Ethnic conflict in Sri Lanka
(a scar on the pearl of Indian Ocean)

Mahwish Hafeez*

Introduction

Sri Lanka (formerly known as Ceylon) is a tropical island lying close to the southern tip of India and near the Equator. Because of its scenic beauty, the island has been described as “Pearl of the Indian Ocean”, “Emerald Isle”, “Pearl of the East”, and, by a poet, as a “tear falling off the Indian cheek.”

The island was once proud of its rich mineral resources, excellent communication system and a very high standard of education. However, following the end of the Second World War, significant events took place throughout the globe. As a result of de-colonisation process by the erstwhile colonial rulers, a host of new independent states emerged. Reputed to have had a peaceful transition from a model colony to a stable and developing state, Sri Lanka today is a terrible example of ethnic conflict which has claimed more than 70,000 lives since its start.

Sri Lankan society is multi-ethnic in nature. Sinhalese make up 74 per cent of the population. Tamils of Sri Lankan origin form around 12 per cent, the Indian Tamils are six percent, and Muslims constitute around seven per cent of population. The history of ethnic conflict in Sri Lanka is the history of emergence of consciousness among the majority community; the Sinhala, who define the Sri Lankan society as Sinhala-Buddhist, thereby denying its multi-ethnic character.

This paper examines the circumstances that transformed a simple ethnic conflict into a full-scale insurgency movement. The paper has been divided into three parts. The first part traces the root causes of the ethnic conflict, whereas the second part covers the events leading to the internationalisation of the conflict and the controversial role played by India in this regard. The third part focuses on the methods used by the Liberation Tigers of Tamil Eelam (LTTE) to generate funds, with particular reference to the role played by the Tamil diaspora around the world.

Part 1: Roots of the Conflict

a- Pre Independence Era

The Sinhalese dominated the country from the fifth century B.C. and established a kingdom. The term “Sinhala” was first used to indicate the royal

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* Ms. Mahwish Hafeez is a Research Fellow at the Institute of Strategic Studies, Islamabad. This study takes into account the relevant developments till the end of April 2009 – Editor.
family of the island which later extended to cover the royal retinue and the people. Being the religion of the Sinhalese, Buddhism was declared state religion. Buddhism gave Sinhalese a sense of national identity and a unique culture and literature. On the other hand, Hinduism remained the religion of the Tamils who first came to Sri Lanka as invaders from Tamil Nadu. Tamil incursions forced the Sinhalese to withdraw to the south of the island.

By the beginning of the 12th century AD, Tamils were dominating the northern and eastern parts of Sri Lanka. A small section of both Tamils and Sinhalese converted to Christianity during the colonial period. Social and economic developments during the early colonial period under the Portuguese and then Dutch and the British led to the further consolidation of the Sinhala community in the central and south-western parts of the island, and of the Tamils in the north and on the eastern coastline.

With the introduction of coffee plantation by the British in the 19th century, a population of over one million Tamil workers from the Indian state of Tamil Nadu were brought to Sri Lanka who later permanently settled in the island. After the independence of Sri Lanka, these labourers (usually referred to as “Indian Tamils” to differentiate them from the Sri Lankan Tamils), could influence elections in some constituencies. In a bid to counter that, the United National Party (UNP) government denied them citizenship of Sri Lanka and they were not allowed to vote which they had been doing since 1931.

During the colonial rule, economic developments occurred mainly in the central and western parts of Sri Lanka which left the Tamil community in a disadvantageous position. As a result, they sought to move in large numbers to employment in state services, the private sector and learned professions. Christian missionaries were welcomed into Tamil areas which resulted in the growth of educational facilities in English which in turn ensured more jobs, a better living standard and political consciousness.

Gradually, the Sinhalese started feeling that their progress and expansion was constrained in various areas. Import and export trade was dominated by the British and Indians, and retail trade by Muslims throughout the country. Sinhalese traders could not break into these areas due to their lack of access to finances which were controlled by British bankers or south Indian traders. The barriers were perceived by the Sinhalese community as being caused by non-Sinhalese elements.

b- Post Independence Era

After independence, the Sinhalese tried to redress the balance but adopted discriminatory policies. Deliberate efforts were made to reduce the number of Tamils in the armed forces and government services. Certain laws were
introduced which were detrimental to the Tamils as a community. That frustrated the Tamils and ultimately led to the rise of a Tamil ethnic movement.

In late 1947,\textsuperscript{5} the UNP, which was a union of a number of groups representing different ideologies, won the first elections of independent Sri Lanka and attempted to establish an anti-communist, inter-communal parliamentary form of government. In July 1951,\textsuperscript{7} Bandaranaike’s left-of-centre bloc seceded to form the Sri Lanka Freedom Party (SLFP). The UNP tried to stay in power by adjusting to the Sinhalese nationalistic sentiments and went back on the pledge to declare both Sinhalese and Tamil as official languages and agreed to the policy of “Sinhala only”.

In 1956, the government was taken over by a coalition led by S.W.R.D. Bandaranaike. This coalition represented mainly the Sinhalese bourgeois and rural elements and was radical in its outlook. The government was quick to replace English with Sinhala as the only official language by introducing the “Sinhala Only Act of 1956”.\textsuperscript{8} The Act proved detrimental to the Tamils who had received education in English. Their position in state services was reduced and many Tamils had to leave their jobs as they failed to master the new language within the stipulated time.

The condition of knowing Sinhala language as a necessary requirement generated the feeling of insecurity among the Tamil minority. Doors to prestigious jobs were open to the educated Sinhalese, but that increased unemployment among the Tamil youth. S.W.R.D. Bandaranaike soon realised the mistake of adopting discriminatory policies and tried to do away with them by signing a peace deal with the Tamils in 1957 which is known as the Bandaranaike-Chelvanayakam pact.

