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Corruption and Conflict

Connections and Consequences in War-Torn Sri Lanka

By Jonas Lindberg and Camilla Orjuela

Abstract:

In the transition from war to peace, one key challenge is to ensure that those who gained something from the war can be convinced to support the peace. At the same time, however, it is crucial to avoid reproducing corrupt practices and inequalities that fuelled the conflict. The problem of corruption during post-war peace building has gained considerable attention recently, academically as well as in policy making circles. This exploratory case study of Sri Lanka traces and problematises the complex linkages between corruption and conflict at the shift from war to peace, building on field research in Sri Lanka before and after the end of the war between the Sri Lankan government and the Liberation Tigers of Tamil Eelam (LTTE) in 2009. The article illustrates how global resource flows and politics have enabled conflict-fuelling corruption in Sri Lanka, and how local experiences of corruption feed into the popular grievances which have both caused and kept the conflict going. The end of the war has not presented a break with the corruption-conflict links of the war-time—and these connections will have implications for processes of reconstruction and reconciliation in the country.

Introductionⁱ

This is not just a war. It is a big money game.ⁱⁱ

During the war people needed a pass issued from the police to leave town. To get it they had to pay a small sum of money. [...] You cannot get anything done with the police without bribes. The police were quite happy to have this system. [...] Some people want to maintain the war. They cannot live without the war.ⁱⁱⁱ

In the transition from war to peace, one key challenge is to ensure that those who gained something from the war can be convinced to support the peace. At the same time, however, it is crucial to avoid reproducing corrupt practices and inequalities that fuelled the conflict. The problem of corruption during post-war peace building has gained considerable attention recently, academically as well as in policy making circles^{iv}. On the one hand, it is argued that corruption can contribute to the stability necessary for sustainable peace, as it can be used to ‘buy support’ from those who could otherwise spoil the peace. On the other hand, corruption can undermine the legitimacy of political structures and actors and delay economic recovery, which in turn can lay the ground for a relapse to violence^v. Although the links between corruption and conflict are all but straightforward, it is today clear that conflict resolution, reconstruction and reconciliation are closely interlinked with anti-corruption work in post-war societies.

In Sri Lanka, the war between the government and the separatist Liberation Tigers of Tamil Eelam (LTTE) went on for 26 years, before the LTTE were defeated in 2009. However, the end of the war may not necessarily mean the end of ‘the big money game’ associated with the war. The road from years of violent conflict to sustainable peace is lined with challenges,

of which corruption and dependency on the war economy are important ones. Among those who have benefited from the war in Sri Lanka we find the international companies supplying the arms and Sri Lanka's political leadership, who have used the fear of terrorism and the glory of war victories to hide economic mismanagement and corruption. But there is also the rural youth for whom the armed forces have provided one of the only non-corrupt ways towards employment, and the armed men manning the many checkpoints restricting the mobility of civilians.

The aim of this article is to explore the complex linkages between corruption and conflict at the shift from war to peace in an ethnically divided society. Most often studies of the nexus between corruption and conflict concentrate on a country's national leadership and institutions. It has been pointed out that the global anti-corruption discourse often takes on a paternalistic approach to post-war societies, blaming the leaders and political system of the post-war nation, but failing to see the ways in which global structures and actors contribute to maintaining corruption and conflict^{vi}. Many studies also lack an in-depth and nuanced understanding of how corruption is experienced in local societies and how the corruption and conflict linkages are played out among the people indirectly and directly affected by armed conflict. This article argues that to gain a holistic understanding of the linkages between corruption and conflict we need to take into account the global, national and local levels, and analyse how they interplay. The article illustrates how global resource flows and politics have enabled conflict-fuelling corruption in Sri Lanka, and how local experiences of corruption feed into the popular grievances which have both caused and kept the conflict going. The end of the war in Sri Lanka has not presented a break with the corruption-conflict links of the war-time, something which has implications for the processes of reconstruction and reconciliation in the country.

The article is built on field research in Sri Lanka. Qualitative interviews and observations have been carried out in one area in the former war zone of eastern Sri Lanka and in one rural area outside the immediate war zone where a large part of the population depend on employment in the Armed Forces. Interviews were conducted with ordinary people in various occupations, local authorities (civil and military) and civil society representatives. A total of 45 interviews were carried out in February and June 2009, i.e. before and after the defeat of the LTTE, but also data from the authors' earlier research in Sri Lanka has been used.^{vii} The article also draws on secondary sources and interviews with academics, anti-corruption activists and other civil society representatives. Many of the sources we use (news articles, reports, interviews) are contested, and 'hard evidence' of corrupt practices is often difficult to provide. Our aim is not to draw conclusions about individual cases of corruption, and many times the discourses about corruption are as important to analyse as the 'realities' of corruption.

After having provided the conceptual and theoretical context of corruption and its linkages to conflict, the article goes on to give a background to the armed conflict and corrupt practices in Sri Lanka. Thereafter it analyses corruption-conflict linkages at three different levels; the national, local and global, before the concluding section highlights some main findings.

Conceptualising corruption

Building a study around a concept as elusive as 'corruption' has obvious disadvantages. Despite its fuzziness, however, 'corruption' remains a relevant concept since it embraces several phenomena of great significance in war-to-peace transitions, while also being highly salient in the policy debate. In this article we define corruption as 'the misuse of entrusted power for private gain', a definition which allows us to acknowledge corrupt practices of both

public and private actors. Corruption is essentially about relationships of power. Brown and Cloke^{viii} argue that discretionary powers over resource allocation, which is necessary for corruption to take place, could be exercised by several actors apart from the state (e.g. armed groups). This definition comprises both grand and petty corruption, and includes behaviours such as bribery, embezzlement, fraud, favouritism and nepotism, and also allows us to relate it to the broader political economy of war.

The term ‘misuse’ needs to be contextualised and related to different social norms and political realities. Even as corruption is often economically inefficient, socially corrosive, and regressive^{ix}, it may be crucial for people to live dignified lives^x. Further, practices labelled ‘corruption’ are not always seen as illegitimate, and corruption does not necessarily signify a breakdown of a political system—rather it is often a part of that system. If corruption is seen as a deviation from the ‘normal’, it is often difficult to see what ‘normal’ is in societies where exchanges often take place in the shadow economy and survival and coping strategies often depend on petty trading, smuggling and bribery^{xi}. In such circumstances, efforts to eradicate corrupt practices may instead worsen poverty and instability and possibly even cause violence. Accusations of and measures against corruption can also be a way to undermine political opponents. There is a risk that corruption is conceptualised (not least by Western interveners in conflict areas) as the aberrant social behaviour of ‘others’^{xii}. To fully understand the complex politics of corruption, there is hence a need for a field-based case-study approach, which also looks at different political cultures.

Moreover, when debating corruption in the global South, there is a tendency to treat it as an entirely domestic, endogenously generated problem. Brown and Cloke^{xiii} however, argue that corruption increasingly has global sources and dynamics, and that we need to also focus on cross-border linkages and the role of actors such as transnational companies and donors^{xiv}.

Hence, to understand the connections between corruption and conflict we need to take into account local understanding and experiences of these two phenomena, and also recognise the role of global actors and processes in corruption in war-torn countries.

