

**MONITORING FACTORS AFFECTING THE
SRI LANKAN PEACE PROCESS**

SYNTHESIS REPORT

**THIRD QUARTERLY
AUGUST – OCTOBER 2005**

CENTRE FOR POLICY ALTERNATIVES

METHODOLOGY

The Centre for Policy Alternatives (CPA) has conducted the project “Monitoring the Factors Affecting the Peace Process” to assess the current status of the peace process. The output of this project is a series of Quarterly Reports. This is the third of such reports.

Having identified a number of key **factors** that impact the peace process, they have been monitored observing change or stasis through a range of **indicators**. These indicators suggest **trends** for each factor. The factors have been grouped into a series of **clusters** which reflect critical dimensions of the peace process. The trends will suggest the level of change in each cluster and in sum will indicate how the peace process and its environment have been strengthened or weakened.

This **Synthesis Report** will highlight the trends that emerge from the monitoring process and analyse them within the context of their respective clusters and between the clusters. This report is drawn from the more comprehensive **Cluster Report** which examines the various trends, factors and indicators in greater detail.

1. OBJECTIVE

The first and second quarterly reports covered six months of developments that including the efforts to negotiate a Post-Tsunami Operational Management Structure (P-TOMS); the collapse of the ruling UPFA Government; and the rise in violence and killings. As such it reflected on the state of the peace process, in the current ‘no war, no peace’ scenario, and sought to examine the strengths and weaknesses of this process in order to decide how the process can best be supported. It is within this larger project that the quarterly report sited itself. The third quarterly report, while continuing to examine this seeks also to determine whether there has been progress, deterioration or stasis with regards to the peace process.

This Synthesis Report seeks to highlight the various trends identified in the respective Cluster Reports, (attached hereto), examine the relationship between them and present an analysis in relation to the impact they have had on the peace process in Sri Lanka during the quarter under review, August – October 2005. **It should be noted that the analysis also incorporates the period so will assess the impact of developments during this period.**

2. TRENDS

The following key trends were identified during the quarter under review:

Cluster 1: Negotiations and Peace Talks

Trend 1: Parties focus on CFA ‘review’ though from divergent positions

The Supreme Court’s Interim Ruling on key aspects of the P-TOMS meant that talks between the two parties, the Government of Sri Lanka (GoSL) and the Liberation Tigers of Tamil Eelam (LTTE), on its implementation ground to virtual stand still. The parties did, however continue talks on an issue related to the CFA which were conducted through Norwegian shuttle diplomacy. The issue of transport of LTTE between LTTE controlled areas had become a key issue as a result of attacks on convoys by the Karuna Group. These talks continued from the second quarter into the third, but with little success in reaching agreement on the exact modalities.

The deterioration of the situation on the ground, the increasing violence and the rise in fatalities prompted the GoSL to demand a ‘review of the CFA.’ The LTTE initially opposed this call for talks arguing that the key issue was the non-implementation of article 1.8 in the CFA, relating to

the disarmament of paramilitaries. The Norwegian Government which was called to facilitate the talks also voiced its apprehensions of such an initiative. In August, however the position of the LTTE shifted as it expressed a willingness to begin talks. That this decision followed the assassination of Foreign Minister, Lakshman Kadirigamar, which was attributed to the LTTE by the GoSL would suggest that the shift was strategic in order to neutralize international pressure that followed the Kadirigamar assassination. The talks, however did not take place as the parties disputed the location for talks, while the forthcoming Presidential Elections also questioned the viability of such talks given the differing position of the two candidates on the CFA. The dispute in location suggested that the parties were keen in using the talks for strategic purposes to gain leverage in the international arena.

