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Sri Lanka: Physical Reconstruction and Economic Development as Conflict Prevention Factors

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ABSTRACT

This article gives an overview of the 26 year long ethnic conflict in Sri Lanka and examines physical reconstruction and economic development as measures of conflict prevention and post-conflict reconstruction. During the years of conflict, the Sri Lankan government performed some conflict prevention measures, but most of them caused counter effects, such as the attempt to provide "demilitarization", which actually increased militarization on both sides, and "political power sharing" that was never honestly executed. Efforts in post-conflict physical reconstruction and economic development, especially after 2009, demonstrate their positive capacity as well as their conflict sensitivity. Although the Sri Lankan government initially had to be forced by international donors to include conflict sensitivity in its projects, more recently this has changed. The government now practices more conflict sensitivity in its planning and execution of physical reconstruction and economic development projects without external pressure.

KEY WORDS:

Introduction

Sri Lankan president Mahinda Rajapaksa declared the end of the long lasting war against the Liberation Tigers of Tamil Eelam (LTTE)[1] on 19 May 2009, which initiated a celebration throughout Sri Lanka. Nobody mentioned the fact that the "final solution" to the Tamil conflict was bloody and included thousands of casualties, caused devastation to infrastructure, and included many violations of human rights carried out by both sides. Even the international community of that time supported a military conclusion to the Sri Lankan conflict against the "declared terrorists", LTTE (Weaver and Chamberlain, 2012).

During the 26 years of conflict, the Sri Lankan government performed several conflict prevention measures with mixed outcomes, while some of them even produced counter effects. The first measure, "demilitarization" has been used to counter increased militarization on both sides, which caused a much higher scale of violence. The second measure, "political power sharing", was never honestly or effectively executed by the Sri Lankan government. Additionally, the Tamils had an unrealistic independence strategy and did not have strong political representatives which finally led to the overall failure and limited political engagement between the Sri Lankan government and the Tamils. The third measure, "justice and reconciliation" never had any significant success and even today, after the defeat of the LTTE, the government manages to engage only in a narrow and non-transparent reconciliation process. The fourth conflict prevention measure – physical reconstruction and economic development – was exercised with more success than failure, and after the end of the conflict became the government's primary pillar for ensuring long lasting peace (Höglund and Orjuela, 2011).

The international community (especially UN agencies), the World Bank, different investment or development funds and many states have been involved in conflict resolution since the beginning of the conflict in 1983. Nevertheless, these organizations did not achieve much in any aspect of

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1 The Liberation Tigers of Tamil Eelam (LTTE), known also as Tamil Tigers, were founded in 1976 as one of the newly formed youth Tamil movements that believed in militancy and separation from Sri Lanka as the only way to protect the interests of the Tamil minority.

conflict prevention, except for the physical reconstruction and economic development, because this was of interest to the Sri Lankan government. On a number of occasions, when the Sri Lankan government and the LTTE achieved a truce or violence decreased, reconstruction and development activities started, but did not last long. The longest period of meaningful reconstruction and development lasted three years from 2002 to 2005. So, the question is: will this "final solution" provide enough time for long lasting reconstruction? The Sri Lankan president Rajapaksa seems to support a "yes" answer to this question. He demonstrated this intent in his speech to the Sri Lankan parliament on 19 May 2009, speaking in the native Tamil language, when he stated: "Our intention was to save the Tamil people from the cruel grip of the LTTE. We all must now live as equals in this free country. We must find a homegrown solution to this conflict. That solution should be acceptable to all the communities" (Weaver and Chamberlain, 2012).

This article examines physical reconstruction and economic development as measures of conflict prevention and reconstruction after the conflict in Sri Lanka and following the promises of the Sri Lankan President. The outcomes are mixed, but mostly successful and with elements of conflict sensitivity.

Conflict sensitive actions and programming seek to consciously avoid or minimize negative impacts ('do no harm') and equally consciously try to create positive impacts on the conflict dynamics. Conflict sensitivity has started to be promoted out of concerns of the inadvertent negative effects of interventions, projects, efforts that remained 'conflict blind' (Brabant, 2010, p.1).

Although in most cases the Sri Lankan government initially did not include conflict sensitivity in its projects, more recently that has changed and it now practices more conflict sensitivity in the planning and execution of physical reconstruction and economic development projects (Höglund and Orjuela, 2011). In the beginning, these changes in its approach were forced by international donors, but there are many examples today of the Sri Lankan government's sensitivity for reconstruction without external pressure.