The pact signed by Prime Minister Bandaranaike and Federal Party leader Chelvanayakam on July 26, 1957\textsuperscript{9} offered devolution of power to Tamil-speaking regional councils, besides recognising Tamil as a national minority language. However, due to strong opposition by the Sinhala nationalists, especially the UNP, the pact was publicly abrogated by Bandaranaike on April 9, 1958.\textsuperscript{10}

After the 1960 elections, the SLFP came to power with an outright majority but miserably failed to fulfil its promises of implementing reforms within three months on the basis of the Bandaranaike-Chelvanayakam pact. From the beginning of 1961, it instituted Sinhala as the language of administration throughout the country and did not offer any concessions to Tamils.

Frustrated by the government’s failure to keep its promises, Tamil leaders decided to launch a civil disobedience campaign. In early 1961,\textsuperscript{11} the Federal Party called on the Tamils not to study Sinhala and correspond with the government in Tamil alone. Protesters took control of main administrative buildings in Jaffna for several days. By now Tamils were convinced that the
government was trying to marginalise their community. Due to growing unrest in the Tamil-populated areas, the government was forced to send troops and declare a state of emergency.

By late 1970s, Tamils were seriously under-represented in state service. The republican Constitution of 1972 came as another major blow to whatever little hope there was of settling the ethnic conflict. It not only proclaimed Sinhala as the official language, but went one step further by declaring that Buddhism had the “foremost” place in Sri Lanka, thereby affirming a Sinhala-Buddhist state.12

These developments fully convinced Tamils that living with the Sinhalese in a single polity was no longer an option for them. The Tamil United Liberation Front (TULF) had by now already demanded a separate state. Dissatisfied Tamil youth formed armed groups which led to a protracted war during which the state security forces resorted to severe excesses. As a result, Tamil armed groups responded by attacking and killing the Sinhala civilians and Tamils who were suspected to be informers.

After 1970, the government announced a new education policy in order to increase access to higher studies for Sinhala students.13 Earlier, students were granted university admission on the basis of competitive examinations marked on a uniform basis throughout the country. Because of better education facilities in Tamil areas, students from Jaffna usually scored well. Therefore, their proportion was significantly higher. However, according to the new system, the numbers admitted in each language group were proportionate to the total number of those who had taken the examination. As a result, Tamil-speaking students had to get higher marks for admission in the university as compared to Sinhala-speaking students. This new system did not last long, and in 1972, a district quota system was introduced. The district quota system was supposed to benefit the disadvantaged students, particularly in rural areas, but the Jaffna students were still required to do better because of their overall higher educational performance.

After winning the 1977 elections, Jayewardene formed a new UNP government, and TULF emerged as the main opposition party. He promised to address the Tamil grievances. He abolished the quota system but at the same time extended some powers to security forces in the north and suspended certain constitutional safeguards against human rights abuses. In July 1979, the Prevention of Terrorism Act (PTA)14 was passed along with the declaration of emergency. Human rights abuse by the security forces increased the resentment among the Tamil civilians.

TULF was already demanding a separate state using parliamentary democratic process and had fought 1977 election with the demand for secession. With the introduction of the sixth amendment to the constitution on August 4, 198315, secessionist policies in all forms were strictly prohibited. That resulted in the banning of TULF and the loss of its representation in parliament. With that,
the chance to find a solution through peaceful means in the given circumstances also died.

In July 1983, anti-Tamil violence broke out after the LTTE ambushed and killed 13 soldiers near Jaffna. After the arrival of the soldiers’ bodies for funeral, retaliatory attacks were carried out against Tamils in Colombo and elsewhere in which 3,000 of them were butchered, torched or beaten to death at the hands of Sinhalese mobs. Thousands of homes and business centres were destroyed. The event forced many Tamils to migrate to India, thereby paving the way for India to interfere in Sri Lanka’s internal affairs.

The feeling that Tamil people were being punished for being Tamils, forced many to take up arms. Tamil militants, however, cannot be absolved completely as they also attacked civilians and at times killed large numbers of Sinhalese villagers. By the end of 1985, four strong groups emerged among the Tamil militants: the Tamil Eelam Liberation Organisation (TELO), the Liberation Tigers of Tamil Eelam (LTTE), the Ealam People’s Revolutionary Liberation Front (EPRLF), and the People’s Liberation Organisation of Tamil Eelam (PLOTE).

Rivalry developed among these groups, and in mid-1986, the LTTE attacked members of TELO. After fighting for almost a week, the LTTE emerged as the dominant force. Shortly afterwards, EPRLF suffered the same fate, and from then onwards, LTTE did not allow any other group to operate in the areas under its control.

c- Creation of LTTE

LTTE is considered to be one of the most sophisticated and deadly insurgent groups in the world. From selective assassination to indiscriminate acts of terrorism and full-scale assaults, the group has repeatedly demonstrated its ability to operate along the entire guerrilla conflict spectrum.

The Liberation Tigers of Tamil Eelam (LTTE) was founded by Vellupillai Pirabhakaran on March 5, 1976, the day he conducted a successful bank robbery in Puttur. The proclaimed objective of the organisation was to create a casteless Tamil society by armed struggle. The Tiger symbol, used by LTTE, is an allusion to the military character of the South Indian Chola dynasty which highlights its links of Tamilness. With the motive to attain total control over the Tamil struggle and to gain legitimacy as the sole representative of Sri Lankan Tamils, it eliminated almost all opposition to LTTE.

LTTE is a role model and a trend setter for existing and emerging terrorist groups in Asia, Africa, Middle East and Latin America. The group carried out more than 200 suicide bombings aimed both against civilian and military targets. Some believe that they pioneered the use of suicide bombing as a weapon
in the terrorist armoury and adopted it as an article of faith. The group is famous for inventing the suicide belt. The group is also known to pioneer the use of women in suicide attacks. Ruthless tactics used by LTTE have inspired terrorist networks worldwide. Furthermore, LTTE is the only terrorist group responsible for killing two leaders: Indian Prime Minister Rajiv Gandhi in 1991 and Sri Lankan President Ranasinghe Premadasa in 1993. An attempt was made on the life of President Chandrika Kumaratunga in 1999 in which she narrowly escaped, but 21 other people lost their lives.