Corruption and Armed Conflict: Theoretical Interlinkages

The greed versus grievances debate has highlighted the role of war economics in setting off and perpetuating armed rebellion. The starting point was the observation that an abundance of lootable resources, rather than conflicts over scarce resources, could explain the occurrence of civil wars^{xv}. While they highlight the ‘greed’ of conflict entrepreneurs as a central factor behind violent conflict, others emphasise ‘grievances’ as the driving force^{xvi}. Recently, focus has been on the need to move beyond the greed *or* grievances debate and gain more complex understandings of conflict dynamics^{xvii}. Benedict Korf concludes that greed and grievances often spur each other:

Gains made by conflict entrepreneurs and war profiteers feed grievances about identity, economic inequality, and lack of political power. Once civil war is onset (for whatever reason), the political economy of war produces a selfsustaining logic of clientelism along the lines of perceived ‘friends’ and ‘foes’. These dividing lines get reinforced in everyday political networks of survival^{xviii}.

Of high relevance for understanding the conflict-corruption nexus is the role of economic interests in perpetuating violence. Indeed, various forms of corruption, such as clientelism, nepotism, bribes and fraud, are intricate parts of a war economy^{xix}, and hence contribute both to grievances (of those who lose out in corrupt systems) and the profit-making of those in a position to benefit. The role of corrupt practices and institutions in generating

grievances and opportunities for ‘greedy’ conflict entrepreneurs is hence a key problem to deal with in war-to-peace transitions.

What, then, are the interlinkages between corruption and armed conflict? To start with, defence spending during war offers ample possibilities for grand corruption, not least when it comes to arms procurements^{xx}. Furthermore, war situations also provide fertile ground for corruption through impunity for rulers, the prevalence of parallel markets, and informal permissions to armed forces or paramilitaries to engage in looting and other criminal activities. Lack of transparency and media censorship, often accompanying war situations, make it possible for corrupt practices to continue without scrutiny. Some actors—profiteers, speculators, war entrepreneurs, etc.—have always exploited war rents^{xxi}. Pugh^{xxii} refers to a new incentive structure brought about by a number of processes relating to war situations, including increased profit margins on shortage goods, diminished legal options for economic activities, and new internal boundaries across which it is possible to engage in risky exchange. Attempts to administer war-affected areas and to control mobility across borders through security checks may be other crucial avenues for unlawful enrichment^{xxiii}. In war and post-war situations, corruption is both a reaction to new incentive structures and a symptom of increased insecurities in everyday life^{xxiv}.

Hence there are actors that gain from the kind of incentive structure that war economies open up for. In this way, corruption may prolong a war as, for example, ‘...armed forces develop a vested interest in the continuation of war while their actual capacity to achieve victory decreases’^{xxv}. In addition to this, it may contribute to grievances that motivate violence in war and post-war situations. Favouritism along ethnic, class or kinship lines are often at the roots of conflicts in which excluded groups take to arms^{xxvi}. Coups, revolutions and national liberation struggles are often motivated by the corrupt behaviour of elites. However, it has also been noted that corruption far from always encourages violence. On the

contrary, it may have a stabilising impact, for example as a way for power holders to buy over opponents which otherwise could pose a military threat^{xxvii}.

Rose-Ackerman^{xxviii} identifies a number of risk factors for corruption in post-war societies. These include unclear and poorly enforced rules for state institutions; the prevalence of easily corruptible, one-of-a-kind infrastructural projects to build up the country; more resources becoming available to the state (such as reconstruction aid), and; the entrenchment of organised crime from the years of war, though activities such as smuggling and arms dealing.

In summary, to understand interconnections between corruption and conflict it is crucial to understand how the war has affected the incentive structures of society, which groups are most vulnerable and which groups are most likely to gain from the new incentive structures, as well as how this feeds into the grievances behind the conflict.

Conflicts in Sri Lanka

The armed conflict in Sri Lanka was one of the world's most protracted conflicts, lasting for 26 years. The fact that the conflict has been driven by grievances along ethnic lines makes Sri Lanka a rather typical example of a contemporary armed conflict in the global South.

However, unlike many other civil wars it did not revolve around highly valuable and lootable natural resources^{xxix}. The conflict causes can be found in the failure of the state to cater to minority aspirations. Ethnicity was politicised during British rule. Sinhalese domination over the state and Tamil protest along nationalist lines became prominent after independence in 1948.^{xxx} Early democratisation led to majoritarian rule and the development of a political culture in which politicians provided supporters with benefits in exchange for loyalty.

Language policies making Sinhala the sole official language in 1956, university admission

reforms in the 1970s that was disadvantageous to Tamils of the north and clientelism on the part of Sinhalese leaders reinforced the Tamil feelings of being second class citizens^{xxxii}.

Violent challenges to the centralised Sri Lankan state have come from youth in the south, mobilising along socialist and Sinhalese nationalist lines^{xxxii}, as well as from youth in the north who took up the Tamil nationalist struggle. In both cases, accusations of state corruption have been used to motivate the rebellions.

The war between the Sri Lankan government and the Tamil separatists broke out in full scale after anti-Tamil riots in 1983 and subsequent Indian support to Tamil militant groups, including the LTTE. Tamil nationalists saw the war as a liberation struggle against a Sinhalese-dominated state which discriminated against Tamils. The state, and Sinhalese nationalists, on the other hand, conceptualised it as ‘a terrorist problem’ caused by LTTE power hunger in the otherwise harmonically multi-ethnic Sri Lanka. The conflict ingrained a polarisation of society along ethnic lines. However, it is important to note that the ‘ethnic’ conflict was driven also by a number of intra-ethnic conflicts. On the Sinhalese side, the rivalry between the two main, Sinhalese-dominated political parties has fuelled the anti-Tamil conflict. Parties in opposition have repeatedly won votes on accusations that the governing party is ‘selling out the motherland’ if making any concessions to minority demands. On the Tamil side, the LTTE took on a role as ‘the sole representative of the Tamil people’ and used violence against critics and competing Tamil groups. The unity forged in the two opposing nationalist struggles has concealed intra-group conflicts along geographic, caste, class, gender or other lines.

The conflict in Sri Lanka has been shaped by global and regional conflicts. India’s support for Tamil separatism in the 1980s and destabilisation of Sri Lanka took place in the context of the Cold War. In the 2000s, the competition over influence in the Indian Ocean has increased Indian, Chinese and US interests in Sri Lanka^{xxxiii}.

Over the years, several attempts were made to find a negotiated end to the war. In 2002 a military stalemate paved the way for a ceasefire and peace negotiation between the Sri Lankan government and the LTTE with Norwegian mediation. Many blamed the LTTE for the breakdown of talks and numerous ceasefire violations. The government's successful framing of the conflict in Sri Lanka as part of the global war on terrorism, a split within the LTTE which severely weakened its military capacity, and the increased importance of Asian powers—not least China—as Sri Lanka's military and development donors facilitated the government's gradual conquest of LTTE-held territory and its final victory in May 2009.

