Sinhalese and not even one percent Tamil, while the Liberation Tigers of Tamil Eelam (LTTE) are 100 percent Tamil. No wonder people on either side of the ethnic divide see the war as a contest between a Sinhala army and a Tamil army. This battle scene is a most powerful representation of the ethnic polarization of the Lankan society. It represents the culmination of a history of communalization of this country's polity and the state. To know how a Tamil armed force came into being, one may do well to study how the national armed forces of this multiethnic country became so overwhelmingly Sinhala. I shall return to the issue of communalization later.

The war has caused immense devastation and human misery. Tens of thousands of lives have been lost. Hundreds of thousands of civilians have been displaced and traumatized in the North-East Province (NEP), which has been at the receiving end of the major destructive effects of the war for two decades. Sexual assault, disappearances and other kinds of violations continue. The violence and the social consequences of the war are being felt practically in all parts of the country. Crime has become a way of life for many army deserters and it has become so easy for any criminal to find deadly weapons. Tragically, the war has produced a new breed of criminals at the expense of the poor taxpayer. The gun culture that grips our society is an outgrowth of the war. In recent times much attention has been focused on the economic costs of the war. Some of our ministers keep reminding us that the war has to stop if the economy were to move ahead. But on the other hand, the defence expenditure continues to be high as ever. The war has to stop, of course. And peace has to be made and sustained for this country to find appropriate ways to heal the wounds and regain its humanity. It is widely accepted in Sri Lanka that in order to find lasting peace, we have to find a political solution to the national question. There has been considerable debate on alternative political solutions. There is a significant body of writings on devolution and power sharing, but very little on the links between peace, political solution and development. Much has been said about the negative effects of the war on development; but this has not led to a significant intellectual engagement on the role of development in building peace and in formulating and implementing the political solution. One may be excused for reading this silence as an approval of the existing development policy; i.e. the belief that there is nothing wrong with our development policy and it will work better once the war is brought to an end, and what is needed is a phase of reconstruction in the NEP. Of course, this is the official view but what concerns me is the silence of our researchers and activists. It is possible that the argument that the war has been counter-

development has gone too far that it has obscured the inherent shortcomings of the development policies and practices of the past two decades and more. Apparently, in these days of hegemony of the ideology of globalism, the current development policy has to be taken as a given, and peace and the political solution will have to be tailored to be compatible with this given. This amounts to treating the currently hegemonic neoliberal paradigm of development as a sacred cow. I want to stress the view that in order to achieve lasting peace, development has to be designed and governed so as to promote all round enhancement of human well-being, while preventing conflicts from becoming ethnicized (or communalized) again. This perspective requires one to rethink development in the light of the realities on the ground and the challenges of making it serve peace building. Whether development is a part of the solution or of the problem depends on how it is designed and governed.

For many years our little island has been turned into a bizarre scene of a dual drama of militarization and liberalization, of war and 'development' at the same time. When the UNP put forward its manifesto in 1977, it looked as if it was prepared to find a negotiated settlement to the ethnic conflict because it was rational to do so given the political requirements of the liberal economic policy it was advocating. But that did not happen. While choosing the economic policy of stabilization and structural adjustment without reservation, the government reneged on its pledge to find a political solution to the national question and adopted a tough policy towards youth militancy in the North. On the Tamil side, youth militancy gained momentum and even greater political legitimacy due to the government's hard line approach and due to the failure of the TULF, which won an impressive victory at the polls on a demand for a separate state, to achieve anything politically significant for the Tamils through parliamentary means. The government believed that a military approach was the most effective means to deal with secessionist youth militancy. The Tamil militants believed that armed struggle was the way to their dream of a separate state. The anti-Tamil pogroms that culminated in 'Black July 1983' deepened the ethnic divide. And with the rise of the LTTE as the dominant Tamil armed guerrilla movement, the government in Colombo lost control of the rules of the war game. The stage was set for a protracted armed confrontation between the state and the LTTE, a confrontation in which each side believed in emerging as the ultimate victor.