Trend 2: Government moves to a dual strategy of campaigning for international sanctions against the LTTE, while seeking to strengthen the CFA, the Peace Process and its own position within the process

Following the assassination of Kadirigamar the GoSL condemned the act and blamed the LTTE as being responsible. It moved further and demanded sanctions against the LTTE and thus embarked on an international campaign through lobbying key actors through its foreign missions and direct interactions between key figures in the GoSL and foreign statesmen. Given its limited option in responding to the assassination the GoSL had to rely on the international community to take action. The policy of containment and international pressure on the LTTE has been a key strategy of the GoSL through the peace process. In this quarter there was a distinct shift with the GoSL calling outright for sanctions. The GoSL also called for a change in strategy by the international community to take a more hard nosed approach to the LTTE and thus to shift away from ‘appeasement,’ thus demanding a shift in the international community’s policies with regards to the LTTE. Previous killings attributed to the LTTE had not resulted in such actions but the nature of the target propelled a more hard line approach. The GoSL also sought to use the international pressure resulting out of the assassination to also strengthen the peace process and the government’s position in it by renewing its call for a ‘review’ of the CFA. The visit of Human Rights Advisor to the Parties in the Sri Lankan Peace Process, Ian Martin offered another such opportunity especially following Martin’s proposal for a Human Rights Declaration and Training Program but the LTTE deferred the declaration.

Trend 3: LTTE's stepping up its efforts to force the Government out of the status quo of "no peace talks" and "no war," and to maintain the strategic balance in the peace process

The government's assertion of the LTTE's responsibility in the Kadirigamar assassination and increasing international acceptance of its involvement asks the question what was the LTTE's strategic interest in doing so. The 'failure' of the P-TOMS process, particularly given the six months of talks between the two parties and the terms of the P-TOMS that dealt with some of the core issues of the peace process, raised key questions for the LTTE of the ability of the GoSL and the peace process at large to deliver. Thus the LTTE increasingly called for direct engagement between key international actors and the LTTE to allow for the movement of tsunami recovery funds and to strengthen its relationship with the international community. Putting the P-TOMS in the wider context of the peace process where the peace process had not moved forward since March 2003, particularly given the GoSL unwillingness to accept the ISGA proposal the LTTE's frustration seemed to mount as evidenced by the Mahaveera Speech of 2004. Thus it would seem the assassination was not merely the elimination of a prominent opponent, but also a means of pushing the GoSL to act decisively one way or another.

In the aftermath of the assassination the LTTE seemed to adopt measures to thwart further international action, such as agreeing to a CFA review with the talks taking place in Oslo thus affording it an international venue to declare its commitment to the peace process. The LTTE seemed genuinely "shocked" by the international community's response, in particular the European Union Travel Restriction as clearly impacted the LTTE's strategic position in the peace process, particularly with the international community. The Presidential Elections, however provided the LTTE some relief and space to decide how to proceed with the peace process.

Trend 4: International Community shifts emphasis from "Constructive Engagement" to "Constructive Sanctions"

The developments within this current quarterly period, in particular the Kadirigamar assassination resulted in new measures by the international community with regards to the LTTE. In the previous quarterly period the international community had supported the efforts at establishing the P-TOMS and continued to demand that the two parties observe the CFA, calling for the LTTE to end its use of killings and the Government to 'disarm' paramilitaries. The United Nations through its Security Council Resolution on the use of child soldiers in naming the LTTE and

calling for a monitoring of its recruitment for a year before reviewing further action also marked a critical step by the international community in influencing change in the peace process.

The Kadirigamar Assassination, however prompted a key actor in the international community, the EU to debate the issue of a ban on the LTTE and then issued a travel restriction on official LTTE delegations, despite difference between member states. This marked a shift, at least with regards the EU from just ‘constructive engagement’ to the use of ‘constructive sanctions’ thus allowing the EU members states the space to engage with the LTTE while demonstrating its disapproval. The assassination also called into question the effectiveness of the international community in influencing change in the local actors.

Trend 5: Increasing “disenchantment” of the GoSL with Norway’s Role

While the critiquing of Norway’s role by the media and politicians has been a feature of the Sri Lankan Peace Process, over this quarterly period key individuals in Government, including the new Foreign Minister Anura Banadaranaikē stepped up their critique calling into question Norway’s role. The perceived partiality of Norway to the LTTE in adopting positions closer to those of the LTTE and its attempts to prevent international action against the LTTE following the Kadirigamar assassination led to increased “disenchantment” with the facilitator. The critique of Norway also became a theme of the election campaign suggesting that the continuation of its role may be uncertain.

Cluster 2: Political Environment

Trend 6: Mahinda Rajapakse’s Election Campaign: A trend towards the rejection of the current framework of the peace process with a desire to re-design it.

