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REAPING THE HARVEST OF PEACE?

The Politics of Reconstruction

during Sri Lanka's 2002 Peace Process

Camilla Orjuela

ABSTRACT: When the Sri Lankan government and the Liberation Tigers of Tamil Eelam (LTTE) entered into a peace process in 2002, the term “peace dividend” was often used, both in and outside the peace negotiations. The need to reconstruct and normalize war-torn areas was identified as a shared interest between the parties. It was believed that if ordinary people could reap the harvest of peace through improved living conditions, they would also support the peace process. Curiously, the link between a peace dividend and popular support for peace was never critically scrutinized. This article argues that far from being a “neutral” shared interest of the two parties, reconstruction of the war-affected areas was high-voltage politics, intimately interlinked with security and political structures. Both the LTTE and the government wanted to control and use reconstruction efforts to “win the hearts and minds” of the people. While the political struggle for control over reconstruction was fought at the elite level, grassroots people in the war zone — the supposed beneficiaries of a peace dividend — were engaged in their own everyday life struggles and had concerns that were quite different from those brought up by their self-proclaimed spokespersons. Villagers interviewed in northern Sri Lanka, for example, had few expectations of outside assistance. Their support for the peace process was not conditional upon visible, material benefits. An end to violence was sufficient inducement for them. And thus, the idea advanced by donors, diplomats, and peace negotiators that reconstruction was needed to build support for the peace process, proved to be more rhetoric than substance.

When I visited Aleweddy in the Jaffna peninsula in northern Sri Lanka in October 2005, the village was in a process of cautious reconstruction. Villagers had fled in 1992 and Aleweddy had been under army control since that time, but the cease-fire agreement signed in 2002 was enabling villagers to return home after a decade or more of displacement. What the returnees found was a village in ruin and completely covered with bushes. By 2005 many of the houses had been repaired or reconstructed, yards and fields had been cleared, mines were in the process of being removed, and some shops had reopened. However, the cease-fire in no way meant that the threat of war was gone for good. Large-scale reconstruction efforts had not yet been seen, and life was far from restored to anything like prewar normalcy. The most significant benefit of the cease-fire for the Aleweddy inhabitants was that they no longer faced displacement. “We cannot bear running away one more time,” a young mother of three told me. We spoke outside the small house of clay and *palmyra* that she had restored in one of the poorest neighborhoods of the village.

Reconstruction of the war-torn North-East* of Sri Lanka and a “return to normalcy” for people such as this young mother were high on the agenda during the Norwegian-facilitated peace process between the Sri Lankan government and the Liberation Tigers of Tamil Eelam (LTTE), which started in 2002. The appearance and repeated

use of the term “peace dividend” during the years of peace negotiations (2002–2003) and cease-fire (2002–2005) emphasized the belief that the situation and opinions of ordinary people are indeed key to a sustainable peace. The Sri Lankan government, the LTTE, and international donors all used the term, arguing that it was crucial that ordinary people be able to reap the harvest of peace. If people can rebuild and improve their lives, it was thought, they will be more likely to support and less likely to oppose top-level peace efforts. Thus, economic development and the reconstruction of war-affected areas were center stage throughout the peace-making process.

This article looks critically at the politics of “post”-war reconstruction and the argument about the crucial peace dividend in Sri Lanka during this time of peace optimism. It argues that while economic recovery and reconstruction were portrayed as a shared interest of the government and the LTTE and a less problematic starting point for the peace process, the so-called peace dividend was in fact highly politicized — and is part of the reason why the process eventually collapsed. The belligerent parties used the term “peace dividend” — and pledges of economic development and reconstruction — in a battle for political legitimacy. In this political rhetoric, the promises of a peace dividend were detached from the reality of ordinary people in the areas devastated by war. The presumed beneficiaries of the peace dividend remained trapped in their own local politics of reconstruction.

The article begins by giving a brief background to the armed conflict in Sri Lanka and the most recent peace process. Thereafter, it looks at how the peace dividend argument entered the rhetoric of the peace process. The next section gives a brief review of what benefits people in the North-East actually saw from the peace attempt. Next follows an analysis of how the politics around reconstruction were played out between the key actors in the conflict (mainly the government and the LTTE). This is contrasted with an account of what the politics of reconstruction looked like at the village level in war-torn northern Sri Lanka. The conclusions comment on the politicization of reconstruction — an issue that was portrayed as “neutral” — during the peace process and on the apparent gap between the top-level rhetorical concern about ordinary people’s situation and the lack of involvement of and trust in the government and the LTTE that characterized the situation at the grassroots level in the war-affected parts of the country.¹