As economic policy, liberalization marked a break with the past while militarization represented the continuity of the ethnic conflict and its metamorphosis into war. The political context in which liberalization entered the development scene was characterized by growing communalization of the Lankan polity and desecularization of the state. In theory, the neoliberal policy of open economy is premised on a free-market-friendly political and institutional environment. An internal war would obviously cause instability and distortions to such an environment. The economic strategy requires the state to reduce public spending and adopt reforms to perfect the market mechanism. The military strategy demands increased public spending for defence to achieve the aim of defeating or marginalizing the LTTE. One seeks to expand the realm of the free market, the other while causing market failures and distortions in the national economy, creates an economy of its own (see below). Such contradictions within the same regime reflect the uneasy relations between the economic and the political in a multiethnic society with an unresolved national question.

The UNP government operated a dual policy of geographically containing the war in the North-East and implementing the open economy policy in the rest of the country. With this dual approach, the NEP became more completely excluded from all major public and private investment programmes. It became further separated and defined as the 'zone of war' and national surveys and programmes of the government explicitly excluded the North-East. The dual policy appeared to serve the government's purpose for some time. However, the effects of the war could not geographically be contained within the North-East. Moreover, the war demanded more resources and still more resources and manpower. Its priorities overshadowed those of the economy and social development and its consequences, while hurting the economy further, damaged the social fabric in many ways. Foreign investment did not flow as expected. J. R. Jayawardena's famous call to the 'robber barons' to come to Sri Lanka and get rich fell on deaf ears. Apparently, they preferred to sit in front of their computer screens and speculate in the stock market. The free market fundamentalism that governs the current phase of globalization has opened up unprecedented opportunities for speculators. Moreover, when it comes to foreign direct investment, the global demand exceeds the global supply and investors have so many locational choices. The risks and uncertainties generated by the war and the government's proven inclination towards indiscriminate use of the coercive apparatus of the state were great disincentives for long-term investment. But one category of businessmen rushed to fish in troubled waters and they are still very much around. I mean the arms dealers.

Let me take you back to that moment of 1994, when we who believed in peace and finding a political solution felt that the turning point was within our reach. It was a conjuncture when the forces of peace and reconciliation were at a peak, when people of all communities were inspired to believe in the possibility of an end to the war and a lasting solution to the national crisis. The main plank of the peace platform was that in the name of uniting the country militarization had actually divided it and the only way to reunite it, was to make peace on the basis of a political solution that met the aspirations of the Tamil-speaking people. The change of government that followed opened a door of opportunity and optimism. But that moment vanished in April 1995 when the LTTE withdrew from the peace talks, unilaterally called off the ceasefire and launched a military attack. The government replied with its 'war for peace' which has been unfolding with an ever increasing fury. The bizarre drama of war and 'development' at the same time continues with occasional confessions from government sources that we cannot go on like this. Just now hope for peace has been rekindled by the Norwegian intervention and the LTTE's overtures.

But it is a strange situation again. The Tigers have declared a unilateral ceasefire and sent clear signals of willingness to find a negotiated settlement. I am quite certain that the vast majority of the Tamil people want the government to reciprocate LTTE's ceasefire and begin talks towards a political solution. However, the government says war and talks could go on at the same time. Unlike in 1994, the peace movement is in the doldrums. Multiethnic political forces are weakened. The war lobby of the majoritarian chauvinists is active and enjoying favourable publicity in the media. Those who are for peace are looking up to Erik Solheim as if he has some extraordinary power to get the government and the LTTE to the negotiating table to engage in a dialogue that will change our lives and the fate of the country. The entry of Norway as a facilitator is significant indeed. The government and the LTTE appear to be highly satisfied with Mr Solheim as facilitator. There is hope in the air. Miracles do happen but they take time, it is said. We have waited long enough, but peace is not going to fall from heaven. It has to be created here and towards that end, a mass multiethnic peace movement is a great need of the hour. We have to reinvent the moment of 1994 and go beyond merely demanding peace. We have to recognize the reality that obstacles to peace and development have become deeply entrenched over time. These obstacles are there within the state system, in civil society and in the war economy. Extreme Sinhala and Tamil nationalisms, mutual mistrust and fear, and agendas of communalist politicians who seek short-term electoral gains are part of these obstacles.

