

system substantially lower than the open market prices of those goods. If we succeed in expanding the public distribution system properly over the poor urban areas and the poor rural blocks, without expecting too much fine-tuning of the targeting of the beneficiaries, we can hope to make a positive dent in the inflation of the basic wage goods prices. It would, of course, imply quite a large subsidy, which would be higher if we keep increasing the procurement prices, under the pressure of interest groups. It may also be necessary to make some drastic changes in the institutions involved including the Food Corporation of India. But even after all that, it may be worth pursuing this system mainly as an anti-inflationary measure, containing the wage goods prices. The anti-poverty impact would then be an incidental but additional argument in its favour. Several countries, which adopted orthodox stabilisation programmes, went in for some heterodoxy by adopting some form of wages-incomes policies. If we can control the wage goods prices, and if we link the wage increases to the PDS prices, we shall partially achieve the results of such heterodox

policies without actually adopting them.

All these, of course have implications for the budget and the fundamental policy base of reform will have to be a strong budget constraint; however, there are many trade-offs involved and a proper design of economic reforms programmes must take into account the totality of these trade-offs, playing with all the variables concerned. Fiscal deficits, their financing by borrowing or by seigniorage, tax rates, direct-indirect and customs duties and their sequencing and policies regarding expenditures of different kinds such as long term development expenditure for the social sector, public investment for infrastructure and for removing regional disparity, as well as subsidies necessary to maintain an improved public distribution system.

Let us not make any of these policies as the inflexible datum. The art of policy making consists in orchestrating these instruments, comparing their trade-offs and deciding their timings to realise the objective of sustainable economic reform.

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BREAKDOWN OF "PEACE TALKS"

Jayadeva Uyangoda

The break-down of peace talks between the government and the LTTE has once again plunged the country into war. The resultant confusion in the South apart, the LTTE, the war lobbyists, the government and peace lobbyists are awakened to a new reality: there is no public enthusiasm, either in the North or in the South, for the third round of war.

After an event, particularly when that event is a disastrous one, we all can claim ourselves to be a little wiser. And in the post-April 19 wisdom, the government's behavior in the entire peace process has come under the sharpest scrutiny. A check-list of conclusions arrived at by critics and analysts should include the following: (i) Chandrika mishandled the whole situation, (ii) Prabhakaran took the government for a ride, and (iii), Chandrika should never have gone for peace talks with Tigers.

Mishandling Talks?

Of all this, it is the mishandling argument that warrants examination, because it is being presented by some peace advocates as well. The point in this argument is that Chandrika left space for Prabhakaran to run away from the peace process, by her amateurish and not-so-serious approach to talks. To illustrate the point, the critics say that the government peace delegations were comprised of novices, naive bureaucrats and individuals with anti-LTTE creden-

tials. This point is further buttressed by the LTTE's own allegation against Chandrika that by sending low level negotiating teams, she only demonstrated her arrogance as well as the lack of a serious approach to the process of talks.

All these critics, including the LTTE, miss one point. The two chief negotiators during the past eight months have been none other than Chandrika Kumaratunga, President and Mr. Prabhakaran, the LTTE leader. Negotiations took place at two levels: face to face talks between teams representing the two sides and exchange of letters — nearly fifty in number, and rather long ones at that — between the two leaders.

At face value, however, the above argument has a validity. While the LTTE negotiation team was headed by the chief of its political wing, no Minister was ever included in the government team. The latter was always headed by a non-political bureaucrat, the Secretary to the President.

One has nevertheless to ask the question: why is the LTTE apparently angered by the perceived low level nature of government negotiating teams? In the post-April 19 political literature, I have not so far come across a credible answer to this question. The only point that approximates to an answer is the surmise that so-and-so should not have been sent as government delegates. This hardly explains so fundamental a question as the LTTE's return to war; was it simply because they felt belittled by the composition of the government peace negotiation teams?

The answer, as far as I can see, lies somewhere else, and it, I am afraid, could unsettle even those who make the above argument. And it lies in the fact that the LTTE leaders consider themselves as rulers of a political entity of a sovereign nation. This political entity I have called elsewhere a quasi-state. Any visitor to Jaffna in recent times — there have been quite a few of them from the South of late — would not have failed to notice the enthusiasm with which the LTTE demonstrated all the trappings of a separate state — protocol, symbolism and all that. Mr. Thamil Selvam, the political wing leader of the LTTE, would certainly have preferred Minister G. L. Peiris to Secretary Balapatabendi, to be his counterpart at the negotiation table, not necessarily because he was impatiently waiting to discuss complex constitutional problems involving the political package, but because he viewed a Minister's presence as a proper demonstration of state to 'state' protocol. On my return from Jaffna in February this year, I told many of my friends in Colombo that the LTTE was keen not only about the substance of talks, but also of the symbolism and drama inherent in the exercise. The LTTE wanted not only a settlement with honour, but also a path that assured them of the recognition of their own sense of dignity and honour, arising from their being rulers and defenders of a nationality group. Yet, the LTTE being the LTTE, and the government being the government, this issue was never resolved.