Besides killing political rivals, LTTE has also massacred Sinhalese and Muslim civilian population. Imprisonment and torture of rivals along with their family members, public executions, forceful recruitment of child soldiers and at times using them as suicide bombers are some of activities that LTTE carries out in order to advance its goals.

The central committee is the highest decision making body with Prabhakaran as its chairman. It has both a political and a military wing. Area commanders are responsible for tactical decision making. These area commanders are usually men with many years of fighting experience.

Recently, with the establishment of the Tamil Air Force (TAF), a new dimension to the conflict has come to light. That shows that the LTTE has been able to establish a state structure with its own army, navy and air force.

**Part 2: Indian Intervention**

Prior to 1977, the Sri Lankan government followed the policy that was in line with the internal and external interests of India. However, when Jayewardene came to power in 1977, he chose to actively engage with the United States and rejected Indian demands that all foreign naval forces be withdrawn from the Indian Ocean. India was also not happy with the Sri Lankan government when it granted landing and fuelling facilities to Pakistani commercial flights during Indo-Pakistan war of 1971. In 1985, the Sri Lankan government also declared its support for the people of Jammu and Kashmir in their struggle for self determination. Besides, much to the annoyance of India, the Sri Lankan army was also being trained by instructors from Pakistan, Israel and Great Britain.

The uprising by a Sinhala party, the “People’s Liberation Front (JVP)” (despite its failure as a result of government’s repression) in the south of Sri Lanka and the creation of Bangladesh inspired and convinced the Tamil youth that independence could be achieved using violent means. Violence was seen as a glorious way of achieving a goal. With this mindset, several armed groups consolidated their positions in the Indian state of Tamil Nadu. On the model of Mukti Bahini, RAW established terrorist training camps in India. At the time, Tamil Nadu was ruled by All India Anna Dravida Munnetra Kazhagam (AIADMK) under the leadership of M.G. Ramachandran who took up the cause.
of Sri Lankan Tamils by providing state patronage to the militant leaders as well as the refugees. He mobilised public opinion and called for a “bandh” (stoppage of work). A resolution was also passed in October 1983, in the Tamil Nadu State Assembly, condemning the “state violence” against the Tamils in Sri Lanka and urged the United Nations to intervene and play its role in finding a peaceful solution to the problem.

Driven by the desire to project India as a regional power in South Asia, concerns for national security as well as pressure from the government of Tamil Nadu, the Indian government became a party to the conflict. The situation provided India an opportunity to apply strong pressure and to ensure its strong hold on the government of Sri Lanka. It is argued that India never wanted to support the Tamils of Sri Lanka to have a separate homeland as that would have created problems in India as well, especially in the State of Tamil Nadu. It wanted a solution to the ethnic crisis to be found through devolution within a unitary Sri Lankan state and, therefore, it supported both sides in different ways. Allegedly, India started its secret war in Sri Lanka as early as 1983. It is estimated that by 1986, there were around 20,000 India-trained Tamils. In 1987 when the Sri Lankan government launched a military operation against the Tamils, India had already ensured that the Tamils were well trained and well supplied and were able to bring the war close to Colombo.

Peace talks were held between several Tamil militant groups as a joint delegation and the governments of Sri Lanka and India in July-August 1985 in Thimpu, Bhutan. However, the talks failed as the parties were unable to reach a consensus. Even as the talks were still progressing, the military conflict intensified.

Several attempts were made to resolve the issue but all these efforts bore no fruit. The incident of April 1987 when a bomb exploded at a busy bus station in Colombo killing 113 people led the government of Sri Lanka to launch an all-out offensive on the Jaffna peninsula, and by the end of May, the government was able to capture a large part of the area after suffering heavy losses in terms of life, property, and dislocation of inhabitants as people started to take refuge in Tamil Nadu. At this stage, the Indian government intervened more directly and assumed the role of a direct participant instead of a mediator. New Delhi also started sending humanitarian relief to the Tamils in Sri Lanka. When the Sri Lankan navy stopped a fleet of boats carrying relief supplies, the Indian government dropped relief supplies through air. By providing relief supplies to the LTTE, the Indian government placed itself in a position to talk to the Tamils directly. On the other hand, due to international pressure and economic constraints, the government of Sri Lanka was also looking towards India.

On July 29, 1987, Sri Lanka and India signed an agreement according to which it was decided that efforts would be made to solve the problem through devolution and greater autonomy for the Tamils. It was also agreed that an Indian
Peace Keeping Force (IPKF) would disarm the rebels. The agreement also ensured that Pakistani and other foreign influences on the armed forces of Sri Lanka, seen as detrimental to Indian interests, are removed.\(^{28}\) With this agreement, India became the principal guarantor of a solution to the ethnic violence. The agreement evoked a strong reaction among the Sinhala population. Fused with Sinhalese nationalism and anger, the Sinhala population strongly opposed the accord with India. Ironically, the militants trained by India, who were demanding a separate state for the Tamils, saw the agreement as a setback to their struggle.

