

Social Capital and the Political Economy of Violence: A Case Study of Sri Lanka

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This article examines the links between militarised violence and social capital (trans)formation. It first maps out emerging theoretical and policy debates on social capital and violent conflict and questions a number of the assumptions underpinning these debates. This is followed by an empirical analysis of several war-affected communities in Sri Lanka. The case studies illustrate that the links between militarised violence and social capital are complex, dynamic and context specific. It is argued that social capital cannot be understood in isolation from political and economic processes, and the belief that violent conflict inevitably erodes social capital is questioned. Finally, the implications for external agencies are highlighted. Rather than focusing on engineering social capital, external agencies need to focus on understanding better the preconditions for social capital formation and how they can contribute to the creation of an enabling environment. This requires as a starting-point a rigorous analysis of political and economic processes.

Keywords: conflict, aid policy, peace-building, social capital, Sri Lanka.

Introduction

Recent years have seen the ‘rise and rise’ of social capital, since it entered the international development lexicon (Edwards, 1999: 1). While the champions of social capital view it as the ‘missing link’ — a key component of the development equation — others argue that it is ‘analytically missing’, since it neglects considerations of politics and power (Harris and De Renzio, 1997). Until recently, social capital has largely been confined to debates on development and civil society. It has had very little to say about violent conflict, largely because of its positivist thrust. It is generally assumed that violent conflict has a negative effect on social capital and war zones are considered to be ‘zones of social capital deficiency’. There is little

empirical evidence, however, either to prove or refute this assumption. This may partly be due to the strong political economy focus of recent literature on violent conflict, sometimes, perhaps, at the expense of 'fine-grained' social analysis. It may also be related to the methodological problems of researching complex social processes in unstable, risky environments.

In this article we examine the inter-relations between the political economy generated by violent conflict and social capital, through case study analysis of several war-affected communities in Sri Lanka. After providing background information on the villages studied, an examination of the links between violent conflict, political economy and social capital follows. In the final section, we map out the implications of our analysis for future research and policy.

Social capital, conflict and violence: emerging debates

Since the publication of the Putnam et al. (1993) volume, *Making Democracy Work*, the term 'social capital' has rapidly moved into the development discourse in official documents, NGO plans and academic studies. The primary uses to which this concept (and the related but distinct concept of 'civil society') have been put are 'developmental', i.e. attempting to promote economic growth and foster good governance. However, as most official and non-governmental aid agencies are also engaged in humanitarian and conflict-reduction activities, the concept has also been increasingly used in relation to interventions in complex political emergencies.

For Putnam et al. social capital '... refers to features of social organisation, such as trust, norms [of reciprocity], and networks [of civic engagement] that can improve the efficiency of society by facilitating coordinated actions' (1993: 167). In his work he argues that the disparity between economic prosperity and quality of governance between northern Italy (high levels) and southern Italy (low levels) is explained by the nature of social capital in these two regions. High levels of social capital promote effective government and economic growth.

Putnam was not the first to use this term (see, for example, Bourdieu, 1980; Coleman, 1990) and a growing academic literature compares and contrasts meanings while it provides a broader critique of the concept (see Harriss and De Renzio, 1997 who ask whether social capital is 'the missing link or analytically missing'). These debates are detailed but a number of key points can be drawn from them:

- The concept is contested with different writers vesting different meanings in the term and many commentators using the term with a high degree of ambiguity. As Edwards (1999: 4) warns, at times these debates 'generate much more heat than light'!
- There is a general agreement among those who write on social capital that the 'social' (relationships, institutions, norms) has been under-valued in terms of its contribution to the achievement of economic prosperity *vis à vis* physical, financial and natural capital.
- There is a fundamental divide between those who use social capital normatively (i.e. in terms of organisations, norms and networks that are 'good') and those who use it analytically (i.e. in terms of organisations, norms and networks that may be 'good' or 'bad' in terms of the outcomes they generate).

- There are very different interpretations as to whether social capital primarily enhances the capabilities of individuals, groups (classes, age sets, genders, ethnicities) or society as a whole.
- Deriving from the above, social capital is seen as paying scant attention to issues of power, inequality and social differentiation. Progress is seen as emanating from ‘co-operation’ and ‘co-ordination’ and the possibility of conflict playing a positive role in processes of social change is ignored.
- While Putnam argues that social capital is ‘path dependent’, that is created by society over lengthy historical periods, others (for example, Tandler, 1997) argue that state action can create social capital, sometimes over relatively short periods.

