The international actors’ peace-building approach to resolution of the conflict in Sri Lanka has been a product of the overall change in their policy towards internal conflicts around the world. Increasing internal conflicts in the post-cold war period have become a threat to international peace and security. Unlike inter-state conflicts, intra-state conflicts gradually destabilise the socio-economic foundations of society, leading to competition for resources between ethnic communities, which in turn creates conditions for protracted internal conflict. Civilians are the main victims of this conflict. Systematic attacks and atrocities on civilians in conflict-ridden countries have become a matter of concern for the international community, due to various factors such as increasing refugee flow to developed countries and its spill-over effects on other multi-ethnic states. Thus, containing or managing internal conflicts has become a major objective of international actors since the 1990s. In this scenario, the peace-building approach was developed by the UN to deal with internal conflicts. This approach has aimed at creating conditions for sustainable peace, by using various strategies such as providing aid for the state facing internal strife, as well as for non-state actors for sustainable development and for promotion of the peace process. An important aspect of the peace-building approach is that it is implemented even in ongoing conflict situations with an assumption that development would bring peace and encourage the parties to initiate steps for political resolution of conflicts. The peace-building approach also promises to look into the issues and concerns of the common people along with those of the main parties to the conflict. While applying this approach to the Sri Lankan context, the international actors consisting of donors and international agencies have taken various issues into account such as the nature of the conflict; the consequences of prolonged internal conflict on the Sri Lankan society and polity; the State’s economic and foreign policy; as well as the donors’ own interests in promoting this approach. The donors’ interests in applying this approach to Sri Lanka’s internal conflict have produced mixed results.

Sri Lanka has been a favourite destination for foreign funding for long due to its flexible political and economic system. Since independence, as a small country ruled
by a Western-educated elite section who were quick in adopting the Western style of governance, Sri Lanka attracted the interest of investing donors. Gradually, the World Bank and the IMF have directed the country's economic policy particularly since 1977. The earlier attempts by the government led by the Sri Lanka Freedom Party (SLFP) to follow its own economic and foreign policies were resisted by the donors as these went against their basic ideology.

The outbreak of ethnic conflict in 1983 disturbed the economic programme of the donors in Sri Lanka. They expected smooth implementation of economic reforms in the country dominated by the Sinhalese parties, the United National Party (UNP) and SLFP. However, soon the country plunged into civil war between the government and the Liberation Tigers of Tamil Eelam (LTTE), coupled with the uprising of Janatha Vimukthi Perumuna (JVP) in the South. The discriminatory polices pursued by the Sri Lankan State after independence were the main factor behind the escalation of tensions between the majority and minority ethnic communities. Inter-ethnic relations deteriorated rapidly in the 1980s, leading to the outbreak of ethnic violence in 1983 against the Sri Lankan Tamils. Thereafter the conflict acquired an increasingly international dimension, due to the arrival of refugees in India and the growth of the LTTE as a formidable militant group. Peace-making efforts by the ruling UNP, Tamil political parties and the Indian government till the early 1990s did not produce any tangible result. The India-Sri Lanka Agreement and the 13th amendment to the constitution, the first meaningful effort to devolve powers to the provinces, could not be implemented due to domestic political factors such as lack of consensus between the UNP and SLFP and opposition from Sinhalese hardliners to any meaningful solution. This led to Eelam Wars I, II and III, which had an enormous impact on the country's development. The conflict led to social and economic underdevelopment and militarisation and polarisation of society along ethnic lines. These developments reversed the economic and social gains of previous decades and pushed the country into chaos. These problems faced by the State in the 1980s were handled with brutal suppression and discrimination, rather than addressing the problem through peaceful means. This has changed the direction of the country from a model for the developing countries, with high educational and social standards, to a country which mismanaged its internal conflict leading to economic and social destruction.
The donors’ response to these political developments in the 1980s was almost negligible. They delivered aid to the power and energy sectors as well as to the Accelerated Mahaweli Project despite its negative ethnic implications. India’s involvement in the conflict during the late 1980s was one reason for the major donors not to get involved in the political developments in the region. However, the donors could not ignore the conflict indefinitely, due to its impact on the overall development of the country, particularly in the North-East. The conflict has resulted in the death of around 70,000 people and more than one million refugees and internally displaced persons (IDPs).