Goals, Approaches and Process

This takes us to the crux of the problem in the entire negotiation process. What were the two parties negotiating about and towards? They were negotiating for 'peace,' peace here remaining an abstract concept, an undefined notion. When they were forced by circumstances to concretize the concept, the competing perspectives became abundantly clear. By peace, President Kumaratunga and her government understood a political settlement arrived at through negotiations with the LTTE; and the settlement was to be based on the still not well defined notion of 'maximum devolution.' Meanwhile, peace meant something substantially different to the LTTE. For them, a peace process that did not accommodate their status of being a politico-military entity representing a sovereign nation would not be a worthy exercise. Throughout the entire peace process, these competing perceptions of the goal constituted the basis for almost all disagreements between the two sides.

This fundamental disagreement between the government and the LTTE found its expression in a variety of ways in the talks held, letters exchanged and in their public statements. Actually, the respective approaches of the two sides to the peace process were mutually non-accommodative. To use the negotiation rhetoric that emerged during the past eight months, the government's approach was to start and go ahead with 'political talks' while 'taking steps to redress day-to-day grievances of the Tamil people in the North.' The LTTE took a sharply different approach. Once again to use the negotiation rhetoric, the LTTE wanted the government 'to address the consequences of war, before addressing the causes of war.'

While the government preferred simultaneous talks on reconstruction and rehabilitation as well as on political issues, the LTTE advocated a two-stage approach whereby the completion of the first phase should be the prelude, even a pre-condition to the second.

When the differences between two sides began to surface after the negotiation of a Cessation of Hostilities Agreement in early January, the debate on the process too was sharpened. The government accused the LTTE of repeatedly making fresh demands on the 'normalization of civilian life in Jaffna' (this is too the language of negotiation rhetoric) as an exercise of dodging the main issue — talks towards a political solution. The LTTE in turn accused the government of reneging on their promises to normalize the civilian life of the Tamil people. At a later stage, the LTTE went further. It faulted the government for having a hidden agenda — to prepare for war while talking peace. Actually when this 'hidden agenda' argument began to be made by the LTTE in late March, the Jaffna intelligentsia — quite correctly, as it has now been proved — sensed that only a miracle could salvage the peace process.

Performing that miracle, ironically, was to be the task of the Chandrika Kumaratunga government. And it involved the pulling out troops from Pooneryn and allowing the LTTE cadres to carry arms in the East. LTTE had a fairly convincing argument for the removal of the Pooneryn Army camp which was established in 1992, under the UNP regime, as a part of a military strategy to encircle the Jaffna peninsula. If Chandrika was genuinely for peace, why can't she prove her good faith by removing just one camp from the North? asked the LTTE. Well, Chandrika as the President represented the State and the Sri Lankan state was not yet ready to take such a bold step. Meanwhile, Chandrika knew that the peace process had to be salvaged by compromise. Her April 12 letter to Mr. Prabhakaran contained that compromise: Let us start political talks and we will review your demands of military nature in three months. But Mr. Prabhakaran was not in a mood to make compromises. "Peace on whose terms?" was the question the LTTE posed on April 19.

Very few appear to acknowledge that the government had been placed in a peculiar position of disadvantage throughout the entire peace process vis a vis the LTTE. That is the price the government had to pay for the 'sin' of initiating the peace and negotiation exercise. It had the singular responsibility of rescuing the peace process in times of crisis, adopting both hardline and conciliatory tactics. If it is the LTTE which initiated the peace process, Mr. Prabhakaran would have been placed in the same unenviable position. In conflict resolution, the burden of proving good faith lies primarily with the side that initiates the process or with the state that confronts a rebel organization. If contemporary lessons are of any relevance, the unprecedentedly restrained behaviour of the Israeli state of late, in the face of Palestinian guerilla provocations, is primarily due to Israel's obligations for peace after signing the Washington treaty. Those who accuse Chandrika of appeasing the LTTE miss this cardinal point.

Giving in Too Much?