Initially, the IPKF oversaw a ceasefire and disarmament of the militant groups. It was a neutral body and had a mission to ensure compliance with the accord, but it became an increasingly partisan force and found itself fighting the Tamils. The Indian intervention and the presence of Indian troops created ill feelings among all ethnic groups. Tamils were not happy with the growing rapport between the IPKF and the local population as it undermined their claim that they were the sole representatives and protectors of the Tamils. Secondly, much to the displeasure of the LTTE, with the arrival of the IPKF and ceasefire, the Sinhalese who were settled in the Eastern province but had migrated to other parts of Sri Lanka due to continuous violence, started to come back. As a result, Tamil rebels, armed and supported by India, ended up fighting the IPKF which lost around 1,200 soldiers. The LTTE also claimed that nearly 5,000 Tamils were killed by the IPKF’s military actions in Sri Lanka.\(^{29}\)

Soon after assuming the office of president in 1988, Premadasa decided to engage in negotiations with the LTTE. Both the parties agreed that Indian troops should withdraw from Sri Lanka. The government of Sri Lanka at this stage even supplied arms and ammunition to the LTTE. As a result, Indian forces started to withdraw in September 1989. The Indian adventure cost around 60,000 lives including those of women and children.\(^{30}\)

As the Indian troops retreated, the LTTE moved in to capture the area. Fighting broke out between the LTTE and the Tamil National Army which had been recruited by India and the North-East Provincial Council (NEPC). The agreement between the government of Sri Lanka and the LTTE also broke down resulting in severe human loss.

On May 21, 1991, Indian Prime Minister Rajiv Gandhi was assassinated by an LTTE suicide bomber. Anger over Rajiv Gandhi’s role in the IPKF’s intervention and a fear that he might move against the LTTE should he return to power, made the LTTE eliminate him. The incident dropped the Indian support to the LTTE to near zero.

After the parliamentary elections in 1994, the People’s Alliance (PA) came to power and initiated dialogue with LTTE. Unfortunately, differences soon emerged and negotiations broke down. President Chandrika Kumaratunga upheld
the importance of a political solution to the conflict but at the same time deemed it imperative that the LTTE be dislodged from its stronghold. Consequently, government adopted a policy known as “war for peace” and launched a military offensive to recapture the Jaffna Peninsula. Chandrika’s attempts to negotiate a settlement failed due to lack of trust between the two sides.

In December 2001, the UNP government came to power under the leadership of Ranil Wickremasinge and started the peace process once again. As a result, an MOU was signed in February 2002. Peace hopes were once again raised when Tamil Tigers and the government of Sri Lanka opened their first meeting arranged by Norway on September 16, 2002. Some believe that intense international pressure was the reason behind these talks. Discrimination being the main grievance of the Tamil population, the agreement ensured that the problem of discrimination on the basis of language, race and religion would be solved through proper representation of the Tamil people in their areas.

Furthermore, the agreement upheld the right of all Sri Lankan citizens to move freely throughout the country regardless of their race, sex, language or religion. Prior to this agreement, it was always assumed that since Buddhism is the state religion, other groups could live but not demand equality. The agreement called upon the two parties to adopt confidence-building measures and bring normalcy in the areas under their control. The government of Sri Lanka also agreed that it would not use force. The 2002 ceasefire ended two decades of violence, but attempts to reach a political solution were hampered due to many problems. The Sri Lankan Monitoring Mission (SLMM) led by Norway and staffed by other Nordic countries, was established to monitor compliance with the ceasefire agreement.

The ceasefire agreement, negotiated with the help of Norway, remained intact on paper but flouted on ground with increased violence and brutality. Human rights abuses and political killings were carried out with impunity.

In mid-2003, the LTTE suspended its participation in the negotiations; and talks in February and October 2006 failed to restart discussions on a political settlement. One major problem in the peace process was that it was mainly focused on two parties, i.e., the government led by Ranil Wickremesinha and the LTTE. President Chandrika Kumaratunga and other key southern political elites were excluded from the process. Similarly, non-LTTE parties, especially the Muslim community which constituted around 7 per cent of the population, had no role which made the chance of lasting peace highly unlikely.

The process also relied heavily on economic incentives which were undermined by opposition to the government’s economic reform programme. The government promised an interim administration in the north-east but did not take into account the nature of the Tamil movement. The LTTE was also unable to articulate a clear vision of its future. Resumption of the military operation
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started a new phase in the conflict. In late 2005, the LTTE carried out numerous attacks against government forces and placed the ceasefire agreement in serious jeopardy. On November 27, 2006, in his annual “Heroes Day” speech, Prabhakaran announced that the ceasefire agreement was effectively defunct.35

On January 2, 2008, the government of Sri Lanka formally abrogated the ceasefire agreement. However, the aggressive military campaign by Sri Lanka had started much before the formal abrogation. The period during the peace talks and the post-tsunami period when international aid was flown to the island, the LTTE actively tried to recruit, rearm and restructure its political and military wings. Continued violence led the Sri Lankan government to take strict action against the LTTE.

Part 3: Sources of Funding

A terrorist network needs resources to function and to recruit, train and upkeep its members, purchase of arms, propaganda and social welfare programmes. An isolated terrorist act can be committed with a small budget, but sustained terrorist movements require large and continuous flow of financial resources and support.

Resource generation and financial management are the two main components that reflect the strength and capabilities of a terrorist group. Besides collecting money from the people living in areas controlled by it, the LTTE has developed the most sophisticated system for fundraising and money transfer operations among terrorist organisations in the world. It is estimated that the Tigers generate around $200-300 million per year.36

1- Internal Sources

Fund collection in the areas controlled by the LTTE, on the pretext of providing administration, managing security and law and order and welfare activities has caused much resentment among the people due to their poverty and harassments by the organisation.

Internal resources, however, constitute less than 20 per cent of LTTE’s total revenues. These include taxation on goods passing through areas controlled by the LTTE, sales tax on goods sold by merchants, tax on individual households, extortion and protection money paid by businessmen and voluntary contributions from sympathisers. The taxes vary from place to place and the income of the person.