Whether the recent conceptual development of distinguishing between ‘bonding’ (social capital that builds intra-group solidarity) and ‘bridging’ (social capital that builds inter-group solidarity) can help resolve some of these debates remains to be seen.

In operational terms, social capital has encouraged a focus on development interventions that use local organisations, create networks between organisations, use participatory practices (for planning, implementing and monitoring activity) and diffuse information. There is growing evidence that agencies focus on ‘forms not norms’, that is, they find it easier to fund specific organisations than to tackle the more abstract issue of how to change social norms or create an environment conducive to inclusion.

Edwards’ (1999) typology of the responses of various World Bank stakeholders to ‘social capital’ — ranging from enthusiasts, through to tacticians to sceptics — can be applied more broadly to development workers. The enthusiasts (some research economists and those who believe in ‘participation’) see the concept as driving understanding and action forward. The tacticians recognise social capital as a double-edged sword. It needs to be supported because of the opportunity it creates for social analysis and less economistic developmental action; however, it must be treated with caution as it lacks the analytical power to understand the complexity of processes of social change. The sceptics see the concept and its supporters as naïve. They range from some economists, who see social capital as conceptually sloppy, to social activists who argue that social capital downplays the positive role that conflict and confrontation can play in reducing inequality, discrimination and exploitation.

Social capital theory has little to say about violent conflict because of, first, its positivist thrust and emphasis on co-operation, and second, its conceptualisation of conflict as a non-violent activity (i.e. as a ‘lack of trust’, a ‘lack of accountability’). However, the concept has been rapidly adopted to support some arguments — such as the case that violence destroys social capital and thus leads to social breakdown, and that those experiencing violence should be encouraged to organise — but has come under heavy criticism for its inability to deepen the understanding of the economic and social forces and inequalities that commonly underpin violent conflicts. Much current thinking (Duffield, 2000; Keen, 2000) emphasises that violence is less about social breakdown than the creation of new forms of political economic relations at local, national and international levels.

Is social capital a concept that can contribute to the fine-grained, empirical

analyses that are needed to understand specific conflicts? Or, is it a label that hides a very simple policy prescription behind it: 'Adopt Western social, economic and political institutional forms'?

Conflict in Sri Lanka

Sri Lanka represents an interesting case study in the light of debates on social capital and violent conflict. In many respects it is a country endowed with high levels of social capital — with high social indicators, a dynamic civil society and a functioning democracy — and yet it has endured two major conflicts that have challenged the legitimacy of the state and stretched the social fabric of society. Armed insurrections in the south in 1971 and 1988–9 by the Janatha Vimukthi Peramuna were brutally put down, leading to 60,000 deaths. Moreover, a secessionist conflict led by the Liberation Tigers of Tamil Eelam (LTTE) aiming to establish a separate Tamil state has been going on since 1983. This conflict has led to over 60,000 deaths and the displacement of one and a half million people during the course of the war. Although the theatre of war is in the north-east, the whole of the island is affected by war-induced insecurity including suicide attacks and bombings in Colombo, the capital.

During 1998–9 a series of community studies were carried out with the objective of analysing the interaction between violent conflict, political economy and social capital. Research was conducted in the northern Jaffna peninsular (Gurunagar, Puttur East), the eastern districts of Batticaloa and Trincomalee (Illangaithurai-Mugathuwaram, Kathiravelli, Mullipotana, Savukkady) and the southern district of Monaragala (Kottiyagala). Villages were located in cleared (under government control), uncleared (under LTTE control), or in grey (contested) border areas.

A mixture of qualitative and quantitative approaches was used which included participatory, group-based activities (for example, mapping, time lines), household surveys, key informant interviews, observation and agency surveys. For the village surveys the authors worked closely with local NGOs, academics and research teams, and the research process highlighted practical, methodological and ethical challenges faced by researchers working in areas of violent conflict (Goodhand, 2000). A particular methodological challenge, which deserves further attention, is the problem of assessing and measuring social capital in fluid and violent situations where there are usually constraints on people talking freely and truthfully.