It is now necessary to delve a bit deeper into the meanings of development and peace and into the links between the two. I shall first make some general points about development as a concept and some observations on Sri Lanka's development indicators. Then I shall proceed to discuss the question of linking peace and development.

Making Sense of Development and its Links to Peace

The career of development as a concept is long and controversial. Development means different things to different schools of thought. I shall not go into the details of the long drawn out debates here. I wish to draw attention to the view of development as a process of continuous enhancement of human wellbeing. This view has a long history indeed and it has always had strong advocates among scholars and activists. Historically, while 'development of capitalism' implied the workings of an immanent process, the struggles of the proletarianized and the pauperized put social security and human wellbeing on the agenda of policy debates and policy making. In our times, Amartya Sen is a strong advocate of the view of development as an expansion of people's capabilities, as a process of emancipation from necessities that constrain fuller realization of human freedoms (Sen, 1984; 1988; 1992; 1999). Capability refers to a person's ability to achieve states of being he/she has reasons to value. It is about one's freedom to choose from possible livings. This interpretation of development provides us with a tool to assess the changes going on in society in the name of development. Such assessment may adopt criteria that range from basic functionings such as being well nourished, disease-free, safely sheltered and free from illiteracy to other valuable achievements such as higher education, having self-respect, preserving human dignity, being free from harassment and undue stress and enjoying the freedom to participate in community work, political and social movements. This list can be extended as we are talking about development as a process of expansion of freedoms and not as a discreet event.

This approach stresses the qualitative nature of development and allows us to regard human wellbeing as a more open-ended concept. Obviously, it shifts the focus from growth and accumulation to the most central questions of 'what does the quantitative expansion of the economy do to the quality of human life and what types and extents of freedoms do people actually experience?' It takes us beyond the economy into the realm of politics and human freedom. This approach could be used to assess the states of persons' wellbeing with reference to class, ethnicity, caste, gender, age and other social differences. It can be adopted as an additional conceptual tool by political and social movements to more effectively formulate their demands in terms of entitlements. It is useful in evolving agendas for democratic struggles.

I think this view of development is of particular relevance to making peace and rebuilding a war-torn society. It lends itself readily for conceptual linkages with peace and political solutions. Peace is a process and it is generally recognized that cessation of armed hostilities is a necessary condition to create an atmosphere for dialogue and negotiation. The implementation of the political solution cannot be sustained without a process of development that is inclusive and empowering of men and women, that is socially, ethnically and spatially even. Before addressing the linkages between development and peace, let us take a critical look at Sri Lanka's development performance.

Sri Lanka's Development Record

Indicators of development such as life expectancy at birth, infant mortality rate, adult literacy rate and the more composite indices such as the HDI (Human Development Index) and GDI (Gender Development Index) are well known as measures of quality of life. How helpful are these statistics in knowing the state of wellbeing of a people? For a poor country, Sri Lanka's record of these indicators is impressive, as Table 1 below shows. Going by these indicators, Sri Lanka has to be regarded as a success story in development. But let us not rush to that conclusion. Let us bear in mind that even as Sri Lanka recorded impressive progress in its HDI and GDI and other indicators, its record on human rights violations, disappearances, forced migrations caused by the armed conflict, crimes, unemployment, suicides, marginalization and deprivation has been getting worse. The incidence of poverty in Sri Lanka is considerable by conventional standards (World Bank, 1995) and could be worse in terms of people's own perceptions of their vulnerabilities as highlighted by recent studies (Dunham and Jayasuriya, 1997; Shanmugaratnam, 1999). Distributional conflicts,