Corruption in Sri Lanka

Sri Lanka ranked 97 out of 180 countries in Transparency International's 2009 corruption perceptions index. Its score worsened from 3.7 in 2002 to 3.1 in 2009 (where 10 is the highest score)^{xxxiv}. A closer look at corruption in Sri Lanka reveals a long list of examples of 'misuse of entrusted power for private gain'. These include politicians and bureaucrats taking bribes or using state resources for personal gain, wastefulness and extravagances paid by public funds, clientelism in the awarding of jobs or political positions, nepotism and irregularities in the granting of contracts, and the use of state resources in election campaigns^{xxxv}. In 2007, widespread corruption came to the fore when a Sri Lankan parliamentary committee highlighted grave practices of waste and corruption in 46 state-run institutions^{xxxvi}. Journalists have uncovered a number of scandals involving waste of public funds, including a 'budget' airline that cost the state over USD 30 million before it went bankrupt, massive development investments in the president's home district Hambantota, highway projects that have never been completed (but funded again and again), over-valued road development contracts, a hugely expensive hedging deal on the purchase of oil, and fraud committed at the Sri Lankan Bureau of Foreign Employment which had unsuspecting maids purchase fraudulent

insurances for almost USD 1 million^{xxxvii}. The boundary between what is considered ‘normal politics’ and corrupt behaviour is however often vague or shifting.

Sri Lanka’s political system is permeated with a culture of patronage. Political loyalty is granted as a response to benefits given or expected^{xxxviii}. Political power is hence gained or consolidated by dishing out, for instance, 500-rupee bills, lunch packets and bottles of arrack to voters; jobs, government housing, contracts and development projects to election campaigners; and million-rupee-sized ‘encouragements’ to key political figures who cross over the party political divide. Those wishing to come to and stay in power hence need massive sums of money, and this motivates embezzlement and other corrupt behaviour once an individual is in power.^{xxxix} The system of loyalty payments explains why Sri Lanka in 2009 had the record-breaking number of 109 ministers—the ministerial benefits of ‘money, men and material’ are useful as payback for political loyalty. Moreover, ministers and members of parliament control their own development budget for use in their home regions—something they utilise also to secure local support^{xl}. The patronage system implies that there is much at stake in politics, as those who are ‘on the right side of politics’ can gain access to resources, while those on the losing side are left out. What could be called ‘corrupt practices’ are hence part of the political system, rather than a breakdown of the system.

Another example where the boundary between corruption and ‘normal politics’ is blurry regards nepotism. Like many other countries (including its South Asian neighbours but also the US), political families dominate top politics in Sri Lanka. Ever since independence the two families have competed for power, and many of Sri Lanka’s Prime Ministers and Presidents have belonged to either one of the family dynasties. The election of Mahinda Rajapaksa as President in 2005 established a new political family in Sri Lanka. Rajapaksa’s elevation of his three brothers to top positions in the government, and his placing of a range of cousins, nephews and other family members elsewhere in the administration has taken

nepotism to hitherto unprecedented levels. In 2010, the Rajapaksa brothers were estimated to be in control of about two thirds of the national budget^{xli}.

Furthermore, in Sri Lanka there is what has been described as ‘a symbiotic relationship between criminal gangs and politicians’^{xlii}. Election violence—intimidation before and during elections as well as reprisals against the losing side after elections—is a manifestation of this relationship. ‘Gang leaders need political protection and in return, carry out the dirty work for their patrons in dealing with opponents’^{xliii}. The police are often unable to take measures against criminals protected by influential politicians^{xliv}.

The LTTE pictured itself as non-corrupt, but little suggests that this was necessarily true. The organisation did not publish any accounts. During the tsunami, the LTTE was known to siphon off reconstruction and relief resources to give to the families of martyrs, or to the organisation^{xlv}. The LTTE’s non-transparent ‘taxation’ regime was used as a way to control the population; those who did not tow the line could be asked to contribute more money^{xlvi}.

Corruption and Conflict Links in National Politics

Breakdown of law and order

The armed conflict has brought about a breakdown of law and order in Sri Lanka. The government has not only failed to protect its citizens from violence by Tamil rebels, but also been responsible for gross human rights abuses. Emergency laws have put normal laws out of the running. Extrajudicial killings, abductions, unlawful detention and torture are well-documented by the UN and international and Sri Lankan human rights organizations. Large areas controlled by the LTTE were run outside Sri Lanka’s legal system, with its own laws and police force, and curtailed freedom of expression. The LTTE engaged in child recruitment and assassinations. The fact that the Sri Lankan armed forces and police were almost entirely

Sinhalese and were used in the war against the LTTE made many Tamils perceive them as a threat to, rather than protector of, their security. A survey conducted by the Centre for Policy Alternatives^{xlvii}, showed that the police were perceived as the most corrupt institution in the country. Most war-related crimes have been carried out with impunity, and commissions set up to look into human rights violations have routinely been inefficient^{xlviii}. Throughout the war, freedom of expression has been curtailed and media and civil society workers attacked^{xlix}.¹

The wide-ranging breakdown of law and order has several implications for the links between corruption and conflict. First, it is difficult to define ‘corruption’ in the absence of a functioning ‘normal’ legal system. ‘Misuse of entrusted power’ has to be understood in a context where power is not necessarily ‘entrusted’ but often upheld by force of arms. Second, a situation of lawlessness and impunity creates space for unlawful private gain. Third, not only is the breakdown of law and order a direct consequence of the ongoing war—it may also fuel the fears and grievances which motivates militarism. The end to the war in 2009 led to a sharp decrease in human rights abuses, but did not signify a total break with the lawless past. In 2010 and 2011, emergency laws were extended, the practice of impunity continued and many Sri Lankan citizens still feared unlawful detention, police torture and extrajudicial killings^{li}.

Defence spending and the war economy

During the times of escalated war, Sri Lanka’s defence spending has been up to 17 percent of total government spending^{lii}. In 2009, it reached USD 1.6 billion^{liii}. The defence establishment has largely been closed to public scrutiny. Nonetheless, a number of corruption scandals have been uncovered—most significantly the case of the purchase of four MIG-27 ground attack crafts from Ukraine in 2006. The planes had earlier been rejected by the Air Force as unfit but were finally purchased at an over-price^{liv}. Since 2006, all defence purchases

have been channelled through a government-controlled company, which coordinates massive defence purchases, but has never published its accounts. The lack of public knowledge about corruption in the defence sector has been facilitated by the systematic silencing of critical journalists. The allegations of defence sector corruption have been difficult to substantiate with evidence. However, the government has made no attempts to refute them and instead introduced censorship on reporting on defence purchases^{lv}.

After the defeat of the LTTE the government announced that it had no plans to reduce defence spending^{lvi}. Instead, an increase of the army was announced. Preventing new armed rebellions was one motivation cited. Permanent army camps dotting the Tamil areas would also contribute to changing the ethnic composition of those areas, hence undermining Tamil separatist claims^{lvii}. Analysts have also pointed out that one purpose of the army expansion may be to ‘enhance the power of military commanders and the Defence establishment, which would otherwise be reduced in peacetime’^{lviii}. Maintaining a large army is simultaneously a way of addressing the problem of unemployment. The Sri Lankan armed forces employ about 360,000 and make up one of the main options for a respectable and relatively well-paid job for rural Sinhalese youth^{lix}.

War as a cover-up for corruption

The ‘terrorist threat’ and the war victories have often overshadowed other news reporting in Sri Lanka and allowed the government to divert attention from its lavish spending and corruption allegations. A political commentator exemplifies: The President had in his election manifesto promised to give a bag of nutrition to pregnant and recent mothers. Like with many other promises it started with ‘an extravagant commencement ceremony’ in the President’s home district ‘with much fanfare followed by neglect and abandonment’. ‘If asked, the government is likely to say the war intervened and it is not possible to fund such projects

anymore, because of high levels of defence expenditure'. The war did however not interfere with the President's promise of a budget airline. 'Despite escalating defence expenditure money was always available for Mihin Air to pay exorbitant salaries and to carry out expensive advertising and promotional campaigns'^{lx}. This is only one example of war-time prioritising of government spending.