Following the Supreme Court’s decision which set the election date for November 17 the election campaigns picked off with the two main candidates canvassing for support and trying to project their respective visions for the country. Following the endorsement Mahinda Rajapakse as the SLFP Presidential Candidate he was endorsed by the constituent parties of the People’s Alliance. While negotiating with minority parties he also sought an alliance with the Jathika Vimukthi Peramaun (JVP) and Jathika Hela Urumaya (JHU). Rajapakse signed separate agreements with these two parties which dealt in large part with the current peace process.

The agreements in effect challenged some of the key aspects of the present peace process, including the CFA, Norwegian mediation, P-TOMS and the principle of federalism. Rajapakse’s

incorporation of some the key components of these agreements into his manifesto, *Mahinda Chinthanaya*, suggested that these agreements would serve a key role in his policy design. His image also transformed from a moderate politician to a more hard line presidential candidate calling for a fundamental change to the peace process. His opposition to federalism in particular proved problematic given that there was a shared understanding between the UNP, SLFP and LTTE leaderships that the political solution to the ethnic conflict would be addressed through federalism. His preference for the unitary state thus suggested a rejection not just of this consensus but of the President and the SLFP Party itself.

Some of Rajapakse's leftists allies suggest that this position is tactical and only a means to win the 'Sinhala' vote. Furthermore, some of the principal changes he calls for deal with reviewing and changing the peace process and not simply opposing the current peace process. While the election campaign suggested a fundamental shift in the peace process it is yet to be seen whether Rajapakse would implement all these principles once in power.

Trend 7: The increasing appeal of the need for a Southern political consensus on the Peace Process: Wickremasinghe's Bipartisanship vs. Rajapakse's Multi-party approach

A key component of the proposals by both candidates, in addition to pursuing direct negotiations with the LTTE, for the peace process is of a 'Southern Consensus' with significant variation between the two. Wickremasinghe's conducted negotiations with President Chandrika Bandaranaike Kumaratunga on this issue and included it in his manifesto as a key aspect of the peace process. Rajapakse called for a broader consultation process involving political parties both within and outside parliament and key civil society actors which could lead to a consensus which could be presented to the LTTE. Thus, both in terms of the process of negotiations and in calling for a broader consensus, thereby challenging the notion of a 'sufficient consensus' between the UNP and SLFP Rajapakse signalled the need for a new approach in the peace process.

**Trend 8: The 'Sinhala' Backlash and the polarization of the electorate on Majority/
/Minority lines, with some exceptions**

This election was marked by significant polarization, particularly on ethnic lines with Rajapakse increasingly being projected as the Sinhala candidate and Wickremasinghe as the more peace- and minority-friendly candidate. In addition to the agreements with the JHU and JVP, the reflection of these agreements in the manifesto *Mahinda Chinthanaya* and the rhetoric of the Rajapakse campaign created a perception that the election was de facto referendum on the peace

process. The Sinhala nationalism that became part of the campaign, seemed a ‘Sinhala backlash’ to the peace process, particularly with calls to a re-affirmation of the unitary state. Yet, Rajapakse also reiterated his commitment to a negotiated settlement and expressed his willingness to “go the extra mile” in negotiating directly with the LTTE leader V. Prabhakaran.

This majority-minority polarization was also reflected in the election alliances with the main minority parties: the Sri Lanka Muslim Congress (SLMC) – the dominant Muslim political party and the Ceylon Workers’ Congress (CWC) and the Up-Country People’s Front (UPF) - the two main Up-Country Tamil parties backing Wickremasinghe while the JVP and the JHU the more Sinhala nationalist parties supporting Rajapakse. Public opinion surveys also seemed to reflect this polarization. Nevertheless, the is majority-minority distinction had exceptions with the National Unity Alliance and dissidents from the UPF supporting Rajapakse, in addition to the anti-LTTE political parties such as Eelam People’s Democratic Party and Eelam People’s Revolutionary Liberation Front (V) who also endorsed his candidacy.

Trend 9: The LTTE moving to galvanize the Tamil civilians behind its objectives

The LTTE has continued in its efforts to consolidate political control. The Popular Resurgence Conventions that began in the second quarterly period have continued with efforts at increasing popular participation and galvanizing the public behind the LTTE. The conventions that are organized by civilian groups have reiterated their support for the LTTE and its present policies and in terms of participation provided a sense of popular backing, despite poor participation in the East when compared to the North. Through its training for civilian auxiliary forces the LTTE has also tried to prepare the public for a possible return to war while showing how a return to hostilities would be as a ‘people’s war.’ The continuing military and political challenge by the Karuna Group and other military actors against the LTTE continues to undermine its efforts at consolidation.