deprivation, poverty, and violations of human rights assume larger and more complex proportions when one pieces together the diverse contexts of capability failures in Sri Lanka. Various groups of Sri Lankans live in environments of exclusion, vulnerability and deprivations of different sorts. Most people in the war-ravaged NEP are among the worst off in this regard. Evidence provided by local health workers shows that maternity and infant mortality rates, malnutrion and incidence of malaria are on the increase in the NEP. Many schools outside the Jaffna peninsula suffer from shortage of teachers and lack of basic facilities. Thousands of children of schoolgoing age are unable to attend school in the Vanni. Many children have been orphaned. People's mobility is severely curtailed by a multiple-pass system and security checks. Most civilians living in areas controlled by the LTTE do not have access to medicine and other goods such as canned and instant food items, sanitary towels and oil.

Vulnerable groups exist in other parts of the country as well though they may be spared of the daily trauma of living in a war zone. Not so long ago, a preliminary study of rural poverty in 19 villages in different parts of Sri Lanka showed, that deprivation and poverty as perceived by the communities themselves were of a higher order than the estimates arrived at by the UNDP (1998) and the World Bank (1995). Further, the poor in about 50 percent of the villages were not satisfied with the quality of the education available at local schools. Their main criticism was about the poor quality of the teachers in general and the lack of teachers for science subjects, mathematics and English. The lower levels of education and employable skills among the poor are both a consequence and a cause of poverty (Shanmugaratnam, 1999).

Table 1

Development Indicators for Selected South Asian and African Countries

Country	Life expectancy at birth		Infant mortality	Adult literacy		HDI	GDI	
	Male	Female		Male	Female			
Sri Lanka	70. 9	75. 4		17	94. 0	87. 6	0. 721	0.712
India	62. 3	62. 9	71	66. 7	39. 4	0. 545	0.525	
Bangladesh	58. 1	58. 2	81	49. 9	27. 4	0. 440	0.428	
Pakistan	62. 9	65. 1	95	55. 2	25. 4	0. 508	0.472	
Nepal	57. 6	57. 1	75	55. 7	20. 7	0. 463	0.450	
Tanzania	46. 8	49. 1	92	81. 7	62. 0	0. 421	0.418	
Kenya	51. 1	53. 0	57	86. 9	71. 8	0. 519	0.517	
Uganda	38. 9	40. 4	86	75. 2	53. 0	0. 404	0.397	
Zambia	39. 5	40. 6	112	83. 3	67. 5	0. 431	0.425	

Source: UNDP, Human Development Report, 1999. (Note: 1997 data)

The high adult literacy rate does not say anything about the differences in the quality of education. Today, every adult Lankan knows that there are 'good schools' and 'not so good and even bad schools'. Five years at a 'good school' is not the same as five years at a school without qualified teachers and basic facilities. Adequate facilities for learning science, mathematics and English are not available in many rural schools. What people regard as useful education in this country has become quite expensive and hence it is beyond the reach of the poor and the lower middle class. Similarly quality health services are becoming unaffordable to a growing number of Lankans. The growing inequalities in access to good quality education and healthcare are a source of socio-political conflicts. Large numbers of our youth are being condemned as unemployable because they do not have sufficient technical skills and/or proficiency in the English language. Sri Lanka's record of workers' rights is depressing too. In this regard, there are four groups that face special problems: the large number of landless casual workers in the countryside, thousands of workers in the Free Trade Zones (FTZ), the plantation workers and our unskilled migrant workers in the Middle-East and other parts of the developing world. The majority of these workers are women.