'National security interests' have been used to motivate media censorship and attacks on government critics. One of the most prominent journalists to be killed was the newspaper editor Lasantha Wickrematunge, known for exposing government corruption. The idea of a shared enemy was efficiently used to forge unity and reduce criticism. However, post-2009 government statements emphasised that the war was not entirely over. The terrorist threat was regularly evoked, while new enemies were defined—conspiring political opponents and 'the underworld', which justified continued emergency regulations and use of police-state measures^{lxi}.

Corruption charges as a weapon against dissent

While the war has diverted attention from corrupt practices, corruption charges have also been used to discredit enemies. Power holders have used it to crack down on dissent, and others to challenge power. In attempt to justify or conceal human rights abuses, the Sri Lankan government has accused its critics of corruption. Non-governmental organisations that have criticised the government or the war have regularly been accused of being corrupt agents of the foreign governments that fund them^{lxii}. The political opposition has regularly accused the government of being corrupt, and receives similar accusations back. The LTTE framed itself as non-corrupt and able to uphold law and order in its territory, unlike the corrupt Sri Lankan government. However, corruption charges may have been part of the power struggles within the LTTE. For instance, LTTE representatives explained the defection of its eastern

commander Karuna in 2004 saying that Karuna had misappropriated money and opted to leave the LTTE when he was to be held accountable.^{lxiii}

Accusations of corruption have figured in many election campaigns, but gained a particularly prominent role in the first Presidential elections after the end of the war, held in January 2010. The opposition candidate, former army commander Fonseka, charged the government of nepotism and wastage of public funds, and received support from large parts of the population (40 per cent voted for him). The government, for its part, used corruption charges to attack the opposition. A prominent Buddhist monk who had joined Fonseka was taken into custody on corruption charges just before the elections, while an alleged bribe paid to make a member of parliament cross over to Fonseka's side made front page news in the state media. Fonseka lost the elections, and was sentenced to imprisonment for having bypassed military procedures in purchasing equipment and involving his son-in-law in the dealings, during his time as the army commander. With his imprisonment, President Rajapaksa effectively weakened the opposition.

Buying loyalty

Corrupt practices have at times blurred the lines between the conflicting parties, for instance when bribes have been used to enable attacks and secure impunity. Sri Lankan media has exposed several cases of army or police officers or ordinary citizens who have been paid by the LTTE to facilitate suicide attacks on high-level targets. There are also examples of LTTE cadres who have used bribes to escape imprisonment.^{lxiv}

The government has likewise been able to strengthen its military position by buying support from the LTTE. The break-away of LTTE's commander Karuna in 2004 due to discontent with the LTTE leadership led him to join the government side of the conflict. Even though he had been responsible for severe war crimes, he was treated as any politician

crossing over – welcomed into the government, his war crimes conveniently forgotten and (ironically) rewarded with a position as ‘minister of reconciliation’. The presidential elections of 2005 provide yet another bizarre example of the buying of support across enemy lines. Rajapaksa’s narrow victory was enabled by a Tamil election boycott imposed by the LTTE. Former aides of Rajapaksa have disclosed that the president’s brother paid USD 1.8 million to the LTTE for the boycott.^{lxv} Hence, a closer look at corrupt practices during armed conflict reveals that the conflict lines are not as clear-cut as they may first appear.

After the end of the war, the patterns of ‘buying the enemy’s loyalty’ continued, as the successor of the top LTTE leader, after he was captured, was given a role by the Sri Lankan government to engage the Tamil diaspora in government-led post-war reconstruction.

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Corruption and conflict are hence intertwined in Sri Lankan national politics in several ways. First, corruption is an essential part of the power politics of war as (a) corruption charges are used to crack down on opposition, (b) the war situation enables leaders to conceal corrupt practices that are essential for them to consolidate their power, and (c) corrupt practices change the dynamics of war as they may be used to buy loyalty from those on the other side of the enemy line. Second, and more broadly, the political economy of war involves (suspected) profits of corruption in the arms trade, as well as dependency on sizable armed forces.

Local experiences of corruption and conflict

For everything there is a bribe. [...] We are forced to have a flag on the vehicle, otherwise we have to pay 300 rupees. It is the independence flag but there is no independence!^{lxvi}

For ordinary people in Sri Lanka, corruption and conflict is part of everyday life. This was especially so in the Eastern Province, where we studied three rural villages in the ethnically diverse Batticaloa and Ampara districts, which all had been seriously affected by the LTTE's and government's struggle for control. Many villagers had lost family members to the war. Apart from the LTTE and the government's armed forces, the break-away Karuna faction, formed into a political party (TMVP), was an additional armed actor. The LTTE was ousted from the Eastern Province in 2007, after which a process of reconstruction started^{lxvii}. In Hambantota district in the Southern Province—an area that had never been directly affected by the armed conflict—we did field work in two rural villages, as well as in Hambantota town. Here the population is largely Sinhalese, mostly live of farming, and a relatively large number is employed in the Armed Forces. Although not immediately generalisable for the whole of Sri Lanka, the choice of field areas were made to illustrate different local-level experiences with and mechanisms behind conflict-corruption linkages.

Interviewees told about how corruption was an essential part in almost any aspect of politics and the local economy; in contacts with local administrative officers, banks, for liquor licenses and land leases, in the tax department and the judicial system, etc. Gifts were often expected in the farmer centre, at the police, and other state institutions, to speed up processes and get priority for your 'case'. Access to popular schools, for instance, was often limited to groups with relevant social connections and/or enough money to pay the hidden entrance fees^{lxviii}.

Employment

A flagrant and oft-quoted example of corruption regards the possibilities of obtaining jobs, which according to many respondents required either paying bribes or having connections with ‘powerful people’. This was the case in both the private and the government sector, and there were also some examples of nepotism in recruitments to the NGO-sector. Interviews from Hambantota suggested that few non-agricultural occupations were obtained without the help of social/political connections or bribes. Jobs in the armed forces were among the few exceptions to this rule, something which, together with the relatively high salary, made them attractive to the poor^{lxix}. A post-war demobilisation of the Sri Lankan army could thus bring problems to many household economies. Many interviewees—including officers at an army camp—however stressed the continued importance of the army as a development actor. In some villages in the east, joining the paramilitary TMVP was one of few options for young people to gain an income during the war.

A villager in the East told us that a government job could cost 150,000-200,000 rupees:

There are some government brokers on the inside. They take some money and give to politicians. They share 50/50. In some places they cheat you; they say that you will get a job but when you give the money there is no job. There are so many cases like that.^{lxx}

Hence, paying for a job was no guarantee to get it. In an agricultural village in Hambantota an old man told us that two of his three sons had joined the army. One of them was buried in a grave close to his simple house. ‘He joined the army because of economic problems’, the man explained. A local politician had promised him a government job, for which he paid 50,000

rupees. But later he found out that someone else had been given the job. ‘For joining the army, no money is required’.^{lxxi}

In the rural areas of the South, labour migration to the Middle East was another common way of increasing one’s living standard. Many had also migrated from villages in the East, but here it was not primarily for the incomes but as a way to escape the insecurity of the ongoing war. The costs charged by migration agencies—sometimes unlawfully—differed significantly, and were much higher in the war zone. In the East, there were also individuals who earned money selling information to the different armed groups. Such a risky exchange could be rather lucrative, but also made such informants extra vulnerable when their protectors—e.g. the LTTE—were no longer around.