Trend 10: Increasingly hostile international environment for the LTTE

The ‘failure’ of the P-TOMS, despite the negative repercussions for the peace process and for the LTTE to access international funds for tsunami recovery it also offered an opportunity for the LTTE to approach the international community directly. The United Nations Security Council Resolution on the Use of Children in Armed Conflict in the second quarterly period had an impact on the LTTE’s image but it did not necessarily have far-reaching diplomatic repercussions.

The assassination of Lakshman Kadirigamar which was blamed on the LTTE had a significant impact on the LTTE which may have even led to a reversal of some the gains it had made in the current peace process in securing international legitimacy and recognition as a political actor. In particular the European Union's travel restriction on official delegations of the LTTE signalled a shift in the international community's relationship with the LTTE. Thus, it has had to re-think its strategy as it tried to thwart the GoSL's efforts to have it banned but was unable to prevent the censure of the EU and continuing efforts of some EU member states to have it banned. Thus, the LTTE also had to demonstrate its commitment to the peace process to the international community which influenced a change in stance on talks for a review of the CFA. This hostile international climate continues to pose a threat to the LTTE.

Cluster 3: Security

Trend 11: Rising violence leads renewed efforts to strengthen security and military control, intensifying security dilemma

Over this current quarterly period both parties have continued to strengthen their military position and security control. The intensification of violence and particularly against the two parties, with increased attacks on the Sri Lanka Armed Forces, the police and LTTE Cadres the two sides have tried to re-assert control. The Government has for instance stepped up its security presence, establishing new checkpoint and increasing its patrols and carrying out search operations. The LTTE has carried out training sessions for civilian militias while seemingly intensifying surveillance. The net effect has been an increase in fears and the intensification of the security dilemma as both parties interpret the other's security measures as a threat.

Trend 12: A continuing escalation in the Proxy War with increasingly high-profile targets while Killings remain at a constant high further undermining human security

The 'proxy war' between the Government forces, the LTTE, Karuna Group and other military actors has continued over the last two quarters into the current with a escalation in the violence. Looking in terms of sheer numbers of killings and attacks on security points largely of the Armed Forces and Police with some on LTTE camps, convoys and political offices it would seem that there has been an upsurge in the proxy war, suggesting that over 2005 it has intensified. Furthermore the qualitative shift in the targets for killings with a number of high profile victims also serves as indicator of this intensification. In addition there is increasing actors of 'new

actors' being involved in the killings in particular PLOTE and EPDP, thereby adding new layers to the 'proxy war.' The continuing rate of almost-daily killings as seen with the last quarter and the creeping spread of the violence to other parts of the island, particularly Colombo and Jaffna is of critical concern undermining both the CFA and the basic security of Sri Lankans. There are increased fears that the escalation in the low intensity conflict is symptomatic or symbolic of a return to war, especially if little effort is made at 'managing' the violence and finding means to limit and end it.

While the bulk of the killings have been attributed to the 'proxy war' there have been a number of killings where no one is sure if one of the main actors is involved or whether it is a personal vendetta, suggesting that the violence has become murkier. With the increased threat of killings, abductions for child recruitment and security investigations, day-to-day life for civilians has thus worsened.

Cluster 4: Constitutional and Legal

Trend 13: The Supreme Court becoming a factor in the Political Environment

In judicial developments the Supreme Court has increasingly played a decisive role in political issues over this current quarterly period. Faced with fundamental rights claim by the Jathika Hela Urumaya (JHU) on the date for presidential elections the Court decided in favour of the JHU and the position of the Prime Minister who seemed the likely UPFA Coalition. The court also issued a temporary stay order on the criminal investigation into the 'Helping Hambantota' case against Rajapakse until a date after elections. Also given the timing of the P-TOMS case where the Court decided to have the final hearing after the presidential elections were to be concluded the impartiality of the court has come into question. The court is to rule on the issue of polling centres for voter from uncleared areas which could have repercussions not just for the elections but the peace process given the potential for disenfranchisement of largely Tamil voters.