The War in Sri Lanka and the 2002 Peace Process

The armed conflict in Sri Lanka can be described as a crisis of the state. The conflict has its roots in the failure of the centralized, Sinhalese-dominated state to cater to minority aspirations. Uneven development and lack of access to power triggered not only the Tamil nationalist struggle for self-determination in the North-East, but also gave rise to a violent socialist youth insurrection in the marginal areas of the South. Grievances have thus been politicized along ethno-nationalist lines, as well as along class lines. In the words of Jonathan Goodhand and Bart Klem, “Extreme Tamil and Sinhala nationalisms have become the vehicles through which the periphery critiques and challenges the centre.”²

Development policy and practice are definitely among the core issues in the conflict. The lack of opportunities for the minorities following the “Sinhalization” of the state (e.g., through the Sinhala Only language policy of the 1950s, university admission reforms, and criteria for access to public service employment), state-run settler programs for Sinhalese farmers in traditional Tamil areas in the North-East of the country, and clientelism all contributed to the grievances of the Tamils and laid the ground for their nationalist struggle. Despite repeated attempts to devolve power to the regions (most significantly in 1987), the state has become even more centralized.³

Sri Lanka has, in spite of the detrimental economic effects of the war, managed to maintain relatively high levels of growth, and is now classified as a middle-income country. The economic wealth is, however, unevenly distributed geographically. The Tamil-majority areas in the North-East have lagged behind due to decades of neglect by the Sinhalese-dominated government and the destruction caused by the war.⁴ Politicians have used “development,” in the guise of large-scale infrastructure investment or hand-outs, as a tool to gain support; the state has used “development” to build legitimacy (strategically targeted to the most important part of the electorate — the Sinhalese). At the same time, development rituals have been used to emphasize unity, prosperity, and links to the glorious past of the Sri Lankans (often with a sliding of meaning that makes “Sri Lankans” equal “Sinhalese”).⁵

The latest peace process was initiated in 2002 with a bipolar, elite-centered design: only the two main parties — the government of Sri Lanka and the LTTE — were represented at the negotiation table. The two parties engaged in six rounds of negotiations during 2002 and 2003, facilitated by representatives of the Norwegian government. The concerns addressed mainly dealt with immediate humanitarian and security issues, but the negotiations also led to an expression of will from both sides to explore a federal solution to the conflict. The most significant achievement in the peace process was the signing of the cease-fire agreement in February 2002, which until late 2005 notably decreased the levels of violence. Scandinavian monitors were tasked to inquire into violations of the cease-fire agreement and to facilitate local dispute resolution.

In April 2003 the peace process began to break down, with the LTTE withdrawing from the talks in protest against the government’s failure to deliver on promises of “normalization” in the North-East and against the government’s attempts to enlist international support against the LTTE. In 2004, both main parties to the process experienced dramatic internal changes: LTTE’s eastern commander, Colonel Karuna, broke away from the LTTE to form the “Karuna faction.”⁶ Around the same time, the governing peace-minded coalition was voted out of power and replaced by a government that had less rapport with the LTTE and was less ready to make concessions for the sake of peace. The extensive economic restructuring undertaken by the former government in parallel with the peace process had proven unpopular and most likely contributed to its defeat. The change of government and the split in the LTTE resulted in a dwindling interest in peace talks, particularly since cease-fire violations had already increased mistrust between the two negotiating parties.

The Peace Dividend Argument

Discussions of a peace dividend most often focus on the social benefits that result from reduced postwar military spending. In post-2002 Sri Lanka, the definition of peace dividend broadened, as we will see below, to include funds from other sources as well. Understood in its original, narrow definition, a peace dividend may to some extent have been generated after the cease-fire agreement in February 2002: the Sri Lankan government’s military spending dropped from 6.3 percent of GDP in 2000 to 4.0 percent in 2003.⁷ The peace process initiated in 2002 proved, however, to be a *pause* in the war, not an end to it, and the lack of agreement on a final political solution prevented the serious demobilization and disarmament that a peace dividend called for. In fact, both parties continued during the peace process to recruit and rearm, albeit at a somewhat slower pace than earlier. The broader understanding of peace dividend advanced by the Sri Lankan government, the LTTE, and supportive international actors went beyond money saved on military spending and included, as well, contributions from international donors and financial gains from the economic growth and investments that peacetime stability would make possible.

Economic development in general and reconstruction of the North-East in particular were major motivating forces for both parties to enter the peace process in late 2001: the newly formed market-liberal government was concerned about the country's derailed economy (a result, they argued, of the former government's costly "war-for-peace") and about the deteriorating climate for business. For its part, the LTTE was troubled by the lack of "normalcy" in Tamil areas and the adverse effects of the government's embargo on a long list of items.