The strength of this type of research is also its weakness. On the one hand it provides a 'view from the village' — something which is often missing from current analysis of conflict in Sri Lanka. On the other hand it provides only a snapshot of a particular context at a given point in time. Therefore, drawing wider conclusions from the 'thick descriptions' of specific case studies should be done with care. In this article, rather than draw definitive conclusions, we attempt to highlight a number of questions and issues on the links between violent conflict, political economy and social capital which merit further exploration.

Table 1 summarises some of the key characteristics of these villages. In Box 1 and Box 2 we provide a description of two villages to illustrate in a little more depth the geographical, historical, political, economic and social conditions experienced by villages in such areas.

Table 1 Background information on the seven case study villages

<i>Name</i>	<i>Ethnicity (1998)</i>	<i>Cleared/un-cleared</i>	<i>Experience of violence/displacement</i>	<i>Impact of violence</i>	<i>Other</i>
Savuk-kady (Batticaloa)	Tamil (both Hindu and Christian)	Cleared, but a grey area	42 Tamils killed in SLAF/Muslim attack in 1990. Despite 'peace', violence continues through Rasiq, TELO and LTTE. Tamils and Muslims keep apart. Displaced 1985, 1990–1993.	*Livelihoods, as traders do not come and no investment. *Alcoholism, theft, domestic and inter-family violence.	*Caste an important social structure. *Rasiq and TELD as 'private' armies. *Importance of food stamps and remittances. *Demonstration against alcohol by women.
Kathiravelli (Batticaloa)	Tamil (Hindu and Christian)	Uncleared	'Disappearances' in 1983 followed by occupation by SLAF, IPKF and LTTE and associated deaths. Stable since 1995 but occasional shelling. Major displacements 1990–1995.	*Closure of brick factory, pottery and bakery. *China cultivation too dangerous. *Trading is difficult. *Little investment (further fighting expected). *High prices for Kerosene, soap etc. *No electricity or fuel. *Lack of irrigation water.	*Men don't like to travel— greater female mobility *Little internal conflict — LTTE regulation?
Mullipotana (Unit 9) and environs (Trincomalee)	Mixed Tamils, Sinhalese, Muslim.	Cleared, but an unstable 'grey' area	Many killed and displaced and this continues. Different ethnic groups displaced to different areas at different times. Long-term and pervasive violence from within and outside of community.	*Theft, robbery *Deep mistrust and 'culture of fear' *Little investment *Increased production may attract GOSL attention	*Young women's club is dynamic *Social breakdown

<i>Name</i>	<i>Ethnicity (1998)</i>	<i>Cleared/un-cleared</i>	<i>Experience of violence/displacement</i>	<i>Impact of violence</i>	<i>Other</i>
Illangai-thurai – Muga-thuwaram (Trincomalee)	Tamil (Sinhalese left in 1984)	Un-cleared	Many killed and displaced 1985 - 1987. Sporadic violence 1987–1993. Now, low intensity but enduring conflict	*Livelihoods reduced by economic blockade *Reduced mobility *Limited health services *No gov't investment *Lack of irrigation water	*Inter-caste tensions at high levels
Puttur East (Jaffna Peninsula)	Tamil	Cleared	Army round-ups during IPKF occupation (1987). Shelling and bombardment. Houses burnt down in 1995. Currently army round-ups and disappearances. Displacements 1987 and 1995.	*Can no longer transport cash crops to Colombo. Key problem is the lack of markets. *Limited agricultural inputs because of the economic blockade. *Lack of employment. *Increased robbery.	*Caste tensions within village. Community centres and temples are based on caste groupings. *Army bund has destroyed agricultural land and danger of land mines.
Gurunagar (Jaffna Peninsula)	Tamil	Cleared (but unstable and 'grey')	Destruction of houses. Army roundups. Some disappearances while fishing. More military activity than Puttur because of proximity of army camp and LTTE incursions. Displacement 1995.	*Unable to do deep-sea fishing.	*High number of female-headed households.
Kottiyagala (Monaragala)	Sinhalese	'Border' village	Attacks by LTTE, and violence during the JVP uprising — especially 1989/1990. No mass displacement of village.	*Increase in alcoholism. *Little investment. *Chenai cultivation dangerous. *Irrigation problems. *Caste conflicts worse. *Lack of teachers and health workers.	*Tanks need restoration. *Increase in suicides. *Damage from elephants. *Widows finding it difficult to get support. *Unemployment.