Cluster 5: Economic

Trend 14: Macro-economy : Continuing growth, also prompted by tsunami recovery

The economic growth seen across the last two quarters has continued into this quarter with further signs of growth. The tsunami recovery program has had a significant impact in fuelling growth, which has helped sustain some economic stability over this year. GDP continues to increase, with impressive growth in the industrial and service sectors. Inflation continues to rise but the deceleration in the rate of rise suggests that some of the negative repercussions will be offset. The

trade deficit in the last quarter (i.e. the second annual quarter) was the highest in the last five years. Nevertheless, the strong balance of payments situation, largely due to the inflow of aid, debt waivers and inward remittances, led to the highest foreign exchange reserves in five years. Capital markets also show strong returns, with the Colombo stock apparently being one of the best performers for the year. Political instability both related to the peace process and the elections, however suggests that the next quarterly may be more unstable.

Trend 15: Economy of the North-East: Uncertainty and constraints continuing to impair growth potential

In the last quarterly report it was noted that the annual growth in the North-East continues to be high making it the fastest growing province in the country in the context of its low economic base prior to the CFA, but that the region faces significant economic hurdles particularly in moving from the stagnant economy as during the conflict with the additional burden of the tsunami. While the tsunami reconstruction has acted as a critical growth factor, the slower progress in the North East with regards to permanent housing for instance has meant it has not delivered like in the South. The variations in price across the various districts of the North-East suggest that the cost of living is a persistent challenge. The deterioration in the security situation also has a significant impact, along with the LTTE taxation, in deterring new economic ventures and labour mobility.

Cluster 6: Relief, Rehabilitation and Reconstruction

Trend 16: Slow and uneven progress in permanent housing with continuing confusion regarding buffer zone and uneven

It was noted in the previous quarterly report that in moving from the emergency to the transitional phase in shelter significant achievements have been made with the bulk of tsunami victims gaining access to a transitional shelters in the time period set. Yet, the issue of permanent shelter continues to slow and a fundamental problem in the tsunami recovery process. While there are a range of factors that have contributed to the problem and acrimony of where the fault lines, be it on government for not releasing land or NGOs for not moving ahead with construction, the issue of the buffer zone remains a key factor. Comparing regions and districts also reveals an uneven recovery with regards to permanent housing with some areas seeing faster re-construction and while in others MOUs still need to be signed.

Trend 17: Lack of streamlining and clarity in coordination and governance continuing to impair the reconstruction efforts

The previous two issues reported on the structures in place and framework within which reconstruction work is progressing and highlighted the problems in coordination as a result of the new entities and structures that were created in response to the Tsunami that resulted in delays and confusion as well as duplication in relief, rehabilitation and reconstruction efforts. The issue of streamlining and coordination continue to be key problems with no new legislation for the establishment of a mechanism that was to replace TAFFREN for instance. Furthermore, while new regulations on the buffer zone were to be gazetted no bill was presented before parliament instead a press release was released suggesting some flexibility on the buffer zone.

Cluster 7: Public Perceptions and Attitudes

Trend 18: Overview of Public Opinion Related to the Peace Process: Support for Peace

Process remains high but also signs of drop in confidence

Public support for a peace process in this quarterly is high and also shows an increase. In particular the support for a negotiated settlement shows continuing growth over the last three quarters has grown. As support for the commitment of the parties to the peace process shows, however there are indicators that people are not confident in the process. While faith in the government's commitment has grown faith in the LTTE's commitment has continued to reduce. Also while majority of people believe they have benefited as a result of the CFA, the percentage level has dropped. One of the key changes in the previous quarterly which was the hardening attitude of the Muslim community for the peace process seems to have been reversed with some of the indicators even higher than the March opinion poll.

Trend 19: Presidential Elections: Peace Process most pressing issue while electorate shows split on majority/minority lines

In rating the most important issue in the elections people chose the peace process over other issues such as the economy, law and order and tsunami recovery, emphasising its dominance in popular perceptions. The public was asked also asked to assess the two main Presidential candidates' abilities in critical areas such as the economy, peace process, law and order, foreign policy and preserving Sri Lankan culture in order determine how the population perceived the two. There was a clear split along ethnic lines with the minorities supporting Ranil Wickremasinghe giving him the edge at the national level on the critical areas of the peace process and economy. Mahinda Rajapakse, however received a higher approval rating than Wickremasinghe on all issues from the Sinhala community.