The peace process that the government, the LTTE, and the Norwegian facilitators embarked on assumed that the road to peace could go through economic development and reconstruction of war-torn areas.⁸ "The development cart" was being placed "before the conflict resolution horse"⁹ and the material dividends of peace were being counted on to support conflict resolution efforts. Thus, "measures to restore normalcy" in the war-affected areas were written into the cease-fire agreement and the parties and facilitators all used them as a key confidence-building measure, an interest all parties shared (not least when it came to mobilizing donor resources) and therefore a less precarious starting point for talks. They also hoped that improved living conditions for the population, particularly in the North-East, would insure popular support for the peace process.

Both the Sri Lankan government and the LTTE expressed a strong commitment to meeting the needs of the war-affected population in the North-East:

"We must commence with matters that both sides can agree and start working on," the government's chief negotiator declared.

"Development is part of the healing process in a wounded, divided society," said the prime minister.¹⁰

"For the suffering masses, peace negotiations have little or no meaning unless they gain the peace dividend in concrete monetary and material assistance without delay," the LTTE's chief negotiator stated.¹¹

The urge to create a tangible peace dividend that would ensure popular support for the peace process was also central to the reasoning of international donors, who rushed to support peace-building in Sri Lanka. A well-attended donor meeting in Tokyo in mid 2003 resulted in pledges of US\$4.5 billion to be spent on rebuilding Sri Lanka after the war. The Tokyo declaration stressed that the money was to provide an incentive for the parties to continue on the peace path.

A needs assessment done in 2003 by the Asian Development Bank, the UN, and the World Bank stressed repeatedly that prompt reconstruction was key to the peace process.¹² Reconstruction investments, the stakeholders hoped, would induce the population to support peace. The government, the LTTE, and international donors all understood "reconstruction" to mean the physical efforts of rebuilding what had been destroyed by the war and the restoration of "normal" living conditions for the population. These activities included de-mining, the rebuilding of houses, the return and resettlement of displaced persons, the clearing of agricultural lands, and the restoration of roads, electricity, education, health facilities, and livelihoods.

Taking de-mining as an example, one diplomat whose country supported such activities noted that clearing minefields allows people to go back to their areas, send their children to school, and clear their fields. In that way, a situation is created where people do not want the war to restart. "You need to give people a stake in what is going on [the peace process], make them understand that real development is not possible unless there is peace."¹³ This diplomat, like many other international actors, hence supported reconstruction efforts not merely because they were necessary in their own right, but also because they might "insure" against a breakdown of the peace process, by

demonstrating to ordinary people that they had too much to lose if the war restarted. Ordinary people were in turn assumed to be able to put pressure on their leaders to continue the peace efforts.

Curiously enough, the much repeated hypothesis that improved living conditions would increase popular support for peace-making efforts was never critically scrutinized. A closer look at the peace dividend argument, however, reveals that it has several logics to it:

(a) Improved living conditions during a peace process increase the legitimacy of the peace-makers. The Sri Lankan government, the LTTE, and international actors all wanted to be seen as doing something to improve the lives of the people, thereby winning their trust. If the government, the LTTE, and international donors were seen to be development actors, then they might also be regarded as trustworthy peace-makers.

(b) Working toward improved living conditions in conflict areas is a first step toward rectifying inequities that are at the roots of the conflict — something that will be necessary for a sustainable peace.

(c) An end to direct hostilities makes dealing with grievances all the more urgent. In times of war, leaders can use claims of “national security” or “liberation struggle” as excuses for their ignorance of people’s welfare. During peace time, leaders can no longer hide behind such claims, and they must thus be more accountable to the population.

(d) Forces critical of peace efforts can exploit popular frustrations over the lack of basic services and assistance and over unfulfilled expectations of improvement in order to mobilize protests or even violent actions.

(e) With the secession of hostilities a reinvigorated economy and reconstruction efforts provide alternatives to the strong dependency on a war economy that has been created during the years of conflict. In Sri Lanka, hundreds of thousands of young men (and some women) have had the armed forces as their only employment opportunity. Similarly, many youth in the North-East have joined the guerrillas for lack of other alternatives.

What makes the peace dividend idea so appealing to donors (and by extension to those who want to receive donor funds) may also be that it offers concrete projects to carry out for those who want to support peace. “Stability” and “peace” are key words motivating the presence in Sri Lanka of many international donors, who would not otherwise be able to justify working only with development issues in a middle-income country like Sri Lanka. Linking development efforts with peace (providing better living conditions to people to enhance support for the peace process) justifies the continued support of donors.¹⁴

What Peace Dividend?