Analysis of case studies

Militarised violence has had a major impact on the physical, human, social and natural capital of Sri Lanka. Although the so-called 'ethnic conflict' in the north-east is spatially defined, the case studies demonstrate that militarised violence has become an island-wide and endemic feature of Sri Lankan society. Militarised violence has taken many forms; in the north it has included conventional warfare, predatory violence and show killings. In the south it has included LTTE suicide attacks, the bombing of economic targets, political violence (particularly at election times) and a growing problem of army deserters in rural areas in the south.

Although 'the conflict' is frequently analysed as though it has a life of its own that is separate from society, we will argue that violent conflict is 'owned' by and embedded in society. In Sri Lanka, as the case studies show, violent conflict is extremely variegated, taking different forms, involving different kinds of actors and interacting with different social environments.

David Keen (2000) usefully distinguishes between top-down and bottom-up violence. Top-down violence refers to violence that is mobilised by political leaders and entrepreneurs. Bottom-up violence, on the other hand refers to violence that is embraced by ordinary people. In Sri Lanka one can find examples and combinations of both types of violence.

A range of different political and military actors are involved in mobilising violence from the top. There are a number of armed forces in addition to LTTE that are not 100 per cent under political control including police commandos (Special Task Force), the armed bodyguards of MPs, Tamil militant groups, Home Guards, and army deserters. In the north-east, the army has 'franchised out' security functions to Tamil paramilitary groups such as the Rasiq group, TELO and PLOTE who are involved in community-level intelligence and terror. Such groups are only loosely controlled and are responsible for widespread human rights abuses. Militarised violence has become increasingly decentralised and some argue that the conflict has assumed the characteristics of a 'dirty war' (Rajasingham-Senanayake, 1999). The Sri Lankan conflict has been called a 'no mercy' war as out of 10 estimated casualties on the battlefield, only one survives as wounded, compared to the accepted average of 7 (Philipson, 2000: 69).

Although, particularly in the border areas, violence may appear to be senseless and anarchic, it serves important functions and has become a means of acquiring profit, power and protection (Rajasingham-Senanayake, 1999). Establishing precisely what motivates conflict entrepreneurs is difficult. First, because there is surprisingly little information and serious analysis of LTTE or other Tamil militant groups. Second, there are differing narratives of violence, and what people say may conceal their real motives. Collier (2000), for example, argues that rebel movements cloak their motives in a narrative of 'grievance' but their primary motives may be 'greed'. In other words it is less about politics than economics. In Sri Lanka, however, one cannot dismiss 'grievance'; the LTTE and SLAF, the two primary actors, are oriented towards changing (or retaining) the laws and administrative procedures of society (Keen, 2000: 23). Rather than thinking in terms of 'greed' or 'grievance', as Keen argues, we need to understand better how the two interact.

Bottom-up violence serves a variety of functions. Interviews revealed a number of motivations including: political (for example, fighting for a separate state); protection ('now we are safe because we don't come under the control of the army');

Box 1 Savukkady (Batticaloa District)

Savukkady is a resettled village located in the Eastern Province, Batticaloa District, on the coastal strip to the north of Batticaloa town. Although the original occupants were Sinhalese, the village is now occupied only by Tamils (with the exception of one or two Sinhalese descendants who have married Tamils). While the village is officially located in 'cleared' area, like Mullipotana, it is subject to frequent violence from pro-government Tamil militant groups, the Sri Lankan Armed Forces and the LTTE. It could be more accurately described as a 'grey' area where no side has clear control. Savukkady is particularly vulnerable to military incursions because of its strategic position. It is a principal infiltration route into Batticaloa for the LTTE and as such the families in the village are suspected by the military and other Tamil groups of being LTTE supporters. The villagers have suffered numerous displacements over the last two decades, most recently spending four years in welfare camps. The village is bordered by several Muslim communities, and there have been outbreaks of Muslim-Tamil violence.