3. AN ANALYSIS OF TRENDS AND IMPACT ON PEACE PROCESS

This analytical overview of events and trends in the third quarterly of 2005 – August to October inclusive - will also factor in the results of the presidential election and immediate political developments thereafter in terms of their bearing on the future trajectory of the peace process. Implications of President Rajapakse's Policy Statement, early appointments and decisions as well as the LTTE leader Prabhakaran's Maaveerar Speech will therefore be taken into account in this overview.

The period under review was an eventful and decisive one for the future trajectory of the peace process, highlighting the trend identified in the previous quarter of the increased pressure on the CFA and its consequent fragility. The events in this period include the upsurge in violence, and the hugely significant assassination of Foreign Minister Kadirgamar and the low-intensity conflict; the Supreme Court ruling that the presidential election should be held in 2005; and the agreements between the UPFA candidate Mahinda Rajapakse, the JVP and JHU.

The latter alliance committed the Prime Minister to a more inclusive peace process with the proactive involvement of political actors in parliament and without to reach a consensus, the abrogation of the PTOMS agreement, reconsideration of Norwegian facilitation and participation in the SLMM as well as rejection of federalism as the framework for a political and constitutional settlement of the ethnic conflict. In short, they constituted a repudiation of the consensus between the Kumaratunga government and the Wickremasinghe UNP on the underlying assumptions, design and trajectory of the peace process.

Once the Supreme Court verdict was pronounced public attention focused almost exclusively on the presidential election and its implications for the peace process.

Not surprisingly, in the context of the election campaign public opinion became polarized between those who were broadly supportive of the peace process initiated in 2002 and those who were critical of it. In the heat of the hustings, this was polarized by the JVP and JHU into a choice between alleged “traitors” and self styled “patriots”, with the former seen as supporters of UNF candidate and Opposition leader Ranil Wickremasinghe who was caricatured as representing “appeasement” of the LTTE, neo liberal economics and globalization and the latter as representing a hard line vis-à-vis the LTTE and as the champion of the unitary state and a national economy. Buttressing this dichotomization of political opinion and allegiance was allusion to the 500th anniversary of the advent of Western colonization and the imminent 50th anniversary of the first victory of the SLFP government in 1956, the solid support for the Prime Minister within the majority Sinhala community and the overwhelming support for his opponent the Leader of the Opposition amongst the minority communities.

The GoSL

The overarching concern running through all of this was as to whether the presidential election would produce a result which would be decisive in respect of a return to war or movement away from it and towards peace.

This concern was underscored by the above mentioned content of the electoral agreements between Prime Minister Mahinda Rajapakse, the JVP and JHU. In particular, the questioning of the founding assumptions of the peace process initiated in 2002 and commencing with the CFA, the provisions of that agreement in terms of adequacy and implementation as well as the trajectory of the peace process it was perceived to pre ordain. Reinforcing this was the attitude of the LTTE towards the presidential election as an indication of its intentions re the future

trajectory of the peace process. These concerns persist and constitute the major challenge facing the future of the country.

As it transpired, the LTTE enforced boycott of the presidential election ensured the victory of the Prime Minister Mahinda Rajapakse by 180,000 votes over the Leader of the Opposition and some 28,000 more votes than the required 50 percentage plus of those voting.

However, fears evinced in the context of the presidential election campaign of the Prime Minister as President adopting a hard line as portended by his electoral alliances have been allayed somewhat. President Rajapakse by his initial policy pronouncements and political initiatives has signaled a movement towards the centre. However, his appointments to the security establishment, whilst assuring that preparedness for the eventuality of hostilities will not be neglected, also indicate a hard line. Of special mention regarding the movement to the centre, is his renewal of the request to the Norwegian Government to continue its facilitation of the peace process without incurring the wrath or opposition of the JVP and JHU. As important is the policy of restraint adopted by the government in the face of LTTE provocation in the North as exemplified by the most recent killing of fourteen soldiers in the space of three days.