Powerful people

Lawyers, policemen, government officials and doctors were seen as influential connections for gaining access to resources and could hence potentially gain from corrupt practices. Spencer had noted in his research from a village in the South that not only did the better-off and well-connected persons benefit from political patronage; many of them had actually become rich through ‘the spoils of politics’ in the first place^{lxxii}. Opportunities for making extra money for high status groups include instances when their signature meant the difference between being able to obtain certain benefits or not (e.g. bank loans for landless people). One Sinhalese woman explained how jobs were sometimes distributed in her area:

If Mr P has power, I would support him to get elected. I help him as a supporter, and then, when people want jobs, they will not go to him; they will come to me. So, that person would come to me with some

money and I would go to Mr P and tell him to give that person a job.

Maybe I would give some money to Mr P also.

Hence, on the receiving end in the corrupt systems were those who had the power to distribute jobs, the brokers who operated as middle-men between power-holders and ordinary people, and those who had sufficient money and/or contacts to get what they wanted without having to compete for it. A policeman said that one motivation to join the police was the opportunities to collect bribes. He also explained that he could help relatives and friends if they had done minor offences but that bigger crimes would be out of his reach. Armed actors also benefited from the war through the respect they gained. A villager in the South who had joined the navy said that ‘when we go to the hospital we do not have to wait. [...] With this war condition people have the attitude that we should get respected’.

Another area where there was a lot of corruption potential was in relationships with the local government administrator (*Grama Niladhari*, GN). We were, for example, given several accounts of how GNs had helped friends to unlawfully access new houses and other services. Several GNs in the East admitted that there were irregularities in the distribution of services, but blamed this on the ‘weapons culture’ in the area, which gave them few options but to comply with demands of armed groups. Although there were many similarities in the ways in which people with power could benefit from various corrupt practices in the war zone and outside of it, one major difference was that in the East, many of these powerful actors were armed and acted within a situation of partial lawlessness.

The importance of being ‘on the rights side of politics’

The difference between power dynamics in the war-zone and non-war-zone was evident also in elections. A local journalist in the South gave an example of how an election campaigning

had been carried out in the area: ‘They gave a sarong, half a bottle of arrack and 500 rupees to people who promised to vote for [a specific candidate]. This is how corrupt the system is’. In the East, votes could be won through fear rather than gifts. A civil society report described how the paramilitaries-turned-political party, known for abducting children, had solicited votes in the villages, and the villagers had pleaded ‘Give me back my child, I know you took my child, and I will vote for you in the election’.^{lxxiii}

In war-times, supporting those in power was often a matter of survival, and power shifts or overlapping influence by different armed actors could be dangerous as ordinary people who had lent their support to one actor was seen as traitors by another. In the East, politics was dominated by armed groups, and took place in a context of partial lawlessness. During the war, various armed groups demanded economic contributions from villagers, who had to comply since they otherwise risked that a family member would be abducted. By 2009, the TMVP was still armed but had emerged as a key development actor in large parts of the East. Supporters of the TMVP generally talked positively about the resources that the close connection between the TMVP and President Rajapaksha had brought to the area, while those who had not sided with them suggested that the development of the village had been due to foreign donors or NGOs. Even if it was very sensitive to discuss to what extent the armed groups were corrupt, it was seen as lucrative for job seekers to have connections with the TMVP. A graduate student confidently claimed that his connections with the TMVP would give him good chances of fulfilling his dream of government employment.

Although the power politics were most often not life-threatening, being on the ‘right side of politics’ determined your life chances also in the South. Being the home district of the president, many development projects had been started up after 2005, transforming the district from a poor marginal area to a more ‘developed’ district. Large-scale projects included the construction of an international harbour and an international airport (both with Chinese

money), while the smaller-scale projects often concerned infrastructural facilities like roads. Those who supported the president's party attributed the positive changes to the president, and believed that his re-election was crucial for the further development and wellbeing of the poor. Those who belonged to any of the opposition parties, on the other hand, commonly suggested that all benefits under President Rajapaksa—including jobs and access to infrastructure—went to government supporters. This division between government supporters and opposition also determined how people perceived corruption. 'What they say about the president being corrupt is not true.[...] It is only envy by those in opposition', one government supporter said. Others were angry at the various examples of injustice and corrupt practices taking place in the area. The increased power of the president during and after the war was visible also locally, as it gave an influx of resources to the district that government supporters had privileged access to.

Mobility

The war means road blocks, that you are at the mercy of somebody, and that there is a gun culture^{lxxiv}

Major local-level opportunities for unlawful enrichment opened up in relation to restrictions of mobility. This was particularly so in the war zone, but also in Hambantota district in the South, as explained by a local civil society leader:

Sand, cattle and timber is big here, and it is transported from one side to the other of the district. The transporters have to pay money in every checkpoint. [...] If you remove the checkpoints there will be fewer possibilities for the police to make money.

Interviewees also in the East told about occasions where police officers manning checkpoints demanded ‘contributions’ from persons transporting goods. Transporting big loads of goods often meant having to pay much money to get it through. For smaller transports, it could be about smaller sums of money or having to give a bottle of arrack to the policemen to get a paddy harvest or load of cement through. Since Tamils were more often bothered in checkpoints, the old pattern of Tamil businessmen paying Muslim middle-men, less likely to be suspected for LTTE links, to do the transport for them was reinforced.

During and just after the war, a number of intricate pass systems were in place, demanding citizens to obtain passes to visit, leave or stay in certain areas. For instance, in many areas permits were required for fishing and agriculture. In many cases this applied only to Tamils, who through their ethnic identity were suspected ‘terrorists’. This gave officials (military or civil) in charge of issuing such passes opportunities for corrupt behaviour, something which may have given them a vested interest in continued high levels of security precautions^{lxxv}.

Vulnerability

There were several ethnic dimensions to corruption. Tamil interviewees in the East perceived that they were at greater risk, both as individuals in checkpoints and as business men and women being asked for contributions. Tamils who spoke Sinhala well, however, said that they did not get into trouble as often at checkpoints. The perceptions of Tamils of being particularly vulnerable to corruption were substantiated in a country-wide survey from 2007. Of the total sample of 3,500 from all ethnic groups, 8.5% stated that they had paid bribes during the last year. However, of the Tamils surveyed, 40% had paid bribes^{lxxvi}. Being a minority made you more vulnerable, particularly in the context of the ongoing war, as explained by an interviewee in the South:

There are [few] Tamil families in Hambantota. If people come and ask them, immediately they will pay, because they want to be safe. If you are a Tamil in Jaffna [in northern Sri Lanka], that is a different thing; there you are not a minority.

In the South, moreover, there was an ethnic divide in party politics, with the ruling party being seen as traditionally Sinhalese, while the minorities tended to support the opposition. The vulnerability related to party political affiliation hence to some extent overlapped with ethnicity. There was also an overlap of class and ethnicity—a group of disadvantaged Tamils residing in Hambantota town had less experience of being asked to pay bribes due to their poverty, but also had fewer connections that could help them obtain jobs and other benefits.