Transit tax is levied on those using the A-9 highway through “uncleared areas”. It is generally estimated that about Rs. 4-5 million per month are collected from these check points. Farmers are required to pay taxes depending on their produce and land holdings. Similarly, businessmen pay a portion of their
periodic income to LTTE. Tamil businessmen in Colombo are also not spared as there is a special unit of LTTE to collect money from them.\textsuperscript{37}

2- External Sources

However, it’s the volume of funds from overseas that helped the LTTE wage war against the state forces for so many years. Migrant communities often feel a genuine sympathy for the domestic struggles of their kin and are motivated by a desire to support a kinship group. The Tamil Tigers’ well organised financial and procurement structure is strategically positioned around the globe. According to one estimate, the LTTE raises about $2mn from the diaspora on a monthly basis, and a quarter of that comes from Canada.\textsuperscript{38} Large communities of Sri Lankan Tamils are found in Western Europe, India, Australia and North America. The largest number is found in Canada (approximately 200,000-250,000), followed by India (approximately 150,000), UK (approximately 110,000), Germany (approximately 50,000), Switzerland, France and Australia (each approximately 30,000).\textsuperscript{39}

Controlled by Prabhakaran, LTTE loyalists fill the ranks of directorates that manage the interlocking aims of raising money and buying weapons. The Aiyanna group works as an intelligence and operations body and is responsible for monitoring and ensuring the organisation’s financial support and revenue generation. The office of the overseas purchase is responsible to procure arms in various countries and deliver them to LTTE bases in Sri Lanka.\textsuperscript{40}

The LTTE established its first overseas office in London in 1984\textsuperscript{41}, and has its front organisation now operating in countries from India to Botswana, Burma, Cambodia, Denmark, Germany, Laos, Malaysia, Myanmar, Qatar, South Africa, Switzerland and Thailand. The LTTE leadership sets out financial targets that each country representative and the finance unit need to achieve. The funds allocated for procurement are relocated to designated trust managers and held in safe locations. The transfer of money takes place using different mediums such as bank transfers, human cash couriers, and over-invoicing import-export transactions. Funds are placed in multiple forms of investment by the trust managers in order to avoid detection by regulatory authorities. Managers also update the principal controller of the financial status and liquidity of assets on regular basis.

When the LTTE procurement teams have to meet financial commitments, the controller is informed by Kiliochchni to make available sufficient appropriations. The controller, depending on asset distribution and liquidity, informs one or more trust-managers to transfer funds in multiple locations in non-detectable blocks. At this point, members of the procurement team would consolidate the multiple receipts most often in South Asian countries.\textsuperscript{42}
In order to understand the overseas fundraising methods of the LTTE, it is important to understand the structure of the international network. The LTTE is known to have a presence in around 44 countries. The leadership in each country receives instructions on all aspects of overseas operations from the LTTE international co-ordination centre in Kilinochchi. The overseas leadership disseminates its dictates through the Tamil Coordinating Committee (TCC) in the respective country.

The following main units work under the supervision of the country representative:

1- **Procurement Unit:**

This unit tends to operate outside the direct supervision of the country representative but maintains a deep relationship with the LTTE infrastructure in the host country. One of LTTE’s early weapon purchases with an Australian arms dealer was made as early as 1984. During 1985-86, the LTTE began to buy its own ocean-going vessels.

2- **Political Unit:**

It is mainly responsible for spreading LTTE propaganda, besides actively mobilising the community to facilitate fundraising activities. The main objective of propaganda is to garner support for the Tamil cause and discredit Colombo by propagating that:

a- Tamils are the innocent victims of Sinhalese discrimination and military operations.

b- Only LTTE is capable of defending and promoting the interests of the Sri Lankan Tamil community.

c- There can be no peace in Sri Lanka until Tamils are granted their own independent state under the governance of LTTE.

The LTTE has been far ahead of the Sri Lankan government in the propaganda war and has repeatedly embarrassed Colombo. LTTE propaganda targets both the Tamil diaspora as well as the host government. A variety of tools are used in this propaganda campaign which include electronic mail, internet, telephone hot lines, community libraries, Tamil television programmes and radio broadcasts, and cultural and social gatherings. In an effort to mobilise the community and win the sympathies of the West, cultural and social gatherings are often celebrated on dates which occupy a special place in the LTTE calendar like a martyrs day or Prabhakaran’s birthday. Such functions are generally held at a hall or a stadium covered with the posters of ‘martyrs’ and other material glorifying the cause of LTTE. Usually, the chief guest in these programmes is a prominent political personality of the host country. That certainly helps the LTTE garner support of the host country.
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The LTTE has made effective use of the internet to spread its message. There are a number of websites documented and listed in popular search engines enabling the Tigers to establish a truly global presence. They often include real-time videos, whereas the government-operated websites would miserably fail to attract audience. The LTTE’s international network is closely associated with the distribution of Tamil DVDs in Europe and Canada. These DVDs are distributed through Tamil grocery shops. The LTTE provides implicit protection against piracy of movies released by selected distributors, thus mutually benefiting both the distributor and the LTTE.47

As a result of this effective propaganda campaign, the LTTE succeeded in winning the sympathies of many Western countries, and throughout the 1990s, the group was considered to be engaged in a genuine national liberation movement. The group was permitted to establish its representative offices and engage in lobbying activities.

3- Finance Unit:-

It is mainly responsible for collecting the targets set by the LTTE international co-ordination centre in Kilinochchi for each country. The pattern of investment and the level of institutionalisation of fundraising process show LTTE’s dynamism and sophistication.

The methods to generate funds can also be divided into different categories.

a- Collection from individuals using coercive measures

Worldwide, the Sri Lankan Tamil diaspora numbers more than 800,000.48 The Sri Lankan Tamil diaspora established themselves in Canada, United Kingdom, and scores of other Western countries and became a significant source of income. Those of the Tamil diaspora who have witnessed the highhandedness of the Sri Lankan armed forces or were themselves victims willingly support the LTTE. For them, the LTTE is the only legitimate representative of the Tamil people. Others, who are not willing to contribute due to their personal economic condition or ideological differences, have been subjected to intimidation and extortion. Journalists and activists in the Tamil diaspora who dare to criticise the LTTE or are perceived to be anti-LTTE have been subjected to severe beatings, death threats, smear campaigns and fabricated criminal charges, thereby creating a culture of fear.