It remains to be seen though as to whether this apparent shift to the centre indicates a definite policy change or as to whether it is an unavoidable response to the position taken by the international community and India in particular on Norwegian facilitation and the unitary state, as conveyed to the Foreign Minister Mangala Samaraweera on his visit to Delhi. There is also the question of whether it is tactical as well, projected to electoral allies as a stratagem for buying time to prepare for the eventuality of a return to hostilities. The latter line of argument is lent credence by media reports of the meetings between the President, the JVP and JHU on the renewal of the invitation to Norway and the security situation in the North and East.

The ability of President Rajapakse to refashion his electoral alliances to underpin a sustained policy of restraint in the face of LTTE provocation will be crucial for the peace process. As indeed will be his ability to pursue a policy of continuity with the previous administration on core political issues, especially federalism, in the event this turns out to be necessary for commencing negotiations with the LTTE on the interim and/or final settlements. There is the danger here that the search for a consensus in the south outside of an explicitly federal framework, could be both protracted as well as futile, if the consensus is not communicated to the LTTE or is rejected by them out of hand as not even being explicitly federal. All party conferences attempted in the Jayawardene and Premadasa eras were of this nature.

2. The CFA

As highlighted in the previous quarterly report and reinforced in this one, the ground situation and political developments have shifted focus onto the durability of the ceasefire and its founding assumption as opposed to the willingness and ability of the parties to advance towards political settlements, interim or permanent, as was the case following the end October 2003 presentation of the LTTE's ISGA proposal. Though in no small measure attributable to the desire to deflect from the opprobrium attracted by the Kadirgamar assassination, the LTTE too has acknowledged the need to focus on the cease fire. This was evinced in its response to the Kumaratunga administration's call for a review of the CFA, though it continues to maintain that what is required is not a review but full implementation of the provisions of the agreement.

The consensus on the need to focus on the ceasefire may well be strong enough for such an exercise to proceed without wrangling about the venue for the talks or their nomenclature – review or implementation of the CFA. However, what is abundantly clear is the centrality of two

articles of the CFA to such an exercise – 1.8 and 2.1. The former deals with the disbanding of paramilitaries, one of which the LTTE insists is the Karuna group, and the latter with the treatment of non-combatants and protection of human rights. These two articles strike at the heart of the legitimacy and credibility of the CFA and have in turn an important bearing on the design, structure and trajectory of the peace process. Continued political killings and human rights violations substantiate the characterization of the prevailing situation as one of a low intensity conflict rather than merely one of No War/No Peace.

The CFA grounded in a perception of reality has through its operation also changed that reality. Consequently, new dynamics have been released and new actors have emerged who, though not formally within the aegis of the CFA, nevertheless can threaten it. The demonstrable ability of the LTTE to engage in meaningful political transformation towards democratic politics and the relationship of the GOSL with the Karuna faction are issues that will have to be addressed if any review and/ or implementation of the ceasefire is to yield a constructive and positive result. Failure to do this will be tantamount to sanctioning a “dirty little war” defined by continued killings and human rights violations.

3. The LTTE

The positional bargaining vis-vis the peace process portended in the stand adopted by Mahinda Rajapakse and his allies in the presidential campaign and the actions of the LTTE in calling for a boycott of the election, enforcing it and thereby decisively affecting the result, as well as the Maaveerar Speech and those made by Anton Balasingham and Balakumar, all beg the question of whether the actors have clear strategic objectives as far as a final outcome is concerned. Moreover, as to whether they are equally clear about how to achieve them. The enunciation, in the speeches by the LTTE leadership, of the LTTE’s strategy for the peace process, that aimed not at resulting in a peace settlement but at neutralizing international pressure whilst at the same

time gaining international legitimacy and an “internationalization” of the “liberation struggle,” does not augur well for the prospects of a peace settlement within an united Sri Lanka. The challenges faced by the President in this context have been outlined above. The LTTE position needs further examination.

It would seem that the Kadirgamar assassination was the first step in a plan to decisively shape the power configuration in the southern polity towards a hard line, carrying with it either the likelihood of a return to hostilities or indefinite stalemate in the negotiating process. By killing the individual in the UPFA who could mount the intellectual arguments for federalism and deal with the international community on an equal footing, the LTTE proceeded to ensure a Rajapakse victory through the enforcement of the boycott. The strategic objective to be secured through all of this is the demonstration of the intransigence and intractability of the GOSL position, rendering negotiations futile and thereby facilitating the LTTE claim to the moral and diplomatic high ground for the pursuit of self-determination and self-government.

