

THE SRI LANKAN ETHNIC CRISIS IN THE LIGHT OF GLOBAL CAPITALISM

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Over two decades of protracted violence (whether one prefers to call it a civil war, terrorism or liberation struggle), organised and funded by the state on one side and vested interests on the other, has obviously taken its toll on the economy, human resources and socio-political tranquility of Sri Lanka. While this trajectory of domestic instability appears to continue with punctuated acceleration, the global scene outside the country has undergone almost a revolutionary change between the time when the ethnic crisis started in the early seventies and the present. The international sympathy which the Tamil cause had earned during the seventies and eighties appears to have waned in the nineties not simply because of certain tactical miscalculations and deliberate blunders committed by the Tamil fighters, but also largely because of the changes in the global political and economic environment which is alarmingly indifferent towards the cause of ethnic minorities and human rights which in its view appears to hinder the inexorable march of capital towards global hegemony. This aspect of the problem has received little attention in recent publications on the Sinhalese-Tamil ethnic problem and it is time that the entire issue be looked at from this new perspective. It is hoped that this approach may offer some new directions to those who seek a solution to the problem.

The Sri Lankan ethnic issue has acquired a virulently violent dimension since 1983, when the Sinhalese mob, directly supported by that community's extremely racist elements and indirectly by the then Jayawardena government which came to power with the latter's backing, unleashed a meticulously planned pogrom on the Tamil community living in the Sinhalese provinces. Following this mayhem, the counter-offensive staged by the Tamil community under the armed leadership of Prabhakaran's Liberation Tigers of Tamil Eelam (LTTE) received international sympathy in spite of LTTE's indiscriminate killings and destruction of not only the lives and property of government forces and personnel but also those of innocent civilians belonging to every community in the island especially if they were to be found unsympathetic to the cause of Tamil Eelam. The arrival of the so-called Peace Keeping Forces from India and its peace breaking behaviour in the island, and the United National Party government's strategy of divide and rule by using the other ethnic minorities such as the Muslims and Indian Tamils to weaken the unity amongst the minorities escalated the violence throughout the entire country. The LTTE was now compelled to extend its theater of offensive from the North and East of the island to other parts and even beyond into India. Violence begets violence and the vicious cycle continues unabated with more than 50,000 Tamils reported to have been killed (depending on who did the counting), hundreds of thousands of Tamils, Muslims and Sinhalese living as refugees in hazardous camps after being forcibly evacuated from their native lands and dwellings, millions of dollars

worth of property damaged, and the social tranquillity of the country shattered irreparably.

The most surprising feature of this period of unceasing political turbulence and government-LTTE armed confrontations is the resilience of the Sri Lankan economy which against all the odds has demonstrated a remarkable trend of steady but modest growth. It is true that the published data on the state of the economy, provided by the Central Bank of Sri Lanka, only partially covers the nation. With the North and east of the country under continuous civilian and military disruption, systematic collection of economic data from these regions is a near impossibility. In spite of this shortcoming, the overall picture depicted by the statistics gives reasonable cause for satisfaction. The following summary on the performance of the island's economy is based on statistics provided by the Asian Development Bank's *Key Indicators of Developing Asian and Pacific Countries* for the year 1994, the World Bank's *World Development Report* for 1995 and the *Asia Yearbook 1996* published by the *Far Eastern Economic Review*, all of which depend for their information on the Central Bank of Sri Lanka.

Between 1980 and 1993, the economy experienced an average annual growth rate of 4.0% in gross domestic product followed by 5.5% in 1994 and the same again in 1995. While the inflation rate still remains in double digits it has declined however, from 12.3% in 1970-80 to 10.3% in 1991-95. Although the country's total national debt had increased from US\$ 1.8 billion in 1980 to US\$ 6.7 billion in 1993, the burden of debt servicing had actually declined from 12.1% to 10.1% of the exports between the two years. There had also been an increase in foreign direct investment (FDI) from \$43 million in 1980 to \$195 million in 1983 which more than compensated, the decline in official grants from \$161 million to \$141 million during the same period. In terms of unemployment, published data shows a drop from 14.4% to 13.6% between 1990 and 1994 although these figures should be accepted with caution because of the inefficiency in collecting and reporting information on employment. The open-door economic policy enunciated by the Jayawardena government and its continuation by his successors has obviously brought some positive results to the country although it has subjected over 6 million people in 1992 to dwell in abject poverty, and has continued to widen the gap between the rich and poor. While the lowest 20% of the population receives less than 9% of the national income the highest 20% receives nearly 40% of it. If nor for the millions of dollars worth of foreign remittances sent annually by the expatriate labour working in the Middle East and Japan, a vast number of Sri Lankan families would be relegated below the poverty line. In spite of these negativity, the performance of the economy during the trouble decades has been creditable.