In Savukkady fishing is the primary source of livelihood, with some paddy cultivation. Public services were limited — there was no electricity, health provision or bus service. Economic activities such as fishing have been circumscribed because of the lack of security. Generally there has been a narrowing of livelihood opportunities. The links between security and the economy are manifest in other ways. For example, there are fewer buyers willing to come into the area to purchase fish, so bargaining power is limited and power of local businessmen grows. There are reported increases in domestic violence, alcoholism and suicide.

The lack of security has had an impact on mobility. For example, people rarely go to the neighbouring Muslim village, and children are scared to go to school. Women are particularly vulnerable in this climate of insecurity, and the conflict has created new forms of mobility for them. They have taken on new roles because in some respects they are less vulnerable than the men: it is women who cross the road blocks; they go to the army to complain about the activities of pro-government Tamil militant groups or get their men out of detention; and they go to the market to sell fish or produce. Many of them now go to the Middle East for work.

psychological (gaining a sense of control or of revenge. Violence may be used to humiliate or intimidate groups); economic (securing a livelihood, when there are few alternatives); social (violence provides an opportunity to change traditional power relations based on caste or gender).

As the two quotes below show, motivations are usually the result of a combination of factors:

I want Tamil Eelam, because at least then we would have security and we could get our revenge.

Youths join the Rasiq group to get paid and get revenge.

Box 2 Kathiravelli (Batticaloa District)

Kathiravelli is a Tamil, coastal village located in the Eastern Province some 90 kilometres north of Batticaloa. Over the last two decades it has been repeatedly fought over and occupied by government forces, LTTE and the Indian Peace Keeping Force. During the research period, it was in an uncleared area controlled by the LTTE, and some distance from the front line. Therefore — unlike Savukkady — villagers were not subject to overlapping security regimes. The LTTE had a monopoly of violence, so that the security environment is more predictable than in Savukkady.

The two main sources of livelihood in the village are fishing and paddy cultivation. Villagers were involved in both open sea and beach fishing, although the former was severely limited because of LTTE and government naval activity and restrictions. In many respects, the relative security of Kathiravelli compared to Savukkady means that villagers have more confidence to invest in the future. Whereas in Savukkady farmers were reluctant to plant paddy, this was not the case in Kathiravelli. This is also reflected in the more diverse and dynamic organisational environment, which included a range of institutions from temple societies to credit and savings schemes to fishing co-operatives.

The main problems faced by the village are the economic blockade imposed by the government (so farmers, for example, find it difficult to get agricultural inputs) and restrictions on mobility imposed by the pass system and road blocks which divide cleared from uncleared areas. This limits access to markets and negatively affects the terms of trade — fishermen, for instance are unable to get a high price for their fish as middlemen exploit their lack of access to the markets in Batticaloa.

The ethnic geography of the north-east has been redrawn with an increasing proportion of the population living in ethnic enclaves. The geography of security and insecurity is extremely complex and dynamic. In Jaffna, for instance, two villages situated in ‘cleared’ areas had two very different security environments. One, because of its strategic location experienced regular LTTE incursions and army round-ups, while the other was relatively stable. Moreover levels of security or insecurity are constantly changing as front lines shift back and forth. Kathiravelli, for instance, was ‘uncleared’ at the time of the research and became ‘cleared’ following an army operation several months later.

Stability is more likely when one side has a monopoly of violence. Therefore deep in LTTE-controlled or government-held areas levels of security and feelings of protection were higher. First, living in mono-ethnic communities, there was a sense of being ‘among one’s own people’. Second, because violence was centralised, it was more predictable. In some respects, the LTTE performs quasi-state functions and is the provider of a ‘public good’ in the form of security. This is not to argue that they have developed a social contract with the population and rule by consent. However, there is a measure of stability that is lacking in grey areas, where control is contested and random violence ebbs and flows.

Villages like Savukkady, located in border areas are far more unstable and exist outside any single protection regime. As Keen aptly describes it, such groups 'live below the law'. There is a climate of impunity and violent acts can be carried out anonymously. Control is contested by different military groups and communities are frequently caught in the middle. Feelings of insecurity may also be increased where different communities live in close proximity to one another and there has been a history of violence between them. In Mullipotana, where there are Tamil, Sinhalese and Muslim communities, villagers live under overlapping regimes of control and terror, which has hardened ethnic fault lines.