Apart from the conflict and its impact, the political developments in the country during the 1990s have suited the donors’ changing perspective on the concept of development and conflict resolution. President Chandrika Kumaratunga’s promise to bring peace to the island through negotiations with the LTTE, in contrast to the policy of her predecessors who followed a military strategy to solve the problem, resulted in peace negotiations. The eventual breakdown of negotiations and resumption of war has resulted in the displacement of people and destruction in the North-East. Seven years of intense war have drained the economic resources of the country, leading to negative economic growth in 2001. Also, the LTTE’s attack on the international airport and on other economic destinations has seriously affected the tourism industry and investment in the country. During the seven years of intense war under President Kumaratunga, the LTTE also targeted the South of the country to cause maximum economic damage. Among the LTTE’s targets for hostile action were the Central Bank, the World Trade Centre, the Sacred Temple of the Tooth, Parliament, the Presidential Secretariat, the Ministry of Defence, the Board of Investment, the headquarters of the Joint Operations Command, airports, and oil storage complexes.

To control the domestic economic and political situation that arose from the War for Peace strategy, the Kumaratunga government initiated talks with Norway to play a role of facilitator in 1999, thus opening space for international involvement in the peace process. The Norwegian facilitation resulted in six rounds of peace talks between the parties. One important outcome of the 2002-3 peace process was that the two parties agreed to explore a federal solution to the conflict. These talks focused on
economic aspects such as rebuilding and reconstruction of the war-ravaged North-East. During the talks, both parties decided to form sub-committees to look into high security zones (HSZs), de-escalation and normalization and reconstruction of war-ravaged areas. However, the peace talks were stalled in 2003, due to the government’s refusal to completely remove the HSZs in Jaffna as demanded by the LTTE. All these developments opened space for active international participation in Sri Lanka’s conflict using various strategies to build peace, such as aid and development and promotion of NGO peace activity.

Thus, the donors’ role has expanded from one of providing development assistance to the State to that of promoter of the peace process. Aid is provided on the premise that the economic and social inequality among the ethnic communities living within a country can become a source for conflict in other parts of the world. Therefore, the donors used aid as an incentive to encourage the parties to solve the conflict through peaceful means. Assistance provided by the donors to finance developmental projects and policies was particularly aimed at improving the living conditions of the people affected by conflict. Donors such as Norway, the US, EU and Japan acted as co-chairs of donor meetings, in Oslo and Tokyo, with the focus on relief, rehabilitation and development of conflict-affected regions. The donors’ initiatives in this regard pushed the parties to explore a political solution to the conflict. At the same time, small bilateral donors such as Canada, Sweden and the Netherlands were more inclined towards non-state actors and funded the peace activities of NGOs and INGOs to bring change in the perspective of the people about other ethnic communities. Advocacy and mobilization strategies which were aimed at political solution of the conflict could generate debate about various issues such as devolution and the question of equal representation, even though on a small scale.

**Peace-building Facilitated the Conflict Resolution Process**

There were some positive aspects of this entire approach towards conflict resolution. Active involvement of the peace-building actors at various levels helped to some extent the government’s efforts at conflict resolution. Funding for conflict-affected areas resulted in cooperation between the government and the international organisations in the conflict zone, to implement projects aimed at rehabilitation, reconstruction and rebuilding of the war-ravaged North-East, mainly constructing
roads, providing shelter, water and sanitation facilities for the displaced. By utilising aid for this purpose the government could demonstrate its willingness to rebuild the North-East with the help of the donors. Implementation of the projects was an important step taken by the government to restore faith and trust in the State among the Tamil minority.

The government benefited from the aid delivered to various sectors of the economy. Lack of domestic resources for development work in sectors such as agriculture, irrigation, power and energy, education and health, water and sanitation and infrastructure development had become a burden on the government facing internal conflict for long. In these circumstances, the considerable donor funding to most of the sectors of the economy greatly helped in stabilising the economy.

The strategies implemented to build peace in Sri Lanka well before the permanent solution to the conflict encouraged the government and the LTTE to explore a political solution to the conflict. The hypothesis that peace-building activity has facilitated the conflict resolution process in Sri Lanka stands vindicated on the basis of the findings. Aid incentive was used to push the main parties to the conflict to negotiations, which resulted in six rounds of talks between them in 2002-3. Funds were committed particularly for the North-East for relief and rehabilitation and reconstruction. Even though the peace talks eventually collapsed after six rounds of talks, the cease-fire agreement (CFA) of 2002 continued till 2008 because of the international actors’ involvement in the peace process. The peace talks resulted in some important decisions such as setting up an authority to look into the needs of the conflict-affected areas, setting up of the NERF to channel aid to the North-East and also an important decision to explore a federal solution to the conflict. At the same time, the CFA provided much respite from war to the people of the North-East and facilitated the return of a number of IDPs to the area.