Sri Lanka

("The World Factbook, Sri Lanka", 2013)

The Origins of Ethnic Conflict and the Eelam Wars

The largest ethnic group are the Sinhalese (predominantly Buddhists) that make up 74% of the more than 21 million of Sri Lanka's citizens. The Tamils (Indian and Sri Lankan) are the largest minority ethnic group estimated between 14%-18% due to differences in official data on ethnic groups and the use of languages (The World Factbook, Sri Lanka, 2013). Although there are other ethnic groups with diversities in religion or language these two groups have been the main rivals on the island for centuries. The latest conflict in Sri Lanka became widely known in the 1880s, but in order to explain the real reasons for the conflict it is necessary to

look back and understand the long lasting animosities and differences among these two ethnics. The first Sinhalese arrived in the 6th century B.C. and later on established a kingdom that with some breaks existed until the 13th century A.D. The Tamils, who claim to have been on the island before the Sinhalese arrived, also have statehood roots through the Tamil's kingdom of the 14th century (The World Factbook, Sri Lanka, 2013). Later, after periods when the coastal areas were controlled by the Dutch (16th century) and the Portuguese (17th century), the British occupied the island at the end of the 18th century and a few years after in 1802 Sri Lanka (then called Ceylon) became a British colony (The World Factbook, Sri Lanka, 2013). The British Crown applied the system of ruling colonies by favoring minority ethnic groups, and therefore the majority of English language schools were opened in Tamil areas. Later, Tamils filled main administration and security service positions. In the early twentieth century, the Sinhalese discontent led to a movement that demanded independence from the British Crown. In 1948, after peaceful negotiations, Sri Lanka was granted independence just a few months after India's independence. The following few decades were characterized with strong Sinhalese political mobilization, and the parallel process of Tamil disenfranchisement from the state administration, especially from courts and police forces. That was the beginning of the frictions between the Sinhalese and Tamil ethnic groups that later escalated and developed into a large scale conflict. Thus, the Sinhalese majority began to shape the new state according to its preferences. According to a number of authors, the decisive points in the escalation of the conflict were: the Buddhist Committee of Inquiry and its effects on the elections of 1956; The Sinhala Only Act, which banned the Tamil language from official use; and the constitutional reforms of 1972, which recognized Sinhala as the official language of Sri Lanka and declared Buddhism as having a primary place over other religions (Manage, 2012, p.14). Although the reactions of Tamil politicians were only mild and manifested as peaceful political protests (1956, 1958, 1961, 1974, 1977, 1979, and 1981), most of the time the Sinhalese majority answered with violent riots against the Tamil population that were allowed by government forces and with political actions/documents that just reinforced tensions (Ranasinghe, 2009, pp.12-13). For example, in 1979 Sri Lanka's Parliament with a Sinhalese majority passed the Prevention of Terrorism Act as a reaction to the emerging separatist movement in the Tamil populated area, especially in the North of Sri Lanka. Instead of preventing conflict, this Act had the opposite effect, and

alowed the security forces additional authorities, such as "extra-judicial killings" in response to violence against them (Manage, 2012, p.15). Thus, an "unusual" approach in managing Sri Lankan ethnic friction caused a transformation of Tamil civil and peaceful protests into more violent ones and to the creation of several "small but tight-knit youth movements that became convinced of militancy, and separation from the state, as the only way to protect Tamils" (Manage, 2012, p.15). The most important and probably the main trigger in the 26 year long ethnic conflict were the riots which occurred in July 1983. At that point, the response of Sinhalese mobs to the death of 13 Sri Lankan soldiers in conflict with LTTE was the destruction and burning of Tamil homes and businesses, as well as killings that ended with hundreds of dead Tamils (Fair, 2005). Furthermore, there are many published reports that members of the Sri Lankan security forces actively participated in these atrocities and killings. Since 1983 as violence started, the number of Tamil refugees began to increase and that trend ended just recently. They were first placed in refugee camps, but later many of them emigrated abroad to more than 40 countries, such as India, Australia, the United States and some Western European countries. Additionally, especially large communities of Tamils can be found in Canada and the UK (De Votta, 2004). This trend developed a strong Tamil Diaspora that together with Indian Tamils (more than 60 million) directly blamed the Sri Lankan government for the violence and atrocities, but as a side effect the Tamil Diaspora came to accept and support the LTTE's armed response as the right way to protect the Tamils in Sri Lanka. However, the voices calling for a more militant approach to the formation of a Tamil State (Eelam) became louder than the peaceful ones within Tamil youth organisations, which together with a large financial and political support of the Diaspora, led to long lasting and bloody armed conflict[2]. During the 80s and 90s, the LTTE carried on violent tactics and finally suceeded in military dominance over all other Tamil separatist movements in Sri Lanka, sometimes by ruthlessly eliminating their key personnel, forcing them to leave the island, or exerting strong pressure that many crossed over to support the government (e.g. Tamil Eelam Liberation Organisation (TELO), Tamil National Alliance (TNA), and Peoples Liberation of Tamil Eelam (PLOT)).