So what do we make of the indicators? They are not without any value at all. They give us a statistical picture of the overall achievement in some factors concerning human development. But we have to be aware of their limitations and not rush to make general conclusions about the quality of life actually enjoyed by people. Let us also not forget that these indicators are national averages and the NEP has been left out of the normal official statistical surveys for several years. Overall, it may be said that Sri Lanka has shown satisfactory results in quantitative terms. That does not say a lot, since these numbers are not enough to ascertain the distribution of the quantitative achievement, and they reveal nothing about the variations in quality across social groups and regions or about human freedoms. For instance, a life expectancy at birth of over 70 years is a statement about the quantity of life one may expect to have. To know one's quality of life we have to go beyond this number and find out the conditions of life in terms of the substantive freedoms to choose a living that has meaning to an individual. Economic security, freedom from harassment and discrimination, political and civil rights and human dignity are among the states of being desired by people.

One general conclusion we may draw from the foregoing observations, is that Sri Lanka's overall record of development in terms of human wellbeing is not as impressive as it has been made out to be with the aid of macro level quantitative measures. It cannot be denied that the war has been a drain on the country's economy and human resources. The economy would have done better without the war. The war is a major source of multiple and extreme violations of people's rights and of ideologies of chauvinism and hate. In this regard it has been playing an extremely repressive and anti-democratic role. However, this should not obscure the fact that, the political premises of the liberal economic policy implemented by Sri Lanka had inherent tendencies to create distributional conflicts and deprivations.

The War and its Winners and Losers

It is the considered view of many Lankans and concerned foreigners that the war in the North-East is unwinnable. The war lobby rejects this, of course. Be that as it may, it is already possible to figure out the beneficiaries – the winners, and the real losers in this war since it began. The protracted war has spawned

its own economy, which intersects with the national economy. It is a parasite on the national economy, as it has to be funded by the latter, which does not make any net gain from it. In fact, we have heard a lot about the losses suffered by the national economy. The war economy has been expanding at the expense of the national economy. A look at the war economy is necessary to gain a deeper understanding of the political economy of the war and its continuation. David Keen (1997) describes war as a rational kind of madness. He challenges the widely prevalent view of wars as irrational phenomena driven by passion. The use of the economic argument against war in terms of the costs and lost opportunities for growth seems a rational way to defend the demand for peace. But it may also obscure the economic interests that have developed through the war and reinforce the perception of it as an entirely irrational project. It certainly is not my point that strong emotions and altruism play no role in a war. Of course they do, and moreover the importance of ideology in rationalizing armed contest, mobilizing popular support and motivating the fighters cannot be overemphasized. The Tamil Tigers are driven not by economic incentives but by ideological motivation to fight and be prepared to die for their cause. On the other side, the Sri Lankan government has consistently acted as if economic costs—including losses due to destruction of assets and disruption of economic activities—were of less than secondary importance when it came to dealing with secessionism. I think in trying to expose the economic motives behind wars, Keen disregards the political and ideological dimensions. Without subscribing to the economic reductionism of Keen, I want to point out that there are groups that make big economic gains from the war. They may rationally engineer the apparently irrational ultra-nationalist campaigns for the military option. They are major winners in this unwinnable war and making them losers is a major challenge for the forces of peace indeed.

The war economy has many facets. High defence spending by the government, wartime relief operations, LTTE's fundraising and spending to maintain its military and administrative structures, and the activities of traders and middlemen who exploit the market shortages created by the war in the North-East are the main driving forces of the war economy. As a share of the GDP (6%), government's defence spending is the second highest in the world. It was less than 1 % of the GDP in the 1970s and rose to over 6% in the late-1990s and currently it is between 5.5 and 6.0 %. In US dollar terms, the defence spending exceeded one billion in 2000 and 800 million (estimated) in 2001. The government has imposed a defence levy and a goods and services tax to raise revenue to finance the war. The defence levy, which was 4.5% in 1994, has risen to 7.5% in 2001. The goods and services tax is 12.5 %. Since both are almost universally applied, all classes and ethnic groups and foreign residents in the country are made contributors to the government's defence spending. Thus even individuals and organizations campaigning for peace and reconciliation in Sri Lanka contribute to the defence budget. Further, 7.5% of the ODA channelled into Sri Lanka would directly and indirectly be allocated to the war effort. The LTTE imposes its own war levy on producers and income receivers living in areas under its control. Wherever and whenever they could, the pro-government Tamil paramilitaries enforce their own informal taxation on various consumer goods. Some of them are also known to extort money from businessmen. People in certain parts of the NEP pay more than one form of war levy, often two and at times three.