Our village studies also indicated that women often became victims of and participants in corrupt practices, as they took on new roles during war, for instance as heads of households, or as persons considered to be less at risk when approaching military actors. There were also many examples of widows experiencing disadvantage, such as being cheated by building constructors or being expected to give ‘sexual favours’ to local officials in return for services. The inferior status held by widows in society often meant that they did not dare to complain and thus could be taken advantage of. An NGO worker in the East told:

Widows get sexually harassed by men [...]. There is a woman here who is working in the government sector; she doesn't want to go to work. She is being misused. She is looked upon as a prostitute. [...]. Those big people who do the harassment have links with the police or people with weapons, which means that they can hide their faults.

In the South, many women married to soldiers had been widowed, and found themselves in a vulnerable position. The increased number of widows all over the country due to the war hence has led more women to be vulnerable to various corrupt and abusive practices.

There was also a clear class dimension when it comes to vulnerability to corruption. In checkpoints and house searches, the well-educated, well-connected and higher class people were most often spared from scrutiny. However, Tamil and Muslim businessmen had been at a greater risk of being abducted for ransom, due to the combination of their having money and being minorities with fewer possibilities to protest. Still, the less educated and marginalized were most likely to be asked to pay for services, because they were least likely to complain.

There was a widespread perception that it was extremely difficult to do something about corruption because of its entrenchment in politics and in the police. This was true for all groups, but particularly for Tamils, as expressed by a villager in the East.

There is not a single place where we can go [and complain]. If you complain, the following day you will be dead. Even if it is a simple small thing they will make a big thing out of it and say that you are supporting terrorism.

Grievances

Even if it seemed rather obvious who was most likely to win (the rich, men, and people from the ethnic majority) and to lose (the poor, women, the minorities) from corruption, there were also many grey zones and dynamics. As power was shifting—because of elections or because of developments in the war fields—some people who used to be on the receiving end lost their influence and were cut off from their productive socio-political networks. With the demise of the LTTE, there was a clear shift of power relations, affecting the local population. One Tamil farmer in the East told:

Everybody in the irrigation department is Sinhalese. Five years ago we received water every day. Now it is not regular. [...] They take the water to other places. [...] It is all done through bribery inside. [...] They [the Sinhalese] are the majority population. They don't want to give up [their privileges]. That is the main reason for these troubles. That is why the LTTE was formed. [...] In the future if the government can delegate power to the province level, then we can get water.

Corruption was interpreted in ethnic terms by many villagers in the East, and many Tamils made a connection between a corrupt society mainly benefitting the ethnic majority and the rise of the LTTE several decades earlier. In a discussion about how jobs were distributed to Sinhalese people with political connections, one Tamil man in the East stated that, 'Tamil people started the war because of such injustices', and continued: 'If they let it happen again, then there will be a war again'. This strong notion of a corrupt 'other' has been politicized in both local and national power struggles, not only when it comes to ethnicity, but also when it comes to political party affiliation.

In both the East and the South, it was clear that many opportunities for corruption had opened up during the war. New borders (between LTTE and government controlled areas) and mobility restrictions were examples, along with new possibilities to earn money. Increased insecurities in people's everyday lives—also often a result of the war—made certain groups extra vulnerable to corruption and also meant that they most often were afraid of complaining. This, together with the lack of transparency and media freedom, as well as the 'weapons culture', meant that much corruption could continue unpunished. Corrupt practices were often

interpreted in ethnic or party political terms, and contributed to grievances which fed into existing enemy images that were driving the conflict. In both the East and the South, many people depended on the war economy for their survival. Connections or bribes were required for most employment opportunities, making army employment an important avenue for income generation among Sinhalese men in the South. In the war zone of the East, mobility and employment opportunities were more restricted, and people were more vulnerable because of the prevailing lawlessness and presence of armed actors. Our fieldwork was conducted during the end phase of the war and just after its end, and at that time we saw a continuity of the war economy, corrupt practices and other abuse of power, rather than a break with it. A post-war ‘normalization’ is however likely to improve mobility and rein in armed groups, and hence shrink the spaces for corrupt behaviour and arbitrary exercise of power. However, the groups that have been extra vulnerable to corruption, such as Tamils and widows, remain at risk. Increased power for the president and his party along with Sinhalese majority rule nationally sets the context in which corruption and injustice may continue or be perceived to continue.

Global Connections

Neither armed conflict nor corruption in Sri Lanka can be understood without also looking at how global discourses, interests and actors are linked to national and local politics. In Sri Lanka, as elsewhere, the role of outside intervention in war torn societies to bring peace and support reconstruction—including fighting corruption—has been increasingly important. In the dominant discourse and practice of ‘liberal peacebuilding’, post-war reconstruction is linked to market-oriented reforms and democratic elections. However, it has been pointed out that such liberal peacebuilding measures can exacerbate corruption, as the competition over power and resources take on new forms in a post-war era^{lxxvii}.

In Sri Lanka, economic liberalisation was introduced already before the war, in 1977, opening for an inflow of foreign direct investments and aid. The aid added to the resources that could be used for loyalty payments within the system of political patronage^{lxxviii}. The outbreak of war in 1983 further increased the influx of foreign funds for relief and reconstruction. Concerns have been raised that the large sums of money and sometimes weak control in foreign aid projects make them susceptible to corruption. The practical work of aid agencies is often characterised by pressure to spend money, while incentives to avoid corruption are less pronounced. Moreover, the influx of aid money makes the government less dependent on taxes, and hence less in need to be accountable to its population. If many, uncoordinated donors make available large sums these risk being misappropriated by top-level leaders, but also in a smaller scale by local actors. This became clear after the tsunami struck Sri Lanka in December 2004 and brought hitherto unprecedented amounts of aid. Lack of transparency, wastage, duplication of work, accusations of embezzlement and unfair granting of compensation and houses caused much controversy^{lxxix}. Tsunami aid in many cases reinforced patron-client relationships in local communities, and perpetuated the political economy behind the conflict^{lxxx}. The sense of injustice in relation to tsunami aid was often interpreted along ethnic lines: failures to provide resources to Tamil areas were seen by many Tamils as ethnic discrimination, while a common perception among Sinhalese was that more aid went to Tamil areas^{lxxxi}.

Concerns have also been raised that the influx of foreign aid to Sri Lanka may have freed resources that could be used by the government to rearm^{lxxxii}. Throughout the war, arms have been readily available. The Sri Lankan government has bought arms from countries like the UK, US, Russia, Ukraine, Israel and China. In an international comparison, the arms trade with Sri Lanka and the profits involved have been relatively small. However, another interest behind the arms trade is political influence gained through military cooperation^{lxxxiii}. It is

important to recognise that the corruption suspected to have occurred in Sri Lankan arms procurements was made possible by global actors like arms producing companies (and indirectly the foreign governments that support the arms industry).

The LTTE, on its part, managed to fund and procure arms through an extensive international network. The almost one million people strong Tamil diaspora were key fundraisers, and the guerrilla organisation also gained incomes through businesses and a worldwide shipping network also used for arms smuggling. Jeyaraj noted that ‘The tried and tested modus operandi in the dangerous game of arms running has been the appropriate usage of bribes, political influence and coercion to achieve results’^{lxxxiv}. In 2009, four Canadian Tamils pled guilty for fundraising, attempts to buy arms and money laundering for the LTTE. The charge also included an attempted bribery of US State Department officials to remove the LTTE from its list of foreign terrorist organisations^{lxxxv}.