In some respects, “peace” did indeed become visible after 2002. Sixty-one percent of people across the island (excluding the territory in the North-East that is under LTTE control) polled by the Centre for Policy Alternatives in September 2005 said that they had benefited from the cease-fire. The most important benefit was in terms of freedom of movement (mentioned by 70 percent of the sample), the creation of a peaceful environment in the country (58 percent), an end to killing and destruction (47 and 40 percent respectively), and a feeling of security (35 percent). A mere 17 percent of the sample mentioned development.¹⁵

As Sri Lanka went from full-scale war to cease-fire, the number of battle-related deaths decreased drastically — from over one thousand per year to less than twenty-five the first years after the signing of the agreement.¹⁶ The cease-fire also led to a new sense of security for many civilians in the North-East as military security measures such as roundups and checkpoints disappeared and mobility was made easier. It was soon evident,

however, that the cease-fire did not mean a complete stop to political killings. The LTTE soon started to make use of the cessation of hostilities to eliminate Tamils collaborating with the government. The cease-fire agreement allowed the LTTE to set up political offices and carry out meetings outside of the areas under its direct control and to harass rival Tamil groups there. Increased LTTE presence in the government-controlled North-East made it possible for people to turn to the LTTE police and judiciary as an alternative to the mistrusted and inefficient government equivalents, but at the same time it gave the LTTE more freedom to attack political opponents, raise funds, and recruit new guerrillas (including children).¹⁷ As the war restarted gradually in 2005 with small-scale violent attacks by LTTE-linked groups, and on a larger scale in 2006, when the government responded by launching an offensive against LTTE territory, those who had taken part in LTTE's political work became targets of government-supported paramilitaries.¹⁸

Many saw increased mobility as a major peace benefit. The opening of the A9 road broke the isolation of the Jaffna peninsula in northern Sri Lanka (which during the height of the war could only be reached by a horrendous sea journey from Trincomalee), while the pass systems regulating the movement of population into government-controlled Vavuniya and LTTE-controlled Vanni were abolished, giving people a new freedom to visit and settle elsewhere. The return of internally displaced persons to their places of origin was on a massive scale — about 385,000 people moved back, most of them during the optimistic times in 2002 and early 2003.¹⁹ The presence of mines was a key obstacle to return and normalization. The number of mines left in the conflict areas has been estimated to be 1.8 million²⁰ and substantial amounts of donor funds have been spent on mine clearing.

Donors also funded the rebuilding of houses (a large World Bank program gave each returning family 250,000 rupees to rebuild their home), schools, health clinics, and hospitals. School enrollment increased dramatically in 2002.²¹ The GDP of the Northern Province grew by an annual average of 12.6 percent during the years after the cease-fire, compared to 3.4 percent before the cease-fire. This was mainly due to growth in the agricultural sector.²² Donor assistance contributed to the rehabilitation of the A9 highway and hundreds of kilometers of small roads and the construction of a large number of irrigation tanks, wells, schools, and health facilities in war-affected areas, while tens of thousands of displaced families received assistance to reconstruct their homes and rebuild their livelihoods.²³

The lifting of the ban imposed by the government in the mid 1990s against bringing a large list of goods into LTTE-controlled areas and the opening of new possibilities for travel brought more goods into the North-East after 2002, and prices fell as a consequence, lowering living costs, particularly in the LTTE-controlled areas. The insecure situation hampered investments, however. The extension of areas subject to LTTE taxation and economic controls discouraged business. In March 2006, for instance, traders in Batticaloa reported that they were subject to multiple forms of taxation and extortion — by the LTTE, the Karuna breakaway faction, and the state army and police. The continued insecure situation and absence of anything even close to a final solution to the conflict also impeded productive investments in the North-East. The economy that thrived in Jaffna was built around the sale of consumption goods, all brought in from outside the peninsula.

The “high security zones” covering substantial areas of the Jaffna peninsula prevented between ten thousand and thirty thousand people from moving back to their places of origin.²⁴ The return to normalcy was also hampered by the fact that schools and religious buildings continued to be occupied by the Sri Lankan armed forces,

and fishing restrictions — although substantially eased — remained. Although the reconstruction efforts provided job opportunities to some people in the North-East (e.g., in mine clearance and the reconstruction of roads) and others were able to take up farming or fishing, the cease-fire period did not offer a significant break with the war economy. No attempts at demobilizing the armed forces and the guerrillas were made. The number of people earning their living by carrying arms remained significant, and joining the army continued to be one of utterly few options for male Sinhala youth.²⁵

We can see from the above that there were indeed some changes for the better for people in the North-East following the signing of the cease-fire agreement, in terms of both security and welfare. However, the return to war in 2006 shows clearly that the various forms of the peace dividend are all too easily reversible.

