



# Negotiations in a globalized world

**Sunil Bastian**

Sunil Bastian is a Senior Research Fellow  
at the International Centre for Ethnic  
Studies in Colombo, Sri Lanka.

The most recent cycle of negotiations between the Government of Sri Lanka (GoSL) and the Liberation Tigers of Tamil Eelam (LTTE) in 2002-03 has since been labelled an 'experiment in liberal peacemaking' and an 'over-internationalized' peace process. It is important to understand these events both within the context of the internationalization and liberalization of Sri Lankan political economy in the preceding decades, and in relation to the government's strategic response to the economic crisis it had found itself in. This, rather than identifying these events as a 'peace process' (and making the assumption that what happened can be evaluated in relation to an ideal model of peace process) better allows us to understand the politics of what went on and the results that followed.

From the late 1970s, Sri Lankan political elites sought to refashion society, redesigning the political institutions and moving towards market-oriented liberal economic policies. With material and ideological support from the developed west and Japan, Sri Lanka became integrated into processes of globalization. But by 2000 the liberalized model of the Sri Lankan society was in crisis. The years 2000 and 2001 were characterized by a serious economic crisis attributable to the impacts of global recession, severe drought and the government's 'war for peace' military strategy. There was also an external perception of crisis: the ongoing war was problematic for the post-Cold War security architecture, in which a state partially controlled by an armed group constituted a source of global insecurity.

## **Internationalization and negotiation**

It is in the context of this crisis that the People's Alliance (PA) government turned for help to external actors, who had become an integral part of the Sri Lankan political economy. In February 2000 the Norwegian government was invited to be a facilitator of negotiations between the government and the LTTE. The International Monetary Fund (IMF) agreed a stand-by arrangement



of US\$530 million announced in April 2001, for which the government was to carry out various reforms in return.

However the full flowering of a strategy to stabilize Sri Lanka and continue with the liberal economic reforms came after the defeat of the PA government in the December 2001 parliamentary elections by the United National Front (UNF) led by Ranil Wickremasinghe. The UNF government strategy – formulated jointly with external actors and strongly supported by externally funded civil society organizations – consisted of three elements:

- An extensive liberal economic reform agenda, including many elements that agencies like the World Bank, IMF, Asian Development Bank (ADB) and other donors had long been demanding, allowing the government to secure significant funding from these agencies;
- Signing a ceasefire agreement (CFA) that recognized there were two armies in the country controlling different parts of the territory, and opening negotiations with the LTTE;
- A framework to institutionalize the role of external actors in the negotiation process, which brought in Norway, the US, EU and Japan as co-chairs and included a mission to monitor the ceasefire.

The direct negotiations between the UNF regime and the LTTE comprised six meetings between September 2002 and March 2003, the most feted achievement of which was the December 2002 statement that the two parties had agreed to find a solution to the conflict within a federal framework. However, the LTTE walked out of direct negotiations in April 2003 because they were not invited to a meeting in Washington (the LTTE was a banned organization in the USA) in order to prepare for a much larger meeting of donors that was to be held in Tokyo in June.

From this point onwards there were indirect negotiations. One of the major outcomes of the latter process was the proposal put forward by the LTTE to set up an Interim Self Governing Authority. This had elements going far beyond the federal framework mentioned in the communiqué of December 2002 and raised doubts about the LTTE's commitment to a federal framework. Some of the other mechanisms set up during direct negotiations to take care of aspects such as rehabilitation and managing security issues did not achieve much.

Defeat in the April 2004 parliamentary elections marked the end of the UNF strategy. In December 2005, Wickremasinghe was defeated by a narrow margin in the presidential elections. The LTTE – which by then

## ***A shop burns after a bomb explosion in eastern Sri Lanka, April 2006.***

Source: Reuters

believed the revival of the UNF strategy with international support would put it in a difficult position – assisted this outcome by directly and indirectly pressuring people in the north not to vote. The victor, Mahinda Rajapakse, went into a coalition arrangement with political parties representing more extreme currents of Sinhala nationalism. As many expected, these political developments were a signal for another round of war.

### **Explaining the collapse of the strategy**

Four factors can be highlighted to explain the collapse of the UNF strategy, although there is insufficient space to analyse them fully here.

Firstly, the strategy did not take into account the political battles within the Sinhala community, represented by the two main parties. Managing these is integral to dealing with the relationship between Sri Lankan Tamils and the state. The UNF strategy was implemented in a context where the two main parties controlled different parts of the political machinery, institutionalizing their rivalry within the state structure. The failure to manage the relationship between the Sinhalese parties was a contradiction that ultimately led to the dismissal of the UNF government by the PA president. In a way, the CFA simplified a complex conflict by privileging the relationship between the LTTE and Wickremasinghe regime. This left no room to take into account any of the complexities that a conflict of this nature demands.

Secondly, the UNF government suffered the political fallout from its economic reforms. It did not give the impression that it was conscious of the social issues facing a country reeling in economic crisis, but rather that it was largely concerned with stabilizing the country through concessions to the LTTE so that private sector oriented economic reforms could continue – an impression that contributed to electoral defeat.

Thirdly, the LTTE found it could not manage the international dimension of the strategy. It had initially welcomed the opportunity for greater international recognition that international involvement brought. Moreover, the CFA gave it the opportunity to engage in political activities, even in government controlled areas, while continuing to bear arms, to expand into new areas (especially in the Eastern Province) and to increase its arms supply. It also made use of the privileged position that the CFA conferred to continue to get rid of any opposition within the Tamil community. But the LTTE viewed the international support that the government was receiving with suspicion, dubbing it the

government's 'international safety net.' On the economic front this was increasing the capacity of the Sri Lankan state, while the institutionalization of the role of external actors in the negotiation process was viewed as an attempt to corner them into a position where they would have very little room for manoeuvre. The refusal of the US government to invite them to Washington confirmed these fears.

Finally, there has been no one coherent approach amongst external actors towards the conflict parties. Amongst their diverse policies and foreign policy positions, two broad policy perspectives can be identified. The first is reflected in the CFA: it accepts the presence of two armies in the country and control of territory by these armies and the need to treat these two parties on a par with each other and promote negotiations. A basic underlying assumption of this position privileges the relationship between the LTTE and government as the central issue to focus on in conflict resolution. The starting position of the second perspective is stability and security of the Sri Lankan state, which in the post Cold War security architecture is part and parcel of the security of the entire South Asian region. This position implicitly accepts the possibility of negotiations with the LTTE that would lead ultimately to their disarmament, but does not conceive of treating an armed group on a par with a government. The fact that the Sri Lanka government broadly follows the liberal economic model and is not antagonistic to Western interests is taken into account in formulating this position. Hence the strategy is to put pressure on, encourage, as well as support (not unconditionally) the Sri Lankan state to resolve the conflict. If the civil war deteriorates to such an extent that Sri Lanka become a major source of instability or its foreign or economic policies change significantly this attitude can change.

The period of negotiations between the LTTE and government of Sri Lanka was characterized by the presence of both these tendencies. This led to diverse and shifting positions among the international actors. Sometimes within the same country the emphasis changed as events unfolded. For example, Norway adhered to the position of treating LTTE and GoSL on a par with each other all along. Japan had a similar position early on, but once the negotiations unravelled it moved to its usual position, offering the Sri Lankan state 'soft support' through aid. From the beginning the concern of the US was security of the Sri Lankan state, which for US policy is part of the security of the South Asian region. Within this framework the US supported the negotiations, but did not hesitate to support the Sri Lankan government strongly when the LTTE crossed over a line.