2   During the 1990s and 2000s the Tamil Diaspora raised and supplied 200 - 300 million USD annually to the LTTE and other separatist Tamil groups (O'Balance, 1990, p.22).

The decades of the civil war in Sri Lanka can be described through four periods, the Eelam wars I – IV, which were marked by several different cease-fire agreements[3]:

- Eelam War I started with bloody riots during the "Black July" of 1983 and continued with four years of guerrilla-like warfare by Tamil militant groups that at one point even controled the Vadamarachchi area on the North of the island. Eelam war I ended in 1987 after the signing of the India-Sri Lanka peace accord and India deploying several thousand peacekeepers to Sri Lanka (Indian Peace Keeping Force - IPKF). The Accord offered a degree of autonomy for Tamil majority areas in the North and East, but not independence.

- Eelam War II started in 1990 after IPKF left the country because the attempt to prevent violence of LTTE failed. LTTE got control of the North and East areas of the island and armed conflicts with Sri Lankan armed forces escalated as LTTE became stronger. Although in 1993 President Premadasa was killed by LTTE, the second Eelam War ended when the newly elected president Kumaratunga opened peace talks with LTTE in 1994.

- Eelam War III began in 1995 after LTTE sank governmental naval craft. During the next few years, LTTE developed their capabilities and executed many suicide attacks, as well as launched numerous air missiles on aircrafts and helicopters of the Sri Lankan Army. So, during that time severe armed conflict across the North and East of the island lasted until the end of 2001. LTTE succeeded to capture some regions, which were previously controlled by the Sri Lankan Army. Among others, the most significant attacks were when LTTE bombed Sri Lanka's holiest Buddhist site, the bomb attack on president Kumaratunga when he was wounded, and the devastating suicide attack on Colombo's international airport. A new Norwegian-mediated ceasefire was signed by the Sri Lankan government and LTTE in February 2002 and negotiations on a political solution continued. Meanwhile, LTTE achieved new military power on land, air, and sea, as well as collecting enormous amounts of money through taxation in controlled regions and from
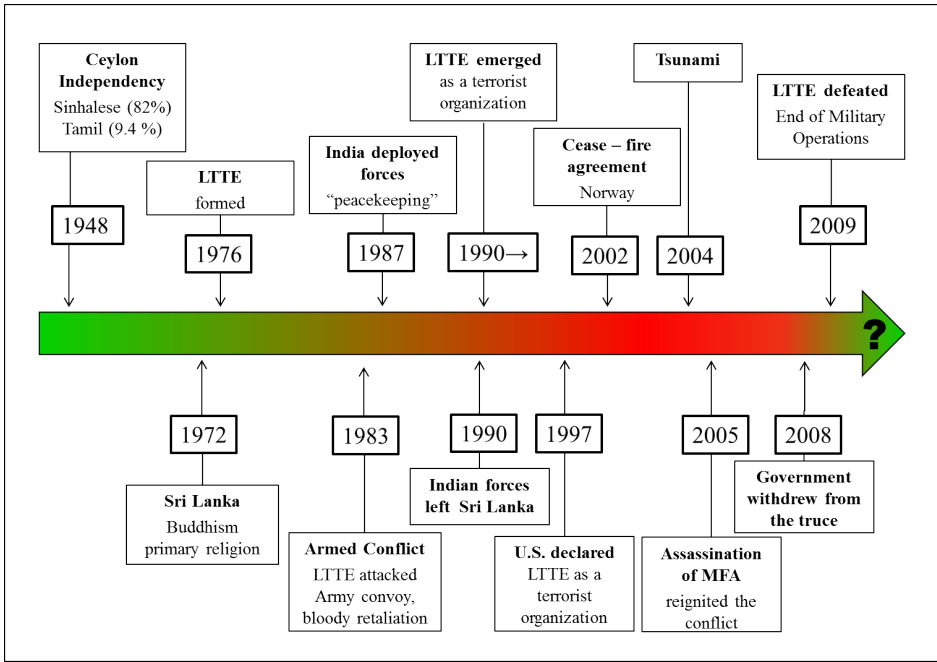
their diaspora. One of the most important and decisive points in the Sri Lankan war was when LTTE East regions commander Colonel Karuna divided LTTE with 6000 soldiers and supporters because of unfair treatment of the LTTE supreme commander Prabhakaran. So, conflict between two fractions of LTTE reinforced with the tsunami in 2004, finally resulted in losing a great part of the LTTE military power.