Another criticism repeated in the press is that Chandrika gave in too much to the LTTE under the pressure from a coterie of peace nicks - turned advisors. Actually, when we look back we can see that the government had always guarded itself against being pushed into a situation of giving in to LTTE demands, unless there were reciprocal and matching measures from the rebels. It is this principle of reciprocity that the LTTE viewed and resented as unfair. At one point the LTTE reacted angrily to the language of negotiations, when the President used the term 'concessions' to describe the lifting of economic embargo. I for one found myself sympathetic to the LTTE's point of view on this specific matter, and needless to say I hardly had the clout to change the terminology preferred by the government. My own position on this issue is that President Kumaratunga should never have used the idiom of the Sinhalese state. She insisted so much on reciprocity that critics should actually blame her for not giving into the LTTE pressure.

Inappropriate language apart, the so-called 'concessions' that were made by the government were purely voluntary and unilateral. They included two specific areas: (a) re-construction and re-building of the war-torn Northern province and (b) lifting of the economic embargo. These were decisions made by the government as necessary first steps towards launching a peace process. And the LTTE's subsequent criticism was that even these unilateral decisions of the government were not properly and effectively implemented. The advocates of the giving in too much theory can perhaps find solace in the fact that until April 19, the whole scene of lifting bans and prohibitions remained quite unsatisfactory on the ground and it had actually irked the LTTE. Even the government's decision to lift the ban on fishing in the North-eastern sea could not be properly implemented. The free transport of diesel and petrol, after lifting the ban, occurred only for 2-3 days, and that too after the Sinhala-Hindu New Year.

It is a pity that some critics in Colombo view the lifting of economic embargo as an unfair concession to the LTTE. When we take into account the fact that except a handful of people, almost the entire Southern population has no exposure at all to the ground realities of the North, we can understand how ignorance informs and shapes even political analysis. Let us take one such criticism. Even President Kumaratunga once commented that Tigers were using cement — cement was an item in the embargoed list of goods— to build bunkers. But very few in the South are perhaps aware of the fact that almost 75% of houses in Jaffna have been severely damaged during the war. When peace begins to return to civilian life, the first thing any sane person would want to do is re-building his/her dwelling place. A government which promises peace to people has a duty to help communities to re-build themselves. The President was probably too sensitive to the LTTE's ingenuity as well as to the eventual criticism coming from her detractors. Thus cement remained a rare commodity in Jaffna till April 19.

Using our retrospective wisdom, we can now say that the PA government's peace initiative, as a process, was a weak one. It was a process based on good intentions, ideals and undefined goals. Mr. Prabhakaran was perhaps the first to realize this and he acted accordingly. The fragility of the PA government's peace process is being amply demonstrated now, after April 19. In the face of the LTTE's resumption of hostilities, the PA government is now sliding back to the much maligned military strategy. Mr. Premadasa too opted for that course of action in June 1990, under similar circumstances. Had there been a strong peace process in place, the past should not have repeated itself under Chandrika Kumaratunga.

What Next in War and Peace?

The post-April 19 political debate in the South is remarkably interesting because it avoids asking fundamental questions about both war and peace with the LTTE. The current phase of war is being perceived by many in the South as a necessary step to restore the pride of the state, to teach a good lesson to the miscreant Prabhakaran. How long will and can this war go on? Can the state afford to have a protracted and high cost war? Wouldn't the war once again seriously damage ethnic relations in the country? Won't the war give another opportunity for the LTTE to disrupt Southern politics? Isn't war the terrain with which Mr. Prabhakaran is more comfortable, rather than peace? Aren't government's options limited, particularly in a situation of war? These, though they may sound elementary, are unavoidable questions about war. Even while a war is being waged, these questions need to be posed, addressed and discussed in order to subject the military course of action to an overall political perspective.

Equally problematic is the option of peace. One cardinal lesson we must learn from the recent experience is that the LTTE will accept peace only on its own terms. When Mr. Prabhakaran insists that the LTTE and Tamil people are for peace, what he means is something far beyond the frameworks of settlement as perceived even by the peace lobbies in Colombo. What are then the LTTE's terms for a settlement? The disquieting answer has two parts; first, a type of devolution which expressly recognizes the separate identity of the Tamils and second, the acceptance and incorporation of the political, administrative, military/defence apparatus of the LTTE's quasi-state into the Sri Lankan state. When Mr. Prabhakaran says that the LTTE has now acquired air-defence capability, his message is two-fold: the LTTE can defend Jaffna skies, and the LTTE has perfected its state apparatus.

Whether we like it not, sooner or later, this new development is likely to be seen by the Tamil people as a singular achievement of the Tamil nationalist struggle. The biggest dilemma that a state peace initiative would face emanates not from the LTTE per se, but from the difficulty in coming to terms with the political and military/defence achievements of Tamil nationalism which the LTTE represents. Tragically, it may take many, many more rounds of peace and war between the LTTE and the South either to accept this reality or to change its parameters. ■