After the tsunami struck Sri Lanka with devastating force in December 2004, the reconstruction needed along the long stretch of affected coast and the massive inflow of aid came to overshadow attempts at improving the living conditions of the war-affected people. Many of those who lost their homes, livelihoods, and loved ones in the tsunami had also experienced displacement and loss due to the war. The massive tsunami reconstruction efforts enabled some long-time war-displaced persons to finally get support to build new houses and regain their livelihoods. However, a differentiation became evident between those who were victimized by the tsunami, and thus entitled to tsunami assistance, and those “only” affected by the war. This difference laid the ground for frustrations among the groups left without assistance.

The Politics of Reconstruction

Although reconstruction of the war-torn areas was pictured in the initial phase of the peace process as something neutral, a shared interest and a less sticky starting point for dialogue, it soon became clear that rebuilding the war-torn areas and normalizing life for civilians could not be done without dealing with fundamental security and political dilemmas.²⁶ Examples of highly controversial security issues were the government forces’ occupation of territory — the controversial high security zones, for instance — and their control of movement in the North-East, as well as the restrictions on fishing. While these restrictions clearly hindered people from returning to their lands and restarting their income generating activities, the government saw them as security measures that were nonnegotiable.

Moreover, setting the agenda for and carrying out reconstruction efforts could not be done without somehow dealing with the issue of political structures. The strong concentration of decision-making power and resources in the center in the Sri Lankan state structures – which was one of the structural causes of the violent conflict — was replicated in the reconstruction efforts in 2002 and after. The government continued to emphasize government-to-government relations with donors who were to provide the crucial assistance to bring about a peace dividend. “By allowing the flow of assistance to commence now we could begin to show to every section of our people, including the LTTE, that a peaceful accommodation of interests will bring tangible prosperity and a better quality of life to all,” the government’s negotiator said in the early days of the peace process.²⁷ The prime minister’s strategy was to insure an immediate economic dividend for the North-East, so that those who were against the war could form a coalition against it and weaken the LTTE.²⁸ “Normalization,” if seen to be coming from the government, could increase the trust of the population in the government, it was believed. Throughout the years of war the government kept its formal structures in LTTE-controlled areas in place and continued to pay salaries to

government employees (e.g., in the education and health sectors), even though these individuals in practice followed LTTE directions. The double administration (by the government and the LTTE) in the LTTE-controlled areas can be seen as part of the struggle over who is the legitimate authority and provider of (limited) welfare to the people.

The government's strategy for rebuilding the country adopted during the peace process largely built on the logic of its own centralized administrative structures, disregarding the de facto parallel structures created by the LTTE in the guerrilla-controlled areas. At the same time, the government successfully used the politics of market liberalization and its concern with reconstruction of the war-torn areas, to win the hearts and minds of the international community, which hailed both the peace process and the government's economic structural adjustment program. The government interacted with international players to gain financial support for reconstruction and economic restructuring, but also to assure international support against the LTTE should the peace process break down.

Government attempts (whether genuine or power strategic) to deal with marginalization and underdevelopment in the North-East were seen by the LTTE — which has proclaimed itself as the sole representative of the Tamils and enjoys a fair amount of support among the Tamils for this claim — as a vicious attempt to undermine the struggle for Tamil rights. Who is in charge of delivering the peace dividend to the people is a key issue here. And the government clearly wanted to be seen both internationally and in Sri Lanka as the one in charge of rebuilding the war-affected areas, while diminishing the role of the LTTE. As a prominent person in Kilinochchi (the LTTE's administrative center) expressed it: "They ask 'What do you want?' The Tamil community is like a beggar and the Sinhalese like a giver. There is no equality in the peace process."²⁹

At the same time, the LTTE had built up a proto-state in the areas under its control and taking charge of economic development and the provision of welfare to its people were part of the LTTE's nation-state building process. With security concerns less urgent during the cease-fire, development issues became more prominent. The LTTE held the monopoly over all humanitarian and development efforts in its territory. Throughout the war, international and other actors providing relief and rehabilitation to people in LTTE-controlled areas had to work closely with the Tamil Rehabilitation Organization (TRO) and with village-based organizations that were more or less TRO/LTTE-controlled.

The peace process enabled the LTTE to develop new, civilian structures under its political wing. For instance, it opened a Planning and Development Secretariat in Kilinochchi in 2004 in order to engage in needs assessment and coordinate international development actors and development planning.³⁰ The TRO became more professional — not least in the wake of the tsunami, where it played a pivotal role — and it strived to picture itself as an international NGO independent from the LTTE.