- Eelam War IV began after the peace negotiation process was shadowed in 2006 due to the cold attitude toward peace negotiations of the newly elected Sri Lankan president and government, and several bloody attacks of LTTE on the Sri Lankan security forces (especially on the Navy). Also, LTTE in the North region arrested, tortured, and murdered numerous Tamils under suspicion that they were supporters of Colonel Karuna's fraction of LTTE. These LTTE activities as well as their bomb attacks and Sri Lankan counter activities in the north, east and around Colombo's area resulted with hundreds of thousands of new internally displaced persons. Although some observers suspected the government security forces for several of the attacks and assassinations rather than the LTTE, the international community changed its attitude and leaned towards supporting the government side. That resulted with wide international support for calls that LTTE should be declared a terrorist organization, first done by the U.S., UK and India, and followed in the summer of 2006 with the most important player in the peace negotiations, the European Union. Reinforced with these decisions and after Karuna's LTTE fraction that controlled the Eastern regions crossed over to support the government, the Sri Lankan security forces started wide operations focused on the Northern region of the island. The following fights were accompanied by growing reports of violations of human rights and the international humanitarian law from both sides in conflict. Concurrently, as the Sri Lankan security forces advanced in their final operation against LTTE they rejected international calls to protect civilians or for a new ceasefire, and finally on 19 May 2009 Sri Lankan president Mahinda Rajapaksa declared the end of the war against the Liberation Tigers of Tamil Eelam (LTTE).

At least 7000 people are estimated to have been killed during the last few months when the LTTE and Tamil civilians under their control were squeezed into a narrowing stretch of land in north-eastern Sri Lanka -

making the Sri Lankan conflict one of the major conflicts in recent years (Höglund and Orjuela, 2011, p.19).

Ceylon Independency Sinhalese (82%) Tamil (9.4 %)		**LTTE emerged** as a terrorist organization	**Tsunami**	**LTTE defeated** End of Military Operations

Ceylon Independency
Sinhalese (82%)
Tamil (9.4 %)

LTTE formed

India deployed forces "peacekeeping"

LTTE emerged as a terrorist organization

Cease – fire agreement Norway

Tsunami

LTTE defeated End of Military Operations

1948

1976

1987

1990→

2002   2004

2009

?

1972

1983

1990   1997

2005   2008

Sri Lanka Buddhism primary religion

Armed Conflict LTTE attacked Army convoy, bloody retaliation

Indian forces left Sri Lanka

U.S. declared LTTE as a terrorist organization

Assassination of MFA reignited the conflict

Government withdrew from the truce

Sri Lanka Historical Timeline

Since an end to a war does not guarantee a sustainable peace, the risk of new violence in the post-war years requests urgent and comprehensive conflict prevention measures. Because of the brutality of Sri Lanka's war, especially in the final operations on both sides, the Sinhalese domination in the political system, the lack of interest in its reform and numerous violations of human rights, the May 2009 victory was an opportunity to focus on the problems that caused the conflict. Under limited international pressure (U.S., EU, UN, etc.) in the last few years, the Sri Lankan government implemented a number of post-conflict reconstruction measures, however most of them ended with little positive effects.

First, the process of disarmament, demobilization and reintegration (DDR) had been executed only unilaterally, toward Thamil Makkal Vidudal Puligal (TMVP) militia and 8500 released suspected LTTE, but not including the Sri Lanka Armed forces personnel[4]. DDR started immediately after the final

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4   DDR in Sri Lanka supported (but not led) by: India, Norway, the Netherlands, Japan, AusAID, USAID, World Bank, IOM, European Commission, UN CERF, UNDP.

operations, but screening of IDPs for suspected LTTE had been executed without any transparency or external scrutiny and with complaints of torture, raping of women, killings, and terrible living conditions of IDPs. Recently, limited results have been achieved in the education of DDR managers (military officers), which were followed by positive results in agriculture training, computer training, handwork training, preschool teachers training, and industrial training.