The Sri Lankan security establishment employs 240-250,000 persons, of whom around 125,000 belong to the Army, 40,000 to the Navy and Air Force, 68-70,000 to the police and the rest are 'Home Guards'. The government spends on bomber aircrafts, helicopters, naval vessels, communication equipment and armaments and other supplies and services needed to keep the security apparatus functioning as efficiently as possible. The armed forces have become an important source of employment for unemployed Sinhalese youth mostly from poorer rural homes. Recent studies of rural poverty in Sri Lanka report that employment as soldiers and home guards has helped raise incomes of poor households considerably (Shanmugaratnam, 1999; Dunham and Edwards, 1998; Dunham and Jayasuriya, 1998). The LTTE's army including its naval wing may have 10-15, 000 combatants and administrative personnel. The Tigers have their own relief and development wing too, although its capacity has been considerably reduced since they lost Jaffna. The LTTE has an elaborate and sophisticated communication and fundraising network among the Sri Lankan Tamil diaspora of more than 600, 000 and among non-Sri Lankan Tamil communities abroad. Thus the LTTE's sources of financial support are diversified. The Tamil paramilitaries have an unknown number of persons, perhaps several hundreds, receiving payment from the government's defence establishment. The war economy is thus an expanding sector.

The beneficiaries of the war economy belong to different classes, ethnic groups and nationalities. However, the biggest beneficiaries are the arms dealers, who are generally invisible to the public, the military elite, politicians who receive commissions and the local suppliers of provisions to the armed forces and Welfare Centres. The thousands of Sinhalese who have found employment as soldiers are exposed to high risks on the firing line. Their families do benefit financially but live in anxiety and fear about the lives of these young men and women who are fighting a war in which casualties are high. A Sinhalese parent had this to say: "Joining the army means gambling with your life. It is rather like playing Russian roulette. If you survive you get the monthly salary. If you die in action, your parents get the monthly salary plus compensation" (Shanmugaratnam, 1999:15). The LTTE's recruits come largely from among the poor too. A very large number of middle class (mostly Jaffna) Tamil families have managed to send their children abroad. In recent times, large numbers of Tamils from the North have also moved to Colombo and its suburbs and to other multiethnic urban areas such as Kandy and other parts of the upcountry in the South. Like the Sri Lankan government, the LTTE also looks after the families of its dead fighters although the financial compensation provided appears to be smaller.

Linking Peace and Development

I have argued that peace has to be created from within. External mediation or facilitation is necessary, but there has to be a strong commitment from the leaderships of the warring parties. The challenge here is to translate the popular demand for peace into a political will shared by the government, the LTTE and the main opposition parties. I have also argued that the peace process and the political solution it leads to cannot be sustained without a development process that is inclusive and empowering of men and women, and that is socially, ethnically and spatially even. The currently dominant development paradigm has to be critically evaluated from this perspective.

The neoliberal economic policy has been prescribed as the best means to maximize gains from globalization. Underpinned by the currently hegemonic ideology of globalism, the prescription strongly favours the freedom of the market in order to raise allocative efficiency and profits at the expense of workers' rights, other human freedoms and environmental quality. It is a policy that insists on virtually unlimited freedom for capital. Ironically, the other side of the freer mobility of capital across national boundaries is the restriction on the international mobility of labour particularly to Western countries. Yet international migration of labour does take place but large numbers of migrant workers (including Lankans) are either on limited contracts without trade union rights or are regarded as illegal immigrants, and subject to harassment in both developing and industrial countries. The illegal immigrants, when not incarcerated, generally belong to the 'black market' for labour where they are offered extremely low wages. Currently, professionals in Information Technology and some other selected fields enjoy freer international mobility. However, these relatively privileged groups constitute a small minority of the international migrants.