The LTTE "state," in practice, was highly dependent on international donors, the Sri Lankan government, and the Tamil diaspora to deliver welfare to the people. The return to war in 2005 halted the hesitant process through which the LTTE had moved toward being a more efficient development actor. With the peace process deteriorating, security concerns again eclipsed development needs and the importance of the political wing of the LTTE dwarfed in comparison to its military wings.

Finding a mechanism through which the government and the LTTE could take joint decisions on reconstruction and the channeling of funds to the North-East was a key issue in the peace process. Such a

mechanism would have facilitated cooperation and confidence building between the parties and allowed for development in the North-East that the LTTE would not regard as a government strategy to marginalize the guerrillas. Moreover, it could have served as a test case for an interim or more long-term political solution. Instead, the failure to implement structures agreed on through LTTE–government negotiations (the Secretariat for Immediate Humanitarian and Rehabilitation Needs, which was created as a subcommittee under the negotiation teams, and later the Post-Tsunami Operational Management Structure, P-TOMS, which was to channel tsunami funds to the North-East) created more distrust and contributed to the breakdown of the peace process.

What actually happened to the great ambitions of reconstruction and to the 4.5 billion dollars pledged by the donors in Tokyo in 2003 is subject to controversy. The donors failed to implement the vaguely formulated conditionalities of the Tokyo declaration, according to which the aid was to be tied to progress in the peace process. At the same time, unmet expectations by sections of the population fed into already existing mistrust and feelings of neglect, often on ethnic and geographical grounds. As one international consultant expressed it:

The prime minister said, “Look how much money we have secured from the donors.” People in the South said, “Then you must have given it all to the North-East, because we have not seen it.” The people in the North-East said, “No, it must all have gone to the South, since we have not received any.” And in the East, people said, “It must all have stayed in the North, because it has not reached the East.”³¹

The lack of a peace dividend in the North-East became a major complaint of the LTTE against the government. “If the hardships of the people are not remedied and their humanitarian needs are not met, the momentum, the optimism and confidence that arose from the peace process will be severely undermined,” the LTTE’s chief negotiator declared already early in the peace process.³² Other development actors in Kilinochchi stressed that

Every day things are getting worse. The disparities between the North-East and the South increase, and between government- and LTTE-controlled areas....The government wants to make development and reconstruction an island-wide issue. But in the absence of P-TOMS, most of the money will be utilized in the South.³³

LTTE representatives threatened that Tamil frustration over the lack of normalcy would lead to the guerrillas taking up arms again. A main issue of conflict during the 2002 peace process was the high security zones that impeded the return of tens of thousands of internally displaced persons to their homes and lands. Fishing restrictions and the continued occupation of school buildings were other problems the LTTE raised as humanitarian issues — but which could not be solved since the government regarded them as complex security issues. The government saw the high security zones as necessary for their control over Jaffna peninsula and denounced the LTTE-induced protests and popular agitation against them as motivated by LTTE security tactics rather than humanitarian concerns. The fishing restrictions were for the government a way of preventing the LTTE from smuggling weapons and carrying out military operations disguised as fishermen.

While the government and international donors were eager to show that reconstruction was taking place in the North-East and that a peace dividend was indeed reaching the people, the LTTE discourse emphasized the shortcomings and lack of substantial development in their areas.³⁴ The LTTE even preserved some war-damaged buildings and monuments in their ruined condition to symbolize the atrocities of government forces against the Tamils and to show the “Sinhala” government’s neglect of the North-East.³⁵ There were also stories about how the

army in a few cases had allowed some families to move back to their homes in high security zones, but the LTTE hindered them from doing so. These cases most likely indicate an LTTE unwillingness to see the armed forces playing a positive role and cultivating good relations with the Tamil population, as this could undermine the LTTE's power.³⁶

Reconstruction of the North-East during the 2002 peace process clearly was not only about giving people a peace dividend to make them support peace. It was about winning the hearts and minds of the people — and it was a struggle of *who* was to win the hearts and minds and *whose* nation-building project development was to serve. Paradoxically, we can thus talk about a continuation of war by other means — a “war through reconstruction.”