The war-related breakdown of law and order in Sri Lanka has hence been facilitated by the LTTE’s international activities, foreign aid to the Sri Lankan government as well as the global arms trade. At the same time, the Sri Lankan government has effectively argued that its armed conflict was an internal affair, and after 2001 successfully framed it as part of the global war against terrorism. International attempts to hold the Sri Lankan government accountable for severe human rights abuses have been feeble, while the LTTE, on the other hand, was listed as a terrorist organisation by powers like the US, Canada and EU. This paved the way for the Sri Lankan government to justify gross human rights violations in its quest to defeat the LTTE, and for the gradual weakening of the LTTE. The increasingly important role of China globally, and Asian powers in Sri Lanka, further strengthened Sri Lanka’s ‘war against terrorism’. China has emerged as Sri Lanka’s biggest military and aid donor, providing nearly USD 1 billion in 2008^{lxxxvi}. Sri Lanka’s new international friends, such as China, Russia and Iran, have been helpful in blocking UN condemnation and intervention in

Sri Lanka, while also undercutting the possibilities for human rights conditionality in development aid. Moreover, the shift towards greater Asian economic influence may have implications for the opportunities for corruption. The private sector, including transnational companies, also contributes to maintaining corrupt practices and inserting resources into pre-existing relations of patronage. Increased corruption risks are indicated in studies where Chinese companies are pointed to as more prone to pay bribes than companies from other countries^{lxxxvii}.

The new global power relations and geopolitical interests may also make actors that fund post-war reconstruction and development more willing to accept corruption, both generally in Sri Lanka and in specific projects. In the rebuilding of Sri Lanka's war-torn areas, large-scale infrastructure development has been prioritised, i.e. projects where commissions for contracts often are high^{lxxxviii}. The level of transparency and popular participation in planning and implementation has been low. The reconstruction efforts have been run by the centralised Sri Lankan state, and to a large extent supported by China and India^{lxxxix}. Internationally supported post-war reconstruction may offer new opportunities for profit-making, while potentially also laying the ground for continued grievances by those marginalised.

It is clear that both international resources and discourses feed into the complex linkages between corruption and conflict in Sri Lanka. The internationally promoted discourses on 'anti-corruption' and 'war against terrorism' have been regularly evoked and politicised in Sri Lanka. They have been used to brand opponents as 'corrupt' or 'terrorists', and to legitimise measures against them. International interventions to fight corruption become integrated in local power struggles, where anti-corruption organisations or projects may be used against political enemies or (more often) cracked down on as 'terrorist' activities or international conspiracies.

Conclusions

This article has explored the connections between corruption and conflict by taking into account actors and experiences at a national, local and global level. The result is a complex web of links and processes where causal relations are not easily discernable. A number of issues, relevant also to other cases, can be highlighted:

First, it is important to recognise that certain groups are more vulnerable to corruption, particularly as identity positions are polarised and stigmatised in the context of violent conflict. In Sri Lanka, Tamils were more often suspected to have links to the Tamil rebels, and therefore more vulnerable both to insecurity and corrupt practices. The corruption and conflict nexus was also clearly gendered. Particularly war widows were disparaged and hence at disadvantage in contacts with authorities and society at large.

Second, corrupt practices (or the perceptions that such practices exist) feed into the grievances held by different groups. This in turn contributes to undermining the legitimacy of state institutions and democratic structures, and can potentially motivate armed struggles. In that way, corruption perpetuates the injustices and attitudes that cause and drives conflict. The ways in which corruption and the war economy are played out in the day-to-day lives in villages and towns in Sri Lanka form people's perceptions of peace and reconciliation. Post-war reconstruction—with Asian powers as major donors—has provided new sources of funds that could potentially create new incentive structures for profit-making, but also risks instigating new grievances among disadvantaged groups.

Third, corruption is not only part of the reality of political and everyday life—it is also politicised and used as a powerful weapon against opponents. In Sri Lanka, dividing lines—party political or ethnic—are increasingly often drawn around perceptions of corruption, where the 'corrupt other' can be undermined or punished. While corruption accusations are

sometimes used as a weapon, at other times corruption is concealed by the all-dominant focus on ‘national security’ during war. In post-war Sri Lanka, the lack of immediate security threats may open up for more attention to cases of corruption, but possibly also for other means of repressing criticism.

Fourth, to fully understand corruption in war-torn societies, the definition of corruption has to be discussed in relation to its wider context of political culture and the political economy of war. In Sri Lanka, the war created new incentive structures which enabled or encouraged corruption. The lack of transparency in governance and in the defence establishment, the curbing of media freedom and new types of restrictions on mobility are some examples. Corruption, it should be noted, involves a span of different motivations and scales. Large-scale corruption related to the arms industry and political power holders differ from the small-scale corrupt behaviour of ordinary people who sometimes need to act in unlawful ways for their survival^{xc}. What types of corruption is more likely to fuel continued conflict and undermine peacebuilding requires further investigation.

Also part of the context of war is the scarcity of employment opportunities, while at the same time new jobs are created that involve the carrying of arms. Our research just after the end of the war in Sri Lanka in 2009 indicated no significant break between war and post-war society in terms of corruption related behaviours. Most incentive structures for corruption that existed during the war remained. Sri Lanka has continued to be a highly militarised society, with paramilitary groups still having significant influence in the former war zones and where the armed forces still is a main provider of employment.

Finally, corruption and conflict linkages need to be analysed in a multi-level framework, which takes into account how local experiences are interlinked with national politics, as well as how global resources and discourses are incorporated in national and local practises and networks of patronage. Global actors, hence, may contribute to sustaining both

corrupt systems and armed conflict. Acknowledging global sources and dynamics of corruption, as well as how local perceptions and grievances sustain conflicts and bad governance, is crucial in any attempts to build sustainable peace.

ⁱ The authors wish to thank Jonathan Goodhand, Michael Schulz, Malin Nystrand and the anonymous reviewers for useful comments on earlier drafts of this article.

ⁱⁱ Interview with academic, Sri Lanka, 2008.

ⁱⁱⁱ Interview with civil society representative, eastern Sri Lanka, 2006.

^{iv} see Rotberg ed, *Corruption, Global Security and World Order*; Le Billon, 'Corrupting Peace?'; Pugh et al., *Whose Peace?; UNDP, Fighting Corruption in Post-Conflict and Recovery Situations*.

^v Le Billon, 'Buying Peace or fuelling war?'; Rose-Ackerman, 'Corruption in the wake of Domestic National Conflict'

^{vi} Pugh, 'Corruption and the political economy of liberal peace'; Brown & Cloke, 'Neoliberal reform, Governance and Corruption'; 'The critical business of corruption'; Nordstrom, *Global Outlaws*

^{vii} Needless to say, corruption and conflict are very sensitive topics and trust building and the guaranteeing of anonymity to all interviewees is crucial. The interviews took their point of departure in broader discussions of governance and development, in which matters related to corruption and the armed conflict(s) would regularly surface.