One of the salient features of the open-door economic policy is the state's willingness to invite foreign capital to invest in Sri Lanka. The unreserved hospitality to accommodate foreign capital has become a universal phenomenon in most developing countries. With the collapse of communism and the end of the so-called Cold War, capitalism, headed by its global corporations and US dominated international institutions, entered a dynamic and aggressive phase in its relentless march towards global hegemony. Small countries like Sri Lanka are left with no viable alternative but to surrender to the dictates of these global players. This changed economic environment, both inside and outside Sri Lanka, has introduced a new dimension to the ethnic problem which has to be considered seriously by all parties before deciding their next step.

From the point of view of the LTTE, one of its long standing strategies has been to disrupt the island's economy as extensively as possible so that the government, unable to withstand the strains caused by the damage, would be forced to succumb to the rebel's demands. The modestly successful performance of the economy during the eighties and nineties has proved that the LTTE has failed in achieving that objective so far. The open-door economic policy of the government and its readiness to embrace global capitalism without reservations has actually swung international sympathy to its side and has succeeded in portraying the LTTE as a terrorist nuisance which deserves to be eliminated. The bomb attack on the Central Bank building by the LTTE a few days before the beginning of the World Cup cricket matches, although it proved LTTE's strength and capabilities to penetrate Colombo even in the middle of heavy military security, had actually compelled international opinion to declare its open disgust at the rebels. *The Economist*, in one of its editorials called all nation to stand against "LTTE terrorism" and even criticized the Australian cricket team for not playing its scheduled matches in Colombo. The message is loud and clear. Global capital is throwing its weight on the side of the government which wants to make the country hospitable to foreign investors, whereas the LTTE is trying to turn it into a hostile environment. Can the LTTE continue to antagonise the global players by resorting to more disruptions to the economy?

From the point of view of the government and its economic policy, global capitalism with its free market philosophy, although it has brought some benefits to the country, has not transformed Sri Lanka into a Singapore as envisaged by the first President of the nation, Mr. Jayawardena. In fact as some of the statistics cited above shows, quite a substantial number of people are existing below the poverty line and that number is set to increase in the future if the government fails to provide at least a decent safety net to the poor. To allow that number to increase is also politically dangerous in a democratic country. The immediate task of the government therefore is to sell to the local populace without losing popular support the free market economic policy package designed in consultation with the global players. If that support fails to eventuate voluntarily, the government might even try other measures to force acceptance. Sporadic reports from non-government publications in Sri Lanka have revealed already instances of heavy handed police action in silencing protest voices. Even without any protest government realises that increasing budget expenditure on

defence and security leaves little revenue to be spent on welfare and development of infrastructure to make the country even more attractive to foreign investment. A speedy conclusion of the ethnic war would obviously release much wanted resources for this purpose. On the other hand, the war and the ethnic issue could also provide the government with a convenient scapegoat to shift the blame when the open-door economic policy finally shows its ugly side by creating a tiny class of super rich at the expense of the poverty stricken majority. Should the government therefore bring the ethnic war to a close quickly and solve the problem or continue dragging it to gain electoral advantage?

There are now five sets of players in the ethnic drama; the government, the opposition headed by the United National Party (UNP), the LTTE, the other minority parties representing the Tamils and Muslims such as the Tamil United Liberation Front and the Sri Lanka Muslim Congress and global capital represented by the foreign companies and international finance groups. Of these, the first four are direct participants while the last plays a deterministic role from behind the scene.

The UNP, having lost by a slender margin the chance to recapture power in the 1994 General Elections, is now apparently politicizing the ethnic issue to whip up anti-government feelings amongst the Sinhalese masses. The party's reluctance to co-operate with the government in the latter's attempt to establish constitutionally a form of federal political structure with increased autonomy to the Tamil areas reveals its hidden agenda. With regard to economic policy however, the UNP is even more wedded to the open-door policy than the present government. Therefore the equation is not going to change even if the UNP comes back to power.

The other minority parties which are currently involved in negotiating with the government for a just solution to the ethnic problem are facing serious opposition not only from the LTTE which considers them as traitors to the Tamil cause but also from the Sinhala ultra-nationalists led by some very influential politicians and Buddhist priests. However, the danger to any negotiated settlement will arise not from the LTTE which will ultimately be compelled by the Tamil people themselves to come to terms with the new reality but from the ultra-nationalists who will not rest until every one in the country speaks the Sinhalese language and adopts Buddhism as one's faith. The only way to stop this chauvinist group from rising to uncontrollable prominence, as the Bharatya Janata Party in neighboring India did, is to build up a united Sri Lanka by settling the minority issue with justice and fairness. The Tamil parties which are now negotiating with the government need support from all the minorities in Sri Lanka.