Crucial to this strategy is the GOSL acting according to the LTTE “script” and in this respect, the LTTE is dependent on the GOSL acting as anticipated and desired. To facilitate, and to even ensure this, the LTTE will continue engaging in acts of provocation on the ground as in the killing of 14 soldiers in the early days of the Rajapakse presidency. What can be expected in the future is agitation and pressure by front organisations and civilian auxillary forces trained by the LTTE against the GOSL army of “occupation”, especially in the High Security zones. A group called the High Security Zone Resident’s Liberation Force has already been formed in addition to the other student front organizations utilized by the LTTE to call for the boycott of elections and to enforce it.

There is a sense here of the LTTE having lost control over the direction of events. Discomfited and made insecure by the No War/ No Peace situation, the Karuna rebellion against their authority, the recent defiance of the boycott by Tamils in the east, and believing that the political course they followed in the 2002-3 peace process did not yield benefit but rather entrapment through the UNF international safety and security net, the LTTE has reverted to familiar methods. It looks to confrontation and combat as the tried and tested means through which they have advanced their interest. The argument has been made, reinforcing this perspective, that the killing of the 14 soldiers was the principal reason for President Rajapakse's change of heart re Norwegian facilitation.

Were this analysis to be an accurate reading of LTTE strategic calculations, it points to their willingness to resume hostilities as a clarifying and catalytic act, paving the way for negotiations on the basis of the ISGA or more. The speeches at the end of November indicate a disparagement of federalism and to a cynicism regarding not only the sincerity with which it would be offered by the GOSL, but also its utility as a framework for encompassing LTTE political interests. Mr Anton Balasingham in his Maaveerar speech expressed suspicion of those who promise federalism in reference to Mr Wickremsinghe and in reference to Mr Rajapakse's espousal of the unitary state, made the point that the Sinhalese could have an unitary state whilst Tamils would have one of their own, as well.

In this respect, the LTTE is caught in a spiral of escalation irrespective of the GOSL response and it is incumbent on the international community to act to reverse this momentum.

4. The International Community

The international community is not immune to the dilemmas of engagement faced by the two signatories of the CFA. Each in their own way have also exposed the shortcomings of the

international community's approach to the peace process and shown scant or no regard for its sensitivities and strictures. President Rajapakse and his allies did this in the positions they adopted in the election campaign and the LTTE by the Kadirgamar assassination.

The movement from a policy of "constructive engagement" with the LTTE to one of "constructive sanctions" and then to punitive measures including further proscription, does beg the case of timing, if there is an inexorable logic towards a resumption of hostilities in operation. Preceding the co chair's meeting in Brussels in December may well be the EU ban of the LTTE resulting in a situation in which two of the four Co-Chairs would have banned the organization, leaving Japan and Norway, the facilitator. As reported in the media, the GOSL invitation to the India to join the co-chairs may only strengthen the diplomatic isolation of the LTTE and run the risk, of reinforcing LTTE bellicosity and intransigence. Over responsiveness on the part of the international community towards LTTE sensitivities in this latter respect, was a feature of the policy of "constructive engagement".

The challenge confronting the Co-Chairs and the international community is of how to constructively facilitate the dual transformation of the GOSL in the direction of federalism and power sharing, and of the LTTE in terms of eschewing violence and terrorism and entering the democratic mainstream. There clearly have to be incentives for the two sides to arrest the slide to hostilities by proactively engaging in negotiations on strengthening the cease fire and moving on to political arrangements. The interest and commitment of the international community in identifying options and incentives which have a clear and direct bearing on the advancement of the dual transformation required for peace in Sri Lanka, will be tested in the coming months, as would indeed that of the GOSL and the LTTE.

Agreement to meet in order to strengthen the ceasefire will in itself restore confidence and signal a modicum of trust. However an inability to reach agreement on modalities and the failure to implement them, will erode that confidence and trust just as quickly.

5. Projection

The overarching trend coming out of this quarterly period could well be that the actual resumption of full scale hostilities, as opposed to the threat or likelihood of the same, will turn out to be the catalytic and clarifying factor that will lead to a resumption of negotiations, perhaps under an altered politico-military balance.