Globalization is an objective historical process. We need to distinguish this historical process from the ideology of globalism, which serves the political and economic interests of the imperial alliance of world capitalism led by the USA. We need to think more independently about how to participate in globalization so as to make net gains in human freedoms and wellbeing. In this regard we are not alone. There is a global trend initiated by democratic movements in many parts of the world against the hegemony of globalism. We will do well to develop links with these forces and become more active participants in the global struggle for people's democracy and alternative modes of development.

The development of the war-torn NEP is a major challenge. Taken literally, terms such as 'rebuilding' and 'reconstruction' in this context mean the restoration of something that existed before the war. However, more often than not these terms are used to mean moving towards a new and supposedly better state. The landscape, society and the economy of the NEP are a product of two decades of change brought about by the direct and indirect destructive effects of a war of attrition. The region had also suffered from discriminatory policies before the war. It has lost human and social capitals. Trauma, deprivation and loss of self-confidence are widespread. However, people who remain there have also displayed amazing resilience and creativity in the face of life and death situations. There have also been various attempts at rehabilitation and development at local levels. The social contexts in the war-torn areas are varied and complex and it would be foolhardy to rush with universal prescriptions of 'reconstruction'. The priorities of developing this region as seen from below and by the people may be at variance with those seen by policy makers from a macro perspective. There is need for serious dialogue between the two levels. Development of the NEP should be envisioned with the participation of the people. Such an exercise should enable the transformation of the challenges of building the society and economy into opportunities for the people to rediscover their potential and enhance their capabilities. The political solution should set the stage for such a transformation by making power sharing a practical reality.

My intention is not to offer a political solution to the national question or an alternative development policy but to put forward a framework to discuss and debate the linkages between peace, political solution and development. The framework itself has been inspired by the need to re-imagine Sri Lanka as a multiethnic democracy in which different ethnic and religious identities could co-exist enjoying their autonomies while enriching each other. It could be useful in rethinking our struggles for democracy and their links to human development and peace. We also need to interpret the meanings of self-determination with due consideration to the multiethnic nature of our society, multiple identities and human freedoms in a global context. We need to work out institutional arrangements to enable autonomies to be exercised in an environment of equality, mutual trust and respect and cultural cross-fertilization. Multiethnic areas will need special arrangements to ensure equality and the flourishing of multiethnic cultures.

I believe that the refashioning of the Lankan state as a multiethnic democratic state involves its decommunalization and secularization. There is no hope for multiethnic democracy in this country as long as the state is under the hegemonist sway of Sinhala Buddhist ethno-nationalism. Similarly, there is no hope of finding a politically, socially and economically workable arrangement for regional autonomy or federation in the North-East, as long as the concept of self-determination of the Tamils is framed in narrow ethno-centric terms that exclude the Muslim people who inhabit different parts of the region. The expulsion of the Muslims from the North in 1990 by the LTTE was a manifestation of a chauvinist intolerance. A political solution is not complete without the restoration of the rights of these people.

I would also like to add a critical note on the tendency of some to idealize civil society as the realm of freedom. The state strives to exercise its hegemony in civil society while the latter is also a domain of contending ideologies ranging from ethnocentric exclusivism, fundamentalisms and populism to various schools of

radicalism. The government uses its power and influence to co-opt or neutralize activist groups that are independent and critical. It uses intimidation and force to silence organizations and individuals that stand for workers' rights. Some sections of the media are overtly hostile towards peace activists. They have chosen not to highlight the humanitarian tragedy caused by the war in the North-East. They give undue prominence to the propaganda of majoritarian ultra-nationalists who deny that the Tamil speaking people have grievances. Civil society in the North-East is in the agonizing grip of forces of violence.