The Tamils who live outside Sri Lanka and who blindly support an armed struggle to carve out a Tamil Eelam also have to realise the new realities. The vast majority of these expatriates emigrated from Sri Lanka after the 1983 pogrom. In a sense they left the battle ground because they could not fight and their desertion has even depleted the fighting cadre of the LTTE. The recruitment of the very young and the inexperienced to the guerrilla army might have been one of the reasons for the heavy casualties which they have recently

experienced at the hands of the armed forces. According to one report released by the Human Rights Group from the University of Jaffna, almost thirty percent of the Tamil population from the North had left the country to settle abroad. These are the educated, skilled and the able bodied grown-ups and their relatives. Only those who are very young, weak and without any means to escape are remaining there and undergoing unbearable suffering and sacrifices from a war which many of them never wanted. The return of between 250,000 and 500,000 refugees to their native villages, who were originally evicted when the army invaded and captured the city of Jaffna and its suburbs (a government report but confirmed by independent observers), is a silent testimony to the fact that the ordinary people are fed up with and frustrated at the never ending sacrifices imposed upon them by an unwanted war and senseless destruction. Those who cry from outside the country for international help on the basis of human rights and ethnic identity may well be advised to look at what is happening to the cause of the Moros in Philippines, Karens in Burma, Timorese in Indonesia and Kurds in Turkey and Iraq. International opinion today is manipulated by international capital and the primary concern of the latter is not human rights, democracy or identity but profit and more profit.

There is also one more player in this whole drama and that player is India. The Tamil community, especially its armed wing, expects South India with its over fifty million Tamils to come to the aid of their cause. The present writer has already explained in another context the reasons why India and its southern state will not help the cause of a Tamil Eelam (see Tamil Times,) 15 October 1990). However it is in India's hegemonic interest in South Asia to see that political stability prevails in Sri Lanka so that Indian capital will have a hospitable investment environment.

In conclusion, what are the options available to both the Sinhalese majority and the minorities? The realities of the Sri Lankan ethnic problem have changed considerably between the seventies and nineties. The entry of global capitalism into the economic arena has added a new dimension to the whole issue. Sri Lanka with all its recent political setbacks is still a democratic country and it is within that democratic tradition and framework that a solution has to be found to the ethnic problem. With a government in power which has the political courage to concede openly that injustices in the past had cumulatively depressed the political and economic status of the Tamil community, the time is ripe for a negotiated settlement. Perhaps this may be the last opportunity the country has and if that is missed who knows what is in store in the political cupboards of the ultra-nationalists.

The Sinhalese community must realise that a negotiated settlement is not possible if the Tamils continue to be humiliated by the armed

forces. The capture of Jaffna by the army may have proved the point that the LTTE is not an invincible force after all, but it has devastated Tamil pride and humiliated the entire community psychologically. The sooner the army is withdrawn from the North the better is the chance that the LTTE may reconsider its present mood of belligerency. The Tamil community must equally realise that there are also other minorities such as the Muslims whose interests cannot be sacrificed to the sole benefits of the Tamils. The historical peace which prevailed between Tamil and the Muslims in the North and east of Sri Lanka has been seriously damaged as a result of the LTTE strategy of massacring the Muslims and chasing them away from their villages with the expectation of forcing the Muslims to join the cause of Tamil Eelam. One of the most disappointing aspects of the saga of Tamil struggle has been its historical failure to understand the political predicament of the Muslim community in Sri Lanka. The Tamil leadership never considered the Muslims as a political force to reckon with and therefore failed miserably to work out a collective political strategy in its encounter with the Sinhalese; the Muslims on their part never understood the meaning and philosophy behind the Tamil struggle, always mistrusted the Tamils as a community and sought to win privileges from Sinhalese governments by exploiting the Sinhalese-Tamil rift. Quite tragically, the Tamils and the Muslims in spite of their close cultural affinity went along divergent paths and thereby weakened their individual strength politically. Unless the Tamils convince the Muslims that the latter will be treated equally in a Tamil dominated regime, one cannot see how the present Tamil demand for a merger of the North and East can succeed and remain peaceful. After all, the majority of the Muslims in Sri Lanka are Tamil speaking and they have done more towards the spread of Tamil culture in the Sinhalese dominated provinces than the Tamils themselves. The status of the Muslims in a merged North and East and more importantly the status of Muslim-Tamil culture in the Sinhalese dominated provinces are matters which have to be clearly spelt out in any negotiated settlement. Unfortunately the Muslim community and its current leadership is surprisingly remaining silent on these crucial issues.

In the meantime the duty of the international community and that of the expatriate Tamils is to press hard on the LTTE to rejoin the other Tamil groups and create a United Minority Front to work for a negotiated settlement. In the context of the changed global realities and the prevailing mutual mistrust amongst the different ethnic groups there is now a need for a third force in the shape of an independent but multilateral body which should be present at the negotiating table and become actively involved later in supervising the total implementation of the terms of the settlement. This body should also be empowered to recommend to the United Nations appropriate measures if the parties to the settlement were to retract later and behave opportunistically. ■

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