Second, limited reconciliation efforts have been overshadowed by Sinhalese triumphalism after the great victory. Although the government has portrayed itself as the Tamils' savior and the state as a multi-ethnic society, reconciliation is "conditioned on the recognition of the Sri Lankan government as the victor and the Sinhalese armed forces as heroes"[5] (Höglund and Orjuela, 2011, p.31).

Third, security sector reform (SSR) has not been executed even after unprecedented levels of militarization in the years before final operations were expected (40% increase of the security forces). Furthermore, after May 2009, the Army became a hero, the demilitarization of security forces failed, the military budget increased, and finally the whole Sri Lankan security sector (coastguard, police and intelligence) fell under the supervision of the Ministry of Defense.

Fourth, the repatriation of internally displaced persons (IDPs) has had a positive trend, but most of the positive activities have been executed under international pressure (EU, UN). Although during the years of conflict the number of IDPs constantly increased, the situation was additionally complicated after final operations when LTTE used civilians (around 300.000) as hostages/buffer zone. Although these IDPs have recently been "detained" after the initial operations at 21 sites and secured as "concentration camps", they were later released and around 400.000 have already returned home (many to temporary shelters).

Finally, although justice and reconciliation, as well as political reforms have been weak in the Sri Lankan post-conflict reconstruction process, the improvement in physical reconstruction and economic development is valuable.

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5   For example, some reconciliation posters show three children (Tamil, Muslim, Sinhalese), but at the same time all of them show their respect to a Sri Lankan soldier.

Physical Reconstruction and Conflict Sensitivity

The end of the 26 year war brought about 800,000 internally displaced people in the North and East of Sri Lanka. Most of these people are waiting to be resettled back, but their home areas are still without basic services, public facilities or infrastructure and more than 350,000 houses are damaged or destroyed (UN HABITAT Sri Lanka 2013b). So, the end of war provided opportunities for large physical reconstruction and economic development initiatives in the areas of North and East Sri Lanka. Although many national and international projects were started, a majority of them today are carried out under strong central government control without influence from local authorities. Furthermore, government security and economic activities in the North and East of Sri Lanka influenced limited inflow of Sinhalese returnees, which can further destabilize these traditionally Tamil areas. The state has exercised centralized control over a majority of the physical reconstruction projects both in the past and today, and its overall success is based on the government's realization that if they engaged fast in rebuilding family houses and local infrastructure, this would provide a great positive impact for conflict prevention in the traditionally agricultural Tamil area (Sri Lanka Country Strategy Paper 2011 – 2013). The government's large role in conflict prevention through physical reconstruction of the North and East was not the case from the beginning. What happened and why did the government change its approach? Over the last two decades several Asian countries (China, Pakistan, and India) have provided assistance in post conflict reconstruction and development in Sri Lanka, but they do not pay attention to conflict-sensitivities. Similarly, many other international donors after 1990 just transferred funds to the Sri Lankan government and left them to proceed without direction. That system was counterproductive and sometimes led to the funds being used for the further armament of security forces, and not for reconstruction. Nevertheless, positive changes happened when the European Union (EU) threatened to end the trade agreement (GSP+, 2004)[6] if the Sri Lankan government did not apply conflict-sensitivity in the planning and execution of its post-conflict reconstruction activities. Because the GSP+ helped a lot in the country's economic development

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6   In 2004, the EU opened their market through the EU's Generalized System of Preferences (GSP+) trade agreement with 17 countries devastated by the Tsunami.

through opening the EU market for Sri Lankan products, the Sri Lankan government reacted positively and made moderate improvements in human rights, especially as related to the treatment of the internally displaced Tamils. Later on, many other organizations and states which participate in post-conflict reconstruction and development projects in Sri Lanka introduced conflict-sensitivity clauses. For example, the World Bank (WB) has developed a 'conflict lens' for its 2009-2013 strategy and the Asian Development Bank (ADB) designed 'seven rules for conflict sensitivity' in its strategy for 2009-2011 (OECD, 2008, pp.102-106).