Local Politics of Reconstruction

From a local viewpoint, political struggles around reconstruction were in many ways different from the ones taking place at the negotiation table and in speeches of government and LTTE leaders. In fact, the main actors setting the agenda of the peace process and governing reconstruction efforts appeared to be very far away. But the politicization of reconstruction certainly had practical implications for people's everyday lives. As Shanmugaratnam explains,

In their day-to-day endeavours to make a living in a militarised area, people experience the ongoing larger conflict in highly personal ways. This experience has to do with personal security, physical mobility, access to means of livelihood and to social networks, and meeting other basic human needs including healthcare and children's education. However, this very experience brings them face to face with the hard politico-military realities and the socioeconomic inequalities of the war zone.³⁷

In Aleweddy, in the government-controlled Jaffna peninsula, people indeed experienced big changes and felt a new hope for the future during the cease-fire. The temporary end of war meant that they could return to villages abandoned a decade earlier, start to clear their lands, and rebuild their homes. Aleweddy borders a high security zone and some inhabitants said that the population had moved back on the condition (imposed by the army) that they would have to vacate the area immediately if war broke out again. The return to normalcy and reconstruction of homes and livelihoods thus took place with the threat of new displacement constantly present. Some of the returnees had been able to restore their old houses; others stayed temporarily in abandoned houses, with little prospect of rebuilding their lives and vulnerable to exploitation (e.g., persons with no connection with the house owners were shown to be collecting rents from inhabitants). The unresolved conflict over the high security zones hindered the resettlement of some families who stayed in abandoned houses. Although the army was present in the Aleweddy area, the frequent checking, nightly searches, roundups, and inquiries of the past were not in effect when I visited the area in October 2005. Still a concern, however, were fears that the army would become more aggressive with a return of hostilities. While the Aleweddy inhabitants could remain in their homes, the growing insecurity that resulted from the deteriorating circumstances in 2006 clearly hampered any return to “normalization.”

In 2005, Aleweddy had many nice-looking newly constructed or repaired houses, which left an impression of relatively prosperous inhabitants. However, this was in no way close to the prewar wealth of the villagers, according to the inhabitants. While the richer families repaired their houses, the poor neighborhoods remained deprived. The dividing line between the rich and the poor had traditionally been caste. Now, however, access to diaspora funding made the biggest difference between them. In most cases those in the higher castes and class had

more access to funding from relatives abroad, but there were also examples of low-caste individuals who had moved to better parts of the village and put up nice houses after returning (often temporarily) after successfully having migrated to Europe.

Diaspora money was much rarer in the small village of Kannagaipuram in LTTE-controlled Kilinochchi district. Here, the cease-fire had meant better access to goods, increased mobility, and a substantial outflow of persons who had been displaced from government-controlled areas and now were free to go back. The villagers I talked to were content with the “dividend” that peace had brought. One man said: “After the cease-fire agreement we can construct a house and get food and everything more easily. Before we could not get food easily. We didn’t use soap because we couldn’t get that. Pesticides, cement and other things were difficult to get.”³⁸

While the situation in Kannagaipuram was still glaringly poor, with people living in simple houses, most of them without electricity, and with no means of transportation and communication, the people I talked to in 2005 did not express frustration over unmet development expectations. A good harvest of pumpkins or manioc seemed enough to at least cover basic needs. Government representatives (of course working in close collaboration with the LTTE) were seen to be helpful development actors, having provided money for the building of latrines to some families, for instance. NGOs had also helped to construct a preschool.

Generally, however, the government, the LTTE, and international donors appeared to care little about the needs of the local population both in Kannagaipuram and Aleweddy. In Aleweddy, the villagers had not seen the government take any reconstruction initiatives, apart from some roof sheets handed out once by a politician — nor had the LTTE, which was not present in the area due to the closeness to the high security zone. The strong feelings of mistrust and the belief that “you cannot trust anyone to help you” are evident in comments such as these:

“We don’t have any expectations that outsiders will help to rebuild. We have no knowledge of this. The government has only destroyed, and we don’t know of any NGOs. So we are spending our own money.”³⁹

“You cannot trust the government, not even if they do development work. They may change from time to time; they are very opportunistic, they just want to get votes.”⁴⁰

Wealthier villagers in Aleweddy were able to spend their own money (much of it coming from family members abroad) to hire laborers to clear the land (including clearing mines using dangerous self-invented methods), rebuild houses, and reopen shops. In 2005, however, no plans were in place to reopen the ruined small-scale industries that had functioned before the war. Poorer sections of the population received assistance from NGOs to improve their houses, for instance, or to run a small local library, though feelings were mixed about the role of NGOs. Some interviewees saw the NGOs as the most trustworthy development partners, while others noted that most NGOs only took down information about the poor but never delivered what they had promised.

Among those I interviewed, few said that disappointment at the lack of a peace dividend in the form of outside support for reconstruction would lead them to oppose the peace process. In fact, the relief from violence and insecurity that the cease-fire brought was in itself a great benefit, no matter whether significant reconstruction efforts were carried out or not (or by whom and through what mechanisms). The villagers expressed their strong fatigue of war and displacement and an unwillingness to lose what they had managed to rebuild. “We cannot lose everything again,” one woman said.⁴¹ The government, LTTE, and international donors frequently referred to this feeling of having too much to lose in their rhetoric about the peace dividend and popular support for peace. For the war-weary

population in northern Sri Lanka, however, war always meant losses — no reconstruction projects were needed to convince them that they had too much to lose from renewed war.