With the resumption of fighting in Sri Lanka, the Tamil diaspora, especially businessmen, came under severe pressure from the activists of LTTE to provide funds for the “Final War”.49 Usually, LTTE activists go from house to house demanding significant amounts of money for their
cause. Individuals who refuse to comply with the demands are at times threatened of dire consequences and are told that if they did not pay the required sum, they would not be able to visit their family members in Sri Lanka. Fundraisers keep on frequently visiting the Tamil families and often refuse to leave without a pledge of money. People who tried to avoid LTTE activists on the pretext that they don’t have any money are told to borrow money, charge the contribution to their credit card or even to take out a second mortgage and make their contributions.\textsuperscript{50} It is believed that Tamil Tigers systematically track the whereabouts of Tamil individuals and families. That was validated when in April 2006 the Royal Canadian Mounted Police (RCMP) raided the world Tamil Movement (LTTE Front Organisation) office and found Canada’s voter lists with Tamil names highlighted.\textsuperscript{51}

The LTTE uses family members to convey warnings. People having family members back in Sri Lanka have surrendered to highhandedness of LTTE due to fear of negative repercussions against family members and confiscation of their property in Sri Lanka. Furthermore, it has also been observed that the LTTE kidnaps Tamils in Sri Lanka and releases them only after a heavy amount is paid by a close relative in the West.\textsuperscript{52}

Tamils visiting their family members in Sri Lanka are identified by the LTTE and are pressurised for funds. The assessed rate is often Cdn$1, €1, or £1 per day for the length of time they have lived in the West. Individuals who lived abroad for years are asked to pay in thousands and are not allowed to leave. Often, their passports are confiscated until they pay the required money.\textsuperscript{53}

\textit{b- Event-based fundraising}

Event-based fundraising includes commemoration of combatants and military operations, cultural shows, sport events, food festivals and guest speaker events. The LTTE overseas leadership assumed the control of Tamil gangs which in turn provided the LTTE network with the necessary enforcement powers to impose its ideas and authority over the Tamil diaspora. It infiltrated all community-based organisations of the Tamil diaspora through a process of patronage in which LTTE activists took control of such organisations, enabling the LTTE to direct activities of all Tamil community organisations to a single agenda.

Since majority of Tamil diaspora are Hindus, temples have not only been a place of worship. They also serve the purpose of social and community activities and as avenues for charitable donations. Sensing it as a potential source of income, the LTTE has sought control over temple events, management and revenue using coercive methods. Prabhakaran’s pictures are displayed; and CDs of his speeches, LTTE flags and DVDs promoting the image and cause of LTTE are sold.
c- Narcotics trafficking and other criminal activities

The Tamil gangs brought a culture of violence into the fabric of Tamil diaspora societies. The LTTE international network has also been engaged in cross-border contracts assignments in which gang members from one country are given a particular task to carry out in another country which helped in maintaining anonymity and avoid implicating local gangs. The LTTE is involved in organised criminal activities such as credit-card cloning, human smuggling and counterfeiting. Illegal Tamil migrants who mostly rely on the LTTE to facilitate their integration in the host country through forged identity papers, jobs and housing, are yet another source of income for LTTE.

Besides using violence as a tool, the LTTE has also been involved in drug trafficking. The Tigers earned huge amounts of money through drugs trade as Sri Lanka is strategically located between the Golden Crescent and the Golden Triangle. There is a strong link between the LTTE and narcotics smugglers and other militant groups involved in narco-terrorism. Illegal migrants and asylum seekers are also used for smuggling drugs to other countries. The annual amount of money raised through smuggling of drugs is estimated to be around $250mn.

d- Business investments

The LTTE also owns and operates business enterprises in Europe, Canada and South-East Asia. Finance units in host countries provide seed-capital and then split the subsequent profits with the company’s ostensible owner. This use of third party and a legitimate business open ways for the LTTE for money laundering, employment for activists and interaction with the community. In some of the Scandinavian countries, the LTTE has made investments in Mother Tongue School (Tamil Cholai Schools) In Denmark; the TCC operates 28 Mother Tongue Schools.

LTTE business ventures in Kuala Lumpur, Yangon, Dhaka, and Chittagong range from running ocean liners to maintaining restaurants. The LTTE acquired its own fleet during 1985-86. There are probably ten freighters, which are generally registered under Panamanian, Honduran or Liberian flags. The LTTE uses this fleet for the shipment of arms, goods for commercial purposes as well as for human smuggling. The group smuggles illegal migrants and refugees out of Sri Lanka and India to the West, charging between $18,000 and $32,000 per transaction. The exact amount of profit from this business is not known, but it certainly runs into millions of dollars.
e- ‘Hundi’ system

The “Hundi” system or the “Hawala” is yet another source of fundraising for the LTTE. According to this system, the diaspora can transfer money to relatives in Sri Lanka living in areas not adequately serviced by the banking system. This system is controlled by a small lobby of Tamil jewellery shop owners in Switzerland and Canada. Money transactions within the Hundi system facilitate the import of gold jewellery into Europe from Singapore for the jewellery market. Human couriers are used to facilitate money transfer between Switzerland and Singapore. In some cases, the jewellery shop owners provide a combined pool of funds to the LTTE to buy gold jewellery from Singapore. The LTTE sends human couriers with the cash along with LTTE money intended for LTTE holding accounts in South-East Asia. However, during the past couple of years, the LTTE has been facing difficulties in Singapore as some of its members were arrested and subsequently deported.59

f- Fundraising through legitimate business

A legitimate commercial business on services required by Tamil diaspora has perhaps generated the largest part of funds for the LTTE. The most profitable business LTTE has ventured in has been the retailing of international call-time using phone cards. It provided funds to set up several front companies registered as telecom retailers in Europe. The retailers purchase call time to Asian destinations and retail the call-time using phone cards under multiple brand names. Retailing phone cards continues to be a major source of income for the Tigers.