Another positive aspect of these strategies was that the availability of funds has diversified the activities of peace organisations throughout the country. The peace advocating NGOs tried to reach out to every section of the Sri Lankan society through peace marches, rallies, seminars and workshops and through the media. Even though
the impact of all these strategies was not significant enough to generate a mass peace movement in the country, these activities provided an alternative to the hate politics of the main Sinhalese political parties by presenting various issues before the public. Cooperation between the various international and national organisations and agencies helped in implementing the development and peace projects even in the conflict zone. The formation of peace advocating NGOs since 1995 has helped in diverting the debate in the South from war to issues such as federalism, peace and tolerance towards other ethnic groups. However, the peace-building approach has failed to create conditions for sustainable peace and development within the country. The reasons for this failure are listed below.

Lack of Consensus

Lack of consensus between the main parties to the conflict seriously affected the peace-building process. Uncertainty over the fate of the UNF government because it was a cohabitation government created uncertainty about the whole process of conflict resolution initiated in 2002. President Kumaratunga sought to assure the people – in vain, as it turned out – that she would not dissolve Parliament unless the party which commanded the confidence of the House lost its majority. Unprincipled opposition to any policy of the party in power by the opposition put in doubt any prospect of peaceful resolution of the conflict.

The peace campaign for the devolution of powers and abolition of executive presidency, which has become a source of contention between the majority Sinhalese and the minority community, had to confront the fact that the Supreme Court judgement in October 2002 emphasised that the executive power of the people shall be exercised by the President and the President has the power to dissolve Parliament, which is a component of the executive power. A cohabitation government at the Centre and Kumaratunga’s repeated remarks against the UNP government’s approach towards negotiations hampered the peace process and also divided the majority opinion with regard to conflict resolution.

The government did not take into account the various views on improving the peace process, which resulted in lack of consensus about the entire exercise. The parties excluded from the peace process expressed reservations about the entire exercise. For
instance, the Sri Lankan Muslim community has been excluded from the peace process, whose position with regard to the North-East merger would play an important role in solving the contentious issue. Both parties as well as the international community actively participating in the peace process failed to recognise the fact that the Sri Lankan Muslim community needs to be recognised and treated as a distinct ethnic group facing similar problems of economic and social underdevelopment and insecurity. In the past, the LTTE's brutal attack on the Muslim population in Jaffna to expel the community from the North, and occupation of fertile land in the East for military purposes, led to poverty and internal displacement of the Muslim population. However, throughout the talks, the LTTE asserted that it had not denied any rights to the Muslim community, and argued that once the Tamil homeland was established, the Muslims could come back to the North.

The approach of the People’s Alliance (PA) of engaging the Tigers militarily to force them into negotiations stands in contrast to the UNP’s approach of talking to them to contain the effects of the war on the overall economy and society of Sri Lanka. Before the talks commenced, the President took the position that the ban on the Tigers should not be lifted till there was a final solution to the conflict. However, the ban on the Tigers was lifted before the talks. Visible political differences between the Prime Minister and the President affected the seriousness of the peace talks. This in fact legitimised the LTTE’s claim that even if it transformed itself into a political organisation, divisions in the southern politics would never allow substantive devolution of powers to the minorities. The President’s public claim that the memorandum of understanding (MoU) between the LTTE and the UNP government was not legally valid because it did not have her concurrence, only helped the forces against the peace process.

Disagreement about Norway’s role in the peace process also hampered Norway from effective functioning. Many hardline elements in Sinhalese society, such as the JVP, have accused Norway of endangering the sovereignty of the country, by closely engaging with the LTTE. Even President Kumaratunga, who had invited Norway to play a third-party role in the peace process, accused it of bias in favour of the LTTE.
By targeting the Tamil leaders as well as the Sinhalese leaders in the South, the LTTE demonstrated its resolve to eliminate leaders and people who came in its way. The peace work of the organisations in the South was also affected by the LTTE’s targeting of political leaders who were opposed to the idea of Eelam. The LTTE’s suicide squads became a threat to any leader who presented an alternative vision for solving the ethnic crisis. In these circumstances peace work in Sinhalese-dominated areas also faced many obstacles due to opposition from Sinhalese hardliners.

Withdrawal of the State from Welfare Activities
The government’s retreat from the role of provider of basic necessities to victims of conflict is one reason for the failure of the peace-building approach. Availability of development aid has weakened state-led development, which is needed for sustainable development and for equal development of all regions within the country. Due to the availability of funding for various sectors of the economy, the government diverted domestic resources for defence, instead of investing in long-term socio-economic development of the country, particularly in conflict-affected areas. International organisations and the UN played a vital role in providing basic relief and facilities in the North-East during the war.