Even though some large reconstruction projects started in 1999 (World Bank), the majority of the hundreds of international donor activities began after the signed peace agreement in 2002. Japan, as the biggest official reconstruction and development assistant in Sri Lanka, organized a donor conference in 2003, which was attended by the world's most important donors, development banks and private funds, as well as many UN agencies, NGOs and states (Sugiur, 2011).

This conference influenced a new era of physical reconstruction and development in Sri Lanka (2003-2008) which was reinforced after 2004 and the devastating Tsunami. Regarding the influence of the EU, a majority of the projects have been executed all over Sri Lanka and have included conflict sensitivity, but just a few of them (influenced by top ten donors) in the North province before 2009. Several large physical reconstruction projects have had great influence on the population and conflict prevention in the North and East of Sri Lanka, especially through the repatriation of internally displaced persons and poverty reduction. The reconstruction projects that were of the most influence are (OECD, 2008, pp.92-101):

- North East Housing Reconstruction Program (NEHRP) executed with the World Bank and the EU (2004 – 2011). During its execution, 97% of the planed heavily damaged 50.091 houses were reconstructed. An estimate for the total number of damaged houses (all levels) for reconstruction is more than 300.000.

- North East Irrigated Agriculture Project (NEIAP) executed with the World Bank (1999 – 2005). This oldest large reconstruction and development project in Sri Lanka rehabilitated 369 irrigation systems

and formed 1057 new ones, as well as worked on 1294 km of roads and 754 wells related to these projects. In total, more than 2.750,000 people benefited.

- Country Assistance Programs (4) in reconstruction of infrastructure, and the restoration of community livelihoods executed with ADB, the EU, OPEC, Germany, and the Netherlands (2002 – 2009): (1) North East Community Restoration and Development Project (NECORD) benefited more than 700,000 people, (2) North East Community Development Project (NECDP) executed through 40,000 health and human services, (3) Conflict Affected Areas Rehabilitation Project (CAARP) benefits potentially more than 2 million people, (4) Tsunami-Affected Areas Rebuilding Project (TAARP) benefits more than 3 million people. All projects were executed with a budget of $325 million.

Official Development Assistance (ODA) during the conflict in Sri Lanka was of significant importance in reconstruction and development with 2-4% of national GDP, but since 2010 that changed and ODA decreased to 1,2% of GDP (2009-2010 official development assistance US$ 1.3 billion, -28%). The top ten donors through ODA in Sri Lanka are: Japan (358), World Bank (174), ADB (147), U.S. (63), EU (54), Australia (52), France (37), Korea (34), Norway (32), and Germany (31), ("Aid Statistics, Recipient Aid Charts: Sri Lanka," 2012).
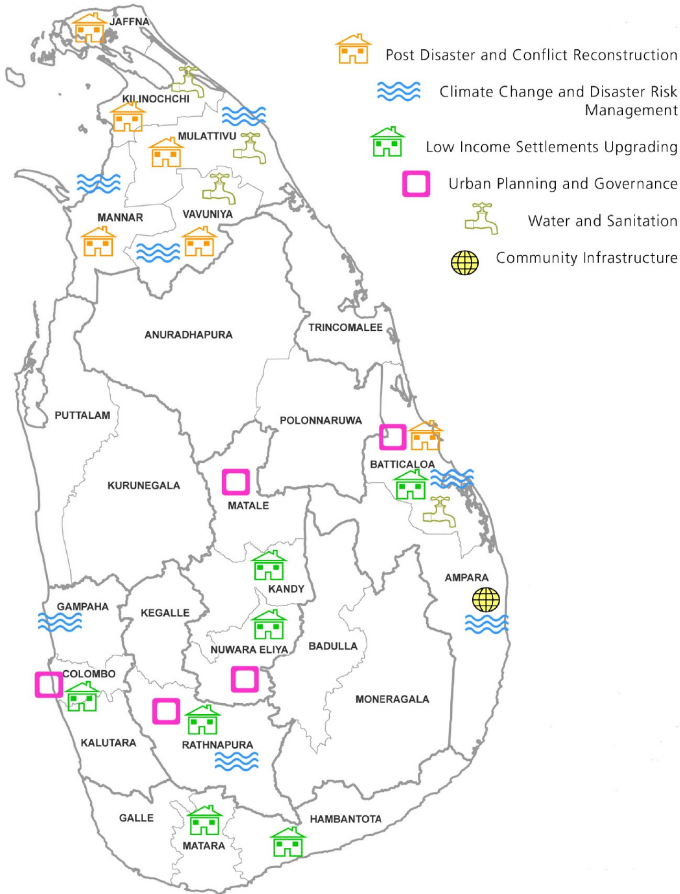
International direct assistance programs in Sri Lanka