Managing Hindu temples is yet another source of income for the LTTE. Hindu temples are owned and managed by private entrepreneurs. The person contracted for management is of appropriate caste and learning to conduct religious ceremonies. The offerings received from the congregation are used in the maintenance of the temple, supports clergy and treated as return on investment for the owners of the temple.

For the LTTE, it’s most profitable business with the benefit of charitable status and funds with minimum paper trail. In several cases, violent tactics were used to gain control of temple management, especially in the UK, Canada and Australia. A trustee of the Ammam Hindu Temple in Paris was arrested in October 2006 attempting to courier 18 million Euros allegedly for LTTE is just one example of the huge amount LTTE earns from temple management.

The LTTE has a very dynamic media strategy which includes active use of the internet; community-based Tamil radio stations and subscription satellite TV. The LTTE uses satellite TV as a medium to inform the large
diaspora. Most of these satellite TVs are infused with LTTE undertones. The Tamil Television Network (TTN) was estimated to have around 22,000 subscribers in Europe before its telecast was suspended by the French broadcasting authority in February 2007. The TTN also provided news rebroadcast of National Television of Tamil Eelam (NTT) news segments. There is little doubt that these satellite TV channels are the most effective means to propagate and ensure a smooth flow of income in terms of subscription and advertising as Tamil businessmen are required to maintain a specified advertising commitment with such satellite channels.

**g- Fixed income by registering the Tamil diaspora**

The LTTE maintains computer records to keep track of individuals, their addresses and telephone numbers, public records and information on the Tamil diaspora. All Tamil families in Europe are registered and assigned a unique PIN number referred to as the Tamil Eelam identity number. Each Tamil Family is required to fill a form which contains around 30 questions regarding personal information, details of blood relatives in Sri Lanka, monthly income, subscription to LTTE satellite television and contribution to homeland funds. The LTTE uses this information to make assessments on the contribution for the LTTE and monthly income and life style of a particular family. The rate under this system is supposed to be one unit of currency per person for each day out of Sri Lanka. Additional amounts may be charged depending on the income level, size of family and contributions made from time to time.

Initially, the LTTE sought pledges of regular monthly contributions from Tamil families. Now, the system is much more sophisticated. The Tamils are required to sign a form authorising automatic monthly transfers from their bank accounts. The system not only ensures smooth flow of payments but also relieves the LTTE activists from visiting Tamil families. In addition to monthly payments, the LTTE asks the Tamil community once a year for much higher amounts for special projects.

**h- Front organisations**

The LTTE international network established several humanitarian front organisations that have been successfully engaged in fundraising activities. These front organisations usually have a dual function. They actively engage in humanitarian activity with much publicity and also act as channels for LTTE fundraising. There is clear evidence of funds channelled from overseas front organisations providing direct support to the LTTE. It is difficult to prove that funds raised for humanitarian purposes are being diverted to propagate terrorism or other forms of illegal activities. This is particularly
true in countries like Norway where it is not required legally to register an organisation before engaging in fundraising.

These front organisations include the World Tamil Movement (WMT), the British Tamil Association, the Tamil Rehabilitation Organisation, the Australasian Federation of Tamil Associations, the Swiss Federation of Tamil Associations, the French Federation of Tamil Association, the Federation of Associations of Canadian Tamils, the Tamil Coordinating Committee in Norway, and the International Federation of Tamils in UK.⁶¹

The LTTE has successfully secured the support of several NGOs working in Western countries through its publicity and propaganda campaigns. Several prominent NGOs; including the Canadian Relief Organisation for Peace in Sri Lanka, the International Education Development Inc, the World Council of Churches, and the Australian Human Rights Foundation; are some of the NGOs that have extended their support to the LTTE.⁶²

The Tamil Rehabilitation Organisation (TRO)⁶³ was one such front organisation of the LTTE which was found guilty of channelling funds collected during the tsunami devastation to the LTTE. Subsequently, the organisation was banned and its funds frozen by the United States. In November 2007, the JVP Parliamentary Group Leader, Wimal Weerawansa, charged that UNICEF had remitted over RS. 100 million to the LTTE through its front organisation TRO for a period of six years ending in July 2006. He further charged that UNICEF had been providing employment to LTTE cadres.

He said that UNICEF vehicles travelling to Kuliyapitiya transport parcels addressed to private individuals and on the way back these vehicles transport parcels. The contents of these parcels and between whom these are exchanged between Kuliyapitiya and Colombo, are not known. He expressed his apprehension that this organisation had helped the LTTE in millions of rupees through the TRO. He alleged that the TRO, in the guise of bringing relief, had brought arms for the LTTE immediately after the tsunami.⁶⁴

Similarly, the government of Canada listed the World Tamil Movement as a terrorist group on June 13, 2008⁶⁵ for having “knowingly participated in, or facilitated a terrorist activity, or is knowingly acting on behalf of, at the direction, or in association with such an entity.”⁶⁶ The reason to list the organisation as a terrorist group was to help combat terrorist activities including impeding terrorist financing as the listing prohibits all persons in Canada from dealing with the WMT.

This global financial operation enabled the LTTE to wage a protracted war against the state. However, certain governments have started to take a
harder line against the LTTE in recent years. India was the first country to list the LTTE as a terrorist organisation in 1992, and since then India has pursued a hands-off policy in Sri Lanka’s ethnic conflict. The USA included the group in the list of terrorist organisations in 1997. The UK officially designated the LTTE as a terrorist organisation on February 28, 2001. Canada banned the LTTE on April 10, 2006, whereas, the European Union banned it in May 2006. LTTE’s decision to carry out air attacks in Colombo came as a major setback for the Western countries after the information that diaspora’s financial support, along with expertise and training, contributed largely to the birth and growth of the LTTE air wing.