In these circumstances, it is commendable that many groups continue to struggle and work for human values and people's rights and they have forged national alliances through consortia and coalitions. It is also heartening that some of them have developed regional and international links. Civil society is a contested terrain indeed, and the forces of peace, democracy and radical change have to unite in order to broaden and consolidate their spaces for dialogue and struggle.

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THE BRETTON WOODS INSTITUTIONS AND FOOD SECURITY IN DEVELOPING COUNTRIES

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1. Introduction

Food security is still not a well-understood concept. Thus, at the onset some conceptual clarity is in order. First, food security is not determined solely by the capacity of a country to produce food. In fact, food security may be better served, in certain national context, by producing less food domestically. Food security is determined by a host of factors such as global food production, trade policies, terms of trade, agriculture policies, income distribution patterns, and social security. It is not a problem confined to the agriculture sector. So, the solution to food insecurity does not lie in the domain of agriculture policy alone.

Food security is not synonymous with food self-sufficiency. Food security is the capacity to obtain the required quantum of food rather than the ability to produce all the food needs. Thus food security is a state of affairs where: " all people at all times have access to safe and nutritious food to maintain a healthy and active life." Hence, food security may be defined as the availability of an adequate supply of food, which people can access, to obtain their food needs (basket of basic commodities) at prices they can afford. The FAO emphasizes the three "a"s in food security: availability, access, and affordability.

Food security has several levels of attainment. Global food security is discussed in the context of population to food equation. If the world population's basic food needs exceed global food production, then this disequilibrium will threaten global food security. Then there is regional food security. Third, there is national food security when a country produces some food for its people and has the capacity to import its other needs of food with the earnings from exports. Finally, there is the attainment of food security at the household level, particularly households at low income levels. It is a distributional issue of vital importance. Needless to say, in this context, Prof. Sen's observation that some people can still starve even when plenty of food is available and his explanation that "entitlements" people have to exchange for food are just as important.

Institutions like FAO focus mainly on global food security while various regional blocs focus on their regional food security. The Bretton Woods institutions focus on national food security, but the focus is mostly at the macro-level. The approach of Bretton Woods institutions in addressing the food security issues at the macro level is based very much on trade policy and finding market-based solutions in the rural economies. Little importance is given to the non-level playing field that exists in global agricultural trade and it is assumed that the comparative advantage doctrine determined by trade policy can ensure food security at the household level if other domestic distortions are removed. Let us examine this line of argument in a little more detail.

2. Trade Policy and Food Security

Bretton Woods institutions have profound faith in the market mechanism doctrine. The stabilization and adjustment policies advocated to developing countries by these institutions are based on this faith. Trade policy is seen as an important pricing instrument that will allow efficient allocation of resources which in turn will enhance growth. This growth, it is assumed, will be an effective income policy to enhance welfare. This means that a country should be allowed to develop according to its comparative advantage. More specifically it means that in the agriculture sector, those areas with comparative advantage should develop and other areas should gradually give way for cheaper imports from the rest of the world.

Once the comparative advantage takes over in the development process, the Bretton Woods institutions argue that the earnings from exports (both industrial and agricultural) could finance the imports necessary, including food, and it is believed that as long as the country could secure all the food requirements both by domestic production and by importing, food security could be achieved. The basic problem with this argument is that it views food security more at macro level and views food insecurity as a macro-level economic problem. It does not view food security from the micro level or from the household perspective.

In the area of trade liberalization, South Asia has gone quite far especially in the agricultural sector compared to many other regions. This has happened especially after the WTO came into operation in early 1995 (see, for instance, Athukorala, 2000). Tentative estimates show that the Production Subsidy Effect (PSE) for agriculture to be less in South Asia compared to all other regions of the world (Table 1). In other words, it shows that most of the public support systems in the form of agricultural subsidies in other regional blocs remain at a higher level than that of South Asia.