(UN HABITAT Sri Lanka, 2013)

In comparison with other conflict-prevention areas (DDR, human rights, political reforms, SSR) the physical reconstruction and regional development is the one area where the Sri Lankan government has made the most effort. Although the first projects and application of conflict sensitivity were initiated (enforced) by the European Union and followed afterwards by other donors, in 2011 and 2012 there were positive examples initiated and executed by the Sri Lankan government itself. After the NEHRP program of housing reconstruction in the north and east provinces concluded in 2011, the government developed a new strategy

and continued the program through providing cash grants for the repair of damaged houses and temporary housing solutions (WB and EU financial support). Furthermore, several non-governmental organizations are allowed (without government as a mediator) to execute direct housing reconstruction programs with all related infrastructure. Through these programs the Sri Lankan government has supported conflict-prevention in several points: returnees to the Tamil area were provided the opportunity to rebuild their houses faster, the local economy was revitalized through the employment of private construction companies, the unemployment rate was reduced (construction workers are 100% local Tamils), and agriculture as a primary business in the North can be revitalized[7].

A University of York (UK) public opinion research project carried out in Sri Lanka in 2011 found that the Tamil population is very satisfied with the dynamic and quantity of physical reconstruction. The only item mentioned as a problem is the necessity to revitalize a local public transportation system and the sea ports. Moreover, during the almost three years since the end of the conflict, the government self-financed and executed many small local infrastructure rebuilding projects. During these projects they used interesting and useful conflict-prevention techniques through employing local Tamil construction companies and engaging the Sri Lankan military forces. The Sri Lankan Army situated in the North of the island (since May 2009) have carried out different construction projects, from large ones oriented at communities (rebuilding bridges, roads, irrigation systems, wells, de-mining) to small ones oriented toward families (Barakat and Class of 2011, 2011).

Construction works conducted by Army troops (Sri Lanka Army, 2012)

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7   Information collected by the author in interviews with Sri Lankan military officers in Naval Postgraduate School, Monterey, US, March, 2012.

These physical reconstruction projects with strong roots in military information operations played a great role in conflict prevention and since May 2009 there has been no reported violence against the Sri Lankan Armed forces. Furthermore, in that period, only a few riots have occurred in the north of Sri Lanka, regarding the prohibition of celebrating Tamil national holidays, but all were suppressed by police without heavy casualties[8].

Nevertheless, the Sri Lankan government still keeps under direct control all international reconstruction efforts and allows for occasional and limited oversight and control. It is interesting that the majority of the top ten donors execute their projects almost 100% through the Sri Lankan government, and only Asian donors including China, Pakistan, and India (not in the top 10) execute 60% of their projects through direct payments to the contractors or local authorities (Höglund and Orjuela, 2011).

Finally, the Sri Lankan government has executed many physical reconstruction projects with conflict sensitivity (some enforced). The majority of these projects is a great success, and is accepted well by the Tamils; allowing reconstruction to become the main pillar for conflict prevention.

Conflict Prevention Through Economic Development

Although many international investors labeled opportunities in Sri Lanka as 'wonderful opportunities', claiming that Sri Lanka 'may become the Hong Kong of India', and that Sri Lanka provided a 'huge opportunity to do a lot', some investors were also very cautious and commented that "the future depends upon the government's initiative to satisfactorily address the root causes of the conflict" (First Private Equity Fund from Sri Lanka, 2012).

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8   Information collected by author in interviews with Sri Lankan military officers in Naval Postgraduate School, Monterey, US, March, 2012.