When asked if the lack of improvements led to frustration and a popular view that the LTTE needed to take up arms again, a majority of those interviewed dismissed any such feeling. They wanted no return to war and the suffering it would cause in the form of displacement, risk of death, and increased poverty. One young man, though, observed that a return to war could be necessary: “There are lots of barriers in day-to-day life. The fishing restrictions remain, and the high security zones. We expected the government to clear up these things. But still nothing has been done. This could be done through war.”⁴²

A person in Jaffna town commented on the LTTE rhetoric of Tamil frustration with the government: “We have very little say. I cannot openly say anything critical of the LTTE. If the LTTE thinks that the government is the enemy, we have to repeat that.”⁴³ My interviews suggest that there are major question marks around the LTTE’s claim that people’s frustrations over slow or nonexistent reconstruction would decrease their support for top-level peace-making efforts. Since freedom of expression was still severely restricted in the North-East, few would openly criticize the LTTE’s rhetoric.

Opinion polls carried out by the Centre for Policy Alternatives (CPA) also show the lack of a clear link between the peace dividend and the extent to which people supported the peace process. However, these polls do not cover LTTE-controlled areas. In the areas surveyed by CPA, support for the peace process fluctuated according to how well the process appeared to be going at the elite level and with the levels of violence.⁴⁴ Support for the peace process also varied among different groups: Tamils were significantly more supportive than Sinhalese; persons with more knowledge about the peace process were more supportive than those with less knowledge; and persons who had been directly affected by the war were more supportive of the peace process than those who had not been affected.⁴⁵

The experience of people in the villages in Jaffna and Kilinochchi indicates that relief from war in itself was a great peace dividend and that expectations about outside actors catering to development needs were fairly limited. In the end, reconstruction is of utmost importance in the lives of people at the local level — not primarily because it entices them to support top-level peace initiatives, but because reconstruction is vital for their survival and well-being.

Conclusions

This article has problematized the assertion that a peace dividend in the form of improved living conditions for people affected by war underpins elite level peace-making efforts because it increases popular support for peace. When the Sri Lankan government and the LTTE entered into a peace process in 2002, the idea of a peace dividend was repeatedly referred to both in and outside the peace negotiations and the need to reconstruct and normalize war-torn areas was identified as a shared interest between the parties. If ordinary people could reap the harvest of peace through improved living conditions, it was thought, they would also support the peace process. Curiously, the supposed link between a peace dividend and popular support for peace was never critically scrutinized.

This article has shown that far from being a “neutral,” shared interest of the two parties, reconstruction of the war-affected areas was high-voltage politics, intimately interlinked with security and political structures: both the LTTE and the government wanted to control reconstruction efforts and use them to win the hearts and minds of

the people. The government forces' occupation of land and their restrictions on fishing were obstacles to reconstruction, but also involved highly sensitive security concerns. Moreover, the need to put in place political structures for decision-making concerning reconstruction efforts brought the sensitive topic of political power-sharing to center stage. A failure to agree on shared structures impeded both reconstruction and peace making. For both the Sri Lankan government and the LTTE, reconstruction of the war-torn areas was clearly not only about giving people a peace dividend to make them support peace, it was also about control over resources, legitimacy, and popular support. It was a struggle over whose nation-building project reconstruction was to prevail — the government's or the LTTE's.

While a rhetorical battle over reconstruction was fought at the elite level, people at the grassroots in the war zone — the supposed beneficiaries of a peace dividend — engaged in their own, quite different day-to-day struggles. Villagers in northern Sri Lanka interviewed in 2005 had long ago ceased to expect outside assistance. Their support for the peace process was not conditional upon visible, material, benefits; an end to violence seemed to be sufficient. The idea about the importance of a peace dividend and of speedy results from reconstruction, advanced by donors, diplomats, and peace negotiators, does of course have some logic to it, at a theoretical level. However, when listening to the voices of grassroots people, whose welfare the elite bicker about at the negotiation table and in public statements, the argument is rather hollow. The huge gap between the politics of reconstruction at the elite level and the realities on the ground calls for more critical scrutiny of leaders' rhetoric about ordinary people. The attempt to connect reconstruction and normalization with popular support for peace stands out largely as a rhetorical trick useful in the context of a dominant international discourse that intertwines security and development.⁴⁶ The well-being of ordinary people in war zones deserves to be attended to in its own right — not as something that is of interest only if it supports what the elite are doing at the negotiation table.