^{viii} Brown & Cloke, 'The critical business of corruption'

^{ix} Brown & Cloke, 'The critical business of corruption'

^x Pugh, 'Corruption and the political economy of liberal peace'

^{xi} See e.g. Nordstrom, *Global Outlaws*

^{xii} Pugh, 'Corruption and the political economy of liberal peace'

^{xiii} Brown and Cloke, 'Neoliberal reform, Governance and Corruption'; 'The critical business of corruption'

^{xiv} See also Nordstrom, *Global Outlaws*

^{xv} Collier & Hoeffler, 'Greed and Grievances in Civil War'

^{xvi} Gurr, *Minorities at Risk*

^{xvii} Cramer, *Civil War is not a stupid thing*

^{xviii} Korf, 'Rethinking the Greed-Grievance Nexus', 202

^{xix} Cramer, *Civil War is not a stupid thing*

^{xx} See e.g. Perlo-Freeman & Perdomo, 'The developmental impact of military budgeting and procurement'

^{xxi} Cramer, *Civil War is not a stupid thing*

^{xxii} Pugh, 'Corruption and the political economy of liberal peace'

^{xxiii} Goodhand, 'War, Peace and the Places in Between'

^{xxiv} Pugh, 'Corruption and the political economy of liberal peace'

^{xxv} Le Billon, 'Buying peace or fuelling war', 422

^{xxvi} Gurr, *Minorities at Risk*

^{xxvii} Le Billon, 'Buying peace or fuelling war'

^{xxviii} Rose-Ackerman, 'Corruption in the wake of Domestic National Conflict'

^{xxix} Cf. Collier & Hoeffler, 'Greed and Grievances in Civil War'

^{xxx} The Sinhalese make up three-fourths of Sri Lanka's population of 20 million. The Tamils are divided into two groups: Sri Lankan Tamils who mainly reside in northern and eastern Sri Lanka (13%) and Indian Tamils originally brought as laborers to the tea estates of central Sri Lanka by the British (5.5%). Muslims make up a separate ethnic group of 7%, according to figures from the last but outdated all-island Census of 1981.

^{xxxi} de Silva, *Reaping the Whirlwind*; Wilson, *Sri Lankan Tamil Nationalism*

^{xxxii} Gunaratna, *Sri Lanka. A Lost Revolution?*

^{xxxiii} See Nazemroaya, *Great Power Confrontation*

^{xxxiv} http://www.transparency.org/policy_research/surveys_indices/cpi/2009 [Accessed 4 February 2011]

^{xxxv} Wijewardene, 'The Ultimate Swindlers List'

^{xxxvi} Wirithamulla, 'Highlights of Governance Issues', 13

^{xxxvii} Wijewardene, 'The Ultimate Swindlers List'

^{xxxviii} See Spencer, *A Sinhala Village in a Time of Trouble*; Moore, *The State and Peasant Politics*

^{xxxix} Interview, academic, 2010

^{xl} Hettige & Bigdon, *Local Governance and conflict management*

^{xli} DeVotta, 'From civil to soft authoritarianism', 335

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- ^{xlii} Kumara, ‘Sri Lankan government launches “war on the underworld”’; Uyangoda, ‘Gangsterism: Its Political Sociology’
- ^{xliii} Kumara, ‘Sri Lankan government launches “war on the underworld”’
- ^{xliv} Fernando, *Police-Civil Relations for Good Governance*
- ^{xlv} Sarvananthan, ‘Post-tsunami North & East Sri Lanka’
- ^{xlvi} Nesiah, ‘Taxation without representation’
- ^{xlvi} Centre for Policy Alternatives, *A Survey on Corruption in Sri Lanka*
- ^{xlviii} Amnesty, *Twenty years of make-believe*
- ^{xlix} See DeVotta, ‘From civil to soft authoritarianism’
- ¹ Between January 2006 and mid-2008, the Free Media Movement in Sri Lanka documented 16 cases of journalists and media workers being killed, 15 cases of abductions and several cases of detentions and attacks on media workers (Free Media Movement 2008). Reporters Without Borders ranked Sri Lanka 165th out of 173 countries in its 2008 Press Freedom Index – the lowest ranking of any democratic country, <http://www.rsf.org/fr-classement33-2008.html> (accessed 9 March 2010)
- ⁱⁱ See International Crisis Group, *Sri Lanka: A Bitter Peace*
- ⁱⁱⁱ ADB, *Key Indicators: Sri Lanka*
- ^{liii} AFP, ‘Sri Lanka Plans for Increased Defence Spending’
- ^{liv} Wirithamulla, ‘Highlights of Governance Issues 2007/2008’
- ^{lv} Wijewardene, ‘The Ultimate Swindlers List’
- ^{lvi} AFP, ‘Plans for Increased Defence Spending’
- ^{lvii} See International Crisis Group, *Development Assistance and Conflict in Sri Lanka*
- ^{lviii} Hensman, ‘Why are the Vanni civilians still being held hostage?’
- ^{lix} Cf. Gamburd, ‘The economics of enlisting’
- ^{lx} Gunasekara, ‘Social Devastation’
- ^{lxi} Kumara, ‘Government launches “war on the underworld”’
- ^{lxii} Orjuela, *The Identity Politics of Peacebuilding*
- ^{lxiii} Interviews, academics and civil society representatives, 2008-2009
- ^{lxiv} Interviews, academic and other key informants, 2008, 2009
- ^{lxv} Lanka Journal, ‘Basil paid 180 million to LTTE to buy boats’; interview, academic, 2009.
- ^{lxvi} Interview with villager in Eastern Sri Lanka, February 2009
- ^{lxvii} See Goodhand, ‘Stabilising a Victor’s Peace’
- ^{lxviii} Cf. Lindberg, ‘The Changing Accessibility of Educational Opportunities’
- ^{lxix} See also Gamburd, ‘The economics of enlisting’
- ^{lxx} Interview, June 2009
- ^{lxxi} Interview, June 2009
- ^{lxxii} Spencer, *A Sinhala Village in a Time of Trouble*, 214
- ^{lxxiii} Citizens Committee for Forcible Eviction of People, *Afraid even to say the word*, 6
- ^{lxxiv} Interview, June 2009.
- ^{lxxv} Cf. Rajasingham-Senanayake, ‘The dangers of devolution’
- ^{lxxvi} CPA, A Survey on Corruption in Sri Lanka. These figures are likely to be underestimations, but the significant difference between ethnic groups is still noteworthy.
- ^{lxxvii} Le Billon, ‘Corrupting Peace?’
- ^{lxxviii} Spencer, *A Sinhala Village in a Time of Trouble*, 219
- ^{lxxix} Tsunami Evaluation Coalition, **SAKNAS**
- ^{lxxx} See Korf et al, ‘The gift of disaster’
- ^{lxxxi} Goodhand et al, *Aid, Conflict and Peacebuilding*, 59
- ^{lxxxii} Cf. Bastian, *The politics of foreign aid in Sri Lanka*. Donors have also been accused of supporting the LTTE’s war efforts through support to the LTTE-linked Tamil Rehabilitation Organisation and the LTTE’s Peace Secretariat during the 2002 peace process, as well as through LTTE ‘taxation’ of subcontractors working in guerrilla-controlled areas.
- ^{lxxxiii} Wezeman, ‘Arms transfers to conflicts’
- ^{lxxxiv} Jeyaraj, ‘KP: LTTE’s elusive chief arms procurer’
- ^{lxxxv} Barron, ‘Four Plead Guilty in Brooklyn’
- ^{lxxxvi} House of Commons, *War and Peace in Sri Lanka*, 36
- ^{lxxxvii} TI, *Bribe Payers Index*
- ^{lxxxviii} Cf. Rose-Ackerman, ‘Corruption in the Wake of Domestic National Conflict’
- ^{lxxxix} Bulathsinghala & Parakrama, ‘Post Conflict Challenges of Governance’
- ^{xc} Cf. Pugh, *Corruption and the Political Economy of Liberal Peace*

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