Conclusion

Repression and discrimination forced the Tamils to react violently. As a result of the ongoing military operation, the rebels have been pushed back from the area of around 15,000 sq Km to an area of 14 sq Km of land bounded by the sea on the east and the Nanthi Kadal Lagoon on the west. The Sri Lankan army, meanwhile, is reaching in from the north and south and also penetrating from west to east cutting the NO FIRE ZONE (NFZ) area held by the LTTE. The whereabouts of LTTE leader Prabakaran are not known as it is speculated that he may have escaped.

Several factors are responsible for this imminent annihilation of LTTE. Prabakaran always claimed that the LTTE was the sole protector of the Tamil people, but would not refrain from committing all sorts of atrocities on them. Forceful recruitment of men, women and particularly children gradually alienated the LTTE from the local population.

Extracting taxes from the poverty-stricken people, usurping the humanitarian aid and brutally killing its opponents also contributed to this downfall of the LTTE. It lost its support-base at all levels. The Tamil diaspora is tired of the extortion racket by the LTTE. Besides, listing of the LTTE as a terrorist organisation in many Western countries also prevented the Tamil diaspora from actively supporting the LTTE.

The victory of the Sri Lankan army against the rebels is not an overnight phenomenon. The process started with the gradual upgradation of the Sri Lankan army from 15,000 men at the commencement of the ethnic war to a real fighting force of up to 200,000 battle-hardened soldiers. The assassination of Rajiv Gandhi and the events of 9/11 drastically changed public opinion against the LTTE around the world. That, combined with the efforts of the Sri Lankan government, resulted in better coordinated efforts to keep a close eye on the activities of the LTTE cadres across the globe, thereby curtailing the flow of funds from the Tamil diaspora. Finally, the strong political leadership of President Mahinda Rajapaksa was certainly the most important factor.
At present, the exodus of innocent Tamil civilians from the NFZ, escaping from the LTTE clutches, is on the rise. Despite the risks of being shot at for deserting the LTTE, many people have managed to reach the cleared areas in large numbers. The inhuman and barbaric acts of the LTTE were strongly criticised by the British Foreign Secretary, David Miliband, and the French Foreign Minister, Bernard Kouchner, in a joint statement which said, “It is clear that the LTTE have been forcefully preventing civilians from leaving the conflict area and we deplore their determination to use civilians as a human shield.”

According to a report published by the Permanent Mission of Sri Lanka to the United Nations Office at Geneva on its website, “The crimes perpetrated by the LTTE against civilians held captive in this narrow land stretch has gone unnoticed according to what is revealed by those who were fortunate to flee the LTTE clutches. Girls and boys are dragged from temporary shelters to undergo a crash course of combat training and explosives use and turned into suicide bombers, in what LTTE sees as its last line of defence against the advancing security forces.

“Men, women and even the elderly are not spared by them. While children are turned into human bombs, their parents are drawn into the forefront armed with clubs, T-56 assault rifles and grenades to shield the rear assault waves of LTTE hardcore cadres. What is more staggering is the blood tax that these innocent people have to pay for this most ruthless outfit of modern times. The food, rations, medicine that are been sent for the stranded civilians by the Sri Lankan government and aid agencies are being forcibly taken by the LTTE.”

With increasing international isolation and threat to its survival, the LTTE is once again looking towards India and particularly the state of Tamil Nadu for support. Faced with imminent defeat, the LTTE appealed to India to treat them as their “ally”. A few months back, in an effort to win the support of Indian people, a senior Tamil rebel leader Anton Balasingham also expressed his regret over former Indian Prime Minister Rajiv Gandhi’s killing in 1991.

With the ongoing elections in India, the UPA government led by Prime Minister Manmohan Singh came under pressure from its ally Karunanidhi's Dravida Munnetra Kazhagam (DMK), as its leader and chief minister of Tamil Nadu, M. Karunanidhi, began an indefinite fast to protest against the Sri Lankan government, after they rejected a unilateral ceasefire announced by the Tamil Tigers. Two other ministers also joined the 84-year-old Karunanidhi in the fast, perhaps in the hope of appeasing to Tamil voters. His fast ended only after the Sri Lankan government announced its decision to halt combat operations. Earlier, Karunanidhi also insisted that India should snap diplomatic relations with Sri Lanka if it fails to honour Indian appeals for ceasefire.

It is time the international community and particularly India supported the Sri Lankan government in its effort to liquidate a terrorist group. It should be kept in
mind that in this shrinking global village, terrorist organisations are coming together to secure maximum tactical and material advantages. The LTTE allegedly provided forged passports to the members of Al-Qaeda. In particular, leaders from the Indian state of Tamil Nadu should try to convince Tamil Tigers to lay down their arms so that further civilian casualties are avoided. The international community, especially the Western countries, should also make sure that members of Tamil community are no more harassed to pay money to the LTTE because as long as the group is able to draw funds from the diaspora, it would be able to sustain its terrorist campaign.

The situation arising from the current military operation may be the endgame for the LTTE but not for the Tamils of Sri Lanka. In order to win the hearts and minds of the people of the North, the government must fulfil its role of securing and restoring to the Tamil people their rights. There can never be a military solution to a political problem. Simultaneous political, economic and social initiatives are necessary to end the conflict. The government of Sri Lanka should focus on finding a solution acceptable to all the parties of the conflict. It must be remembered that Prabakaran did not create this ethnic conflict. He is only a product of discriminatory policies which were adopted by the successive Sri Lankan governments. If the root causes of this ethnic conflict are not addressed, the current military gains will serve only a short-term purpose.

In the past, a political party would try to negotiate with the LTTE when in government, but would strongly criticise the government’s efforts to reach a settlement when in opposition. It’s time all political parties sat together and, instead of criticising each other, jointly tried to take Sri Lanka out of this crisis. Although President Rajapaksa has promised that he would fulfil legitimate demands of the Tamils, but it remains to be seen how he deals with the hard-line Sinhala chauvinists. His recent “goodwill” visit to the town of Kilinochchi, which is the first visit to the region by a Sri Lankan head of state in nearly three decades, is a step in the right direction.

Notes


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