The initiation of the peace process and normalisation of conditions throughout the country helped in getting a large amount of funds for development work. But the development projects and programmes concentrated on short-term implementation, depending on the funds available. Given the lack of proper government institutional mechanisms to distribute aid in the North-East the living conditions of most of the IDPs and people residing in the conflict zone could not be improved. By pushing the parties to negotiations through the aid incentive the donors ignored the complex political realities in the North and South of the country. Even though this approach had an effect on the parties due to the poor economic and social conditions in the war zone, it failed to change their basic perception towards the conflict resolution process and against the other party. The aid pledged in the Tokyo and Oslo Donors Conferences and for Tsunami assistance could not be utilised. The aid was linked to progress in the peace process, but the Sinhalese hardliners were vehemently opposed to including the LTTE in any development initiative in the conflict zone.
The conditionalities attached to aid disbursement left few choices before the government to utilise aid according to the needs of the country. The aid programme of the donors was closely linked to the government’s economic policy. The PA as well as the UNF governments endorsed the liberalisation policies with greater emphasis on market-led development. The UNF government’s document *Regaining Sri Lanka* (2002) explicitly talks about minimising the role of the State in development and proposed to withdraw from public sectors, to give space for the private sector even in basic services. This approach to development could not match the ground realities in Sri Lanka suffering the adverse effect of the ethnic conflict. Lack of basic facilities in the conflict zone in fact necessitated greater State intervention in providing services to the people. The State’s legitimacy suffered because of its withdrawal from responsibilities in the conflict zone. The hypothesis that the peace-building activity of NGOs and donors can lead to withdrawal of the State from its responsibilities of providing basic necessities to conflict-affected population has been justified on the basis of these findings.

**Lack of Common Approach**

Lack of a common approach to peace-building among the donors aggravated the conflict rather than resolve it. The approach of the major donors to the internal conflict in Sri Lanka, such as Japan, USA, the World Bank and the ADB differed from the approach of the small bilateral donors. The major donors concentrated on changing the government’s economic policy in line with liberal principles rather than trying to understand the real conflict situation and its impact on society at large. The slow withdrawal of government responsibilities from basic sectors and privatisation of public units only imposed a burden on the common people. Even though it helped in creating some jobs because of foreign investment in the country, lack of economic opportunities in the rural areas led to directing their anger against the minority groups. The low turnout in the peace marches and rallies in the South was an indication of the people’s perception of the ethnic problem. The bilateral donors’ support to these programmes did not match the mobilisation strategies of the political parties.

By linking delivery of aid to progress in the peace process, the donors exerted considerable pressure on the parties to find a quick solution. Both parties’ appeal to the donors to reconsider the decision on the grounds that funds were urgently needed
for rebuilding the North-East were not heeded. Accommodation of interests and consensus on important issues such as respect for the other group’s ethnic identity based on culture and religion is absent in a society dominated by one ethnic group. Narrow political interests and gains have always dominated Sri Lankan politics. Due to the donors’ promise to deliver aid depending on progress in the peace process, both parties showed an interest in finding a solution through negotiations. However, the pragmatic approach towards talks did not produce expected results. Both parties gave importance to normalisation at the ground level before embarking on a discussion on core political issues. An important question of constitutional mechanisms to address the Sri Lankan Tamil concern about the structure of the State was put aside because of the difficulties in pursuing that path, due to opposition from Sinhalese hardliners. At the same time, lack of clarity with respect to Norway’s role in the peace process gave space to the parties to violate the CFA and pursue their own interests while engaging in peace talks.

Norway’s strategy of bringing the parties together to end the war and to solve the problems on the ground first, which might pave the way for more understanding and commitment to the political resolution of the conflict, did not produce expected results. Lack of mechanisms to deal with issues that emerged during the peace process, and allegations and counter-allegations by both sides regarding CFA violations virtually dominated the talks. The donor countries could not really address these issues, which led to the breakdown of the peace talks and suspension of the cease-fire. The donors’ approach of creating normalisation through development so that peace could be restored did not really look into the real issues of devolution of power and basic intolerance towards accommodation of minority interests in the Sri Lankan society.

These issues were ignored while implementing strategies for peace-building. The donors’ approach towards the LTTE also differed considerably, which affected the peace-building approach. The small bilateral donors such as Norway and EU were much more accommodative of the LTTE than the major donors such as the US, Japan and the World Bank. The LTTE is banned in thirty countries. The Western countries have designated it as a terrorist organisation, affecting its fund-raising network. The
small bilateral donors invested much in the conflict zone and the flow of funds to peace-advocating NGOs ensured ample space for experimenting with peace work in the South as well as in the North.