Nevertheless, despite the latest long conflict, the Tsunami of 2004, and the World economic crisis, over the last two decades Sri Lanka's gross domestic product (GDP) growth average rates have been 5.5%, which is an excellent result (Sri Lanka has been in the world top 10 according to GDP growth rates over the last ten years). During 2009 and the final operations of Sri Lankan armed forces the growth rate dropped to 3.5%, but then only a year after it rapidly increased to 8.0%. Today, the GDP growth rate looks positive at 8-10%, but if it is examined in detail, economic development so far is unequal. Until 2010 most of the growth rate was related to the Western part of Sri Lanka, especially areas around the capital city of Colombo, which contributes 50% to the national GDP. Although the end of the conflict resulted in decreasing activities of international donors, many new international companies and funds find Sri Lanka an excellent place for investments, which the government tries to maximize (Sri Lanka Country Strategy Paper 2011 – 2013). In order to change the inequality in the country's economic development and further stimulate conflict prevention, the Sri Lankan government in cooperation with the Agency for Technical Cooperation and Development (ACTED) developed a Strategy for 2011-2013 with four pillars: (1) large housing and public facilities reconstruction in Tamil areas (being a joint effort with the private sector), (2) government led reconstruction of main infrastructure (in order to support businesses), (3) direct business investments (support funds), and (4) real-estate investments (in order to help the real-estate market emerge) (Sri Lanka Country Strategy Paper 2011 – 2013).

Regarding poverty as one of the indicators of the country's economic development, Sri Lanka has reached lower-middle income status and has shown a very positive trend. The overall poverty ratio, in spite of conflict, was significantly improved during the last decade and decreased from 23% in 2002, to 15% in 2006, and 15% in 2009, and finally reaching the remarkable level (for Asia) of 7.6% in 2010. Even given these improvements countrywide, the presence of poverty is higher in rural areas, as well as in the Tamil populated areas, which are influenced by several factors including: the former state favored investment in the Western area, the long lasting conflict in the Northern and Eastern areas (destroyed local businesses and infrastructure), and the Tsunami in December 2004 which worsened the situation and further destroyed the East and South of the country. Nevertheless, even during the conflict some modest

improvements in poverty reduction have been done in the Tamil areas. The largest activity was the Project for Rehabilitation through Education and Training (PRET), organized by the Canadian Investment Development Agency (CIDA) during 2003-2008, which covered 14 districts and was executed in relationship with 46 international and national partner organizations (OECD, 2008; World Bank 'Sri Lanka', 2012).

There have been many recent changes in the government's approach to regionally oriented poverty eradication and economic development. The most significant influence on overall development and government conflict prevention behavior nowadays is a program announced during the elections in 2010 by president Rajapaksa called the "Mahinda Chintana - Vision for the Future" (2010-2020). The main ideas include an open call for building of the Sri Lankan economy, involving the public and private investors, encouraging business competition, building new infrastructure necessary for business (airports, seaports, roads), and large scale investments in Tamil areas. The Vision explains four economic development programs, (1) Dry zone livelihood support and partnership program, (2) Smallholder plantations entrepreneurship development program, (3) Post Tsunami coastal rehabilitation and resource management program, and (4) National agribusiness development program. The Sri Lankan government recently signed several agreements in support of the Vision for a total amount of $137 million, which included the involvement of many private companies, as well as international organizations (IFAD - International Fund for Agricultural Development, USAID – US Agency for International Development, CIDA – Canadian International Development Agency, JBIC - Japan Bank for International Cooperation, WFP – World Food Program, and UNDP – UN Development Program) (Mahinda Chintana - Vision for the Future, 2010).

With a new strategy and devoted investments in economic development to maximize conflict prevention, the Sri Lankan government is finally making a strong attempt to counter underdevelopment, one of the roots of the conflict, and in spite of a failure in other post conflict reconstruction areas, they deserve recognition that this area is a success.

Conclusion

Generally, post conflict reconstruction in Sri Lanka is characterized by limited or nonexistent progress in judicial, political and security sector reforms, reconciliation, and the protection of human rights. Nevertheless, post-conflict physical reconstruction activities and most of the activities related to economic development have been executed well and influenced very positively Tamil - Sinhalese relations. Although the Sri Lankan government has failed or has achieved limited positive effects with various conflict prevention measures in the preceding decades, the fast de-mining, new housing programs, the resettlement of hundreds of thousands of IDPs, and a number of massive infrastructure projects with special emphasis on the North and East of the island (Tamil areas) had significant positive effects. At the beginning, this success was enforced by international players such as the EU, the UN or the US. On the other hand, today there are many examples of the Sri Lankan government's sensitiveness in reconstruction without external pressure.

Many of these physical reconstruction projects, along with projects for the reduction of poverty or decreasing unemployment rates, have become very important Sri Lankan conflict prevention measures. The future will show if they can create a sustainable peace. Such peace is not far away for Sri Lanka, especially if the key international players (EU, UN, US, and Japan) would support the government of Sri Lanka, after economic development, to focus on reforms in the judicial, political and security sectors as well as on the protection of human rights, .

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