Active international presence and interest in the peace process helped to get funds for development and international political backing for the government’s efforts at the peace process. However, the international safety net helped only the government, one party to the conflict, but not the LTTE. The decision of the donors not to allow the LTTE to attend the Washington meeting as well as their refusal to change the venue of the meeting to ensure its presence led to the eventual breakdown of the negotiations. The LTTE’s main objective of participating in the peace talks as an equal partner was let down by the international community, by putting conditionalities, particularly by the USA, such as public renunciation of violence and the demand for a separate state. The LTTE’s decision to pull out of the peace process, citing this as a reason, demonstrated its resolve to follow an uncompromising path to achieve its demands. Even international pressure and economic incentives did not help in sustaining the peace process. Thus, the UNF government’s strategy of constructive engagement with the LTTE with huge international backing failed. A political solution to the conflict requires the main players, including the two Sinhalese political parties, the PA and the UNP, the LTTE, different Tamil and Muslim political parties as well as Sinhalese hardliners to arrive at a common understanding of the problem and its solution, which remained elusive.

Peace-building has to be achieved by educating the masses for long. Most of the NGOs and INGOs are dependent on foreign funding and their ideas and principles are mostly shaped by the Western donors. They failed to understand the political situation and political history of the island while implementing peace-oriented and development projects. The NGOs’ peace work, based on advocacy and mobilization, could not match the propaganda strategies of the political parties. Even though the NGOs got ample space to work along with the PA to promote constitutional reforms, the impact was minimal; this is evident in the electoral outcome during the 2000 and 2005 elections. Thus, the hypothesis that international involvement can accentuate the polarisation of society stands vindicated.
The international community's economic and strategic interests also dominated its approach to peace-building. India's non-interventionist stand in the politics of Sri Lanka has given space to countries and organisations such as the US, Norway, the World Bank and Japan to influence politics in Sri Lanka. India's policy dilemma in dealing with the Sri Lankan conflict has provided enough space for various actors to influence the government in political and economic matters. Continuous, open political support given to the LTTE by Tamil Nadu-based political parties since the outbreak of the ethnic conflict in Sri Lanka has deterred the Indian government from intervening in the conflict.

The peace-building approach to conflict resolution in Sri Lanka has failed to achieve the objective of political solution to the internal conflict and equitable socio-economic development of the country. Aid incentive was used to push the parties to find a political solution to the conflict. However, both parties to the conflict gradually developed their own agenda of conflict resolution despite international pressure. This proved that in internal conflict the main interests and objectives of the main parties to the conflict, namely the LTTE and the government, did not change despite the involvement of international actors at various levels. Even though the peace-building approach was mainly based on the premise that change in the people's perceptions and ideas about the other ethnic groups is possible through development and promotion of peace work at the grassroots level, it has not translated into reality due to the complex political, economic and ethnic relations existing in the country. The government's reluctance even to grant autonomy to the North-East, which would be helpful in restoring the dignity and security of Sri Lankan Tamils, has been a big hurdle in the conflict resolution process. The donors' policy of linking aid and conflict to create conditions for sustainable peace and development is formulated within the context of promoting liberal ideas and institutions around the world, even in conflict-ridden countries, with the hope that resolution of conflict will help in speedy implementation of these ideas. On the other hand, the government gradually started depending on foreign aid even for providing basic services to the people due to its inability to generate domestic resources which could be used for overall development. This policy approach only pushed the country irretrievably into a debt trap.
A solution to internal conflicts through the peace-building approach would require that international actors look into the complex ethnic relations and contradictions in a multi-ethnic society. Even economic incentives and international pressure will have minimum effect in changing inter-ethnic relations, if the donors impose their own agenda of conflict resolution, by ignoring the ground realities. The donors’ vision of creating conditions for rapid economic growth, through implementation of market-oriented policies, should match the realities in the conflict zone. Generally, lack of proper institutional mechanisms to utilise the aid in a war zone creates a situation where it is not possible to generate conditions for development. While pressurising the State to embark on this path, the donors should not ignore the reality that the State itself is one of the parties to the conflict in internal conflict and lacks legitimacy in the whole or some parts of the country. Thus, policies and programmes implemented by the State in internal conflict may not produce expected results or may even aggravate the conflict, particularly in ongoing conflict situations, which has been proved in Sri Lanka.

Nevertheless, the donor-implemented peace-building approach in Sri Lanka has opened up a whole new debate on various forms of intervention in internal conflict.