We have argued that militarised violence has become an endemic problem in Sri Lankan society. As Saravanamuttu notes, 'violence has become the main arbiter of societal grievance' (1998: 125). However, it is in the border areas where the 'normalisation' of violence is most acute. Violent events have become part of the social memory and become defining events in the life history of villages. It appears that particularly in the border areas, there is a greater propensity for violent behaviour among all levels of society.

Violence and political economy

One-third of the country is under military control, the north-east is subject to an economic blockade and the whole country has recently been placed on a 'war footing'. Military actors play an important role in shaping economic relations and the mechanisms of wealth production and distribution. One can identify three different types of economy that have emerged as a result of prolonged conflict in the north-east: a survival economy (involving the majority of the population); an economy to fuel the war machine (controlled by conflict entrepreneurs); and a speculative economy (involving profiteers or *mudalalis*).^{1,2}

At the macro-level, war has accentuated regional imbalances. A range of factors restrict economic opportunities in the north-east including: multiple displacement; the development of ethnic enclaves; restrictions on mobility through road blocks and the pass system; an economic blockade; and restrictions on agricultural necessities and deep-sea fishing. Moreover government services have declined and there is limited investment in the region.

In the villages studied communities had lost assets due to repeated displacement. Land and infrastructure has fallen into disuse because of lack of investment or the presence of mines or military camps. Markets have been disrupted, so for example cash-crop farmers in Jaffna, find it difficult to sell their products in Colombo and fishermen in Kathiravelli cannot get their fish to market in Batticaloa. In many areas there is growing food insecurity and pockets of poverty.

Strategies of economic adaptation vary from area to area, however, the two predominant strategies have been a retreat into subsistence and a diversification of economic activities. This has meant a growing role for women, who have increasingly entered the public sphere. In Jaffna, a growing proportion of those employed in the public administration are women. In Batticaloa, it was women who crossed the road blocks to go to the market to sell fish and trade produce. Owing to the climate of insecurity (and its effects on inter-group relations) there has been a net decline in

market-based economic activities which have high transaction costs. Increasingly households retreat into subsistence and group-based economic activities.

In all areas, even where the state functions on a skeletal level, it remains an important source of entitlements. Poor families rely on allocations of food stamps. The narrowing of economic alternatives has increased incentives to join military groups. The two prime areas of military recruitment are the north-east (for the LTTE) and deep south (for the army), where rural poverty and disillusionment are greatest.

Deepening poverty also heightens resource competition and, in Ilangaithurai Mugathuwaram, what at first appeared to be a caste conflict was in fact the result of competition for declining prawn fishing grounds. Finally, in insecure environments, community members tend to shorten their time horizons. Some may be less willing to invest in the future. Men in Savukkady for example were reluctant to plant paddy for this reason. It may also change the calculus towards opportunistic behaviour as the less predictable the future, the less worthwhile it is to sacrifice current opportunities. In the grey areas, there were increased reliance on regressive coping strategies and extra-legal entitlements including illegal alcohol brewing and petty crime.

Although armed conflict has had important costs for the majority of the population, certain groups are 'doing well out of war'. Militarised violence has generated a hidden economy which has developed its own momentum (Rajasingham-Senanayake, 1999: 58). In Sri Lanka the 'loud discourse of grievance' tends to drown out the 'silent discourse of greed' (Collier, 2000), however, it is clear that conflict has created opportunities for gain for those who operate outside the law. Political and economic factors interact with one another. The LTTE for instance benefits economically from its own taxation system, but is also associated with an attempt to build political legitimacy.

Vested interests have developed around the conflict. Rent-seeking behaviour occurs at various levels from pay-offs on arms contracts to issuing identity papers, to the taxation of traders at check-points. Paramilitary groups have established systems of taxation on traders and civilians through control of the main transport routes. PLOTE for instance control the fish trade in Batticaloa. The LTTE in the areas under its control has a monopoly of predation. As one villager noted, 'Whatever goes into the village, a third goes to LTTE.' They have also pioneered a system of taxation on the movement of people and goods. The economy in the north-east is protectionist and depends upon maintaining price differences between cleared and uncleared areas.

Apart from conflict entrepreneurs 'doing well out of war', there are other actors who profiteer on the edges of the conflict. This is more prevalent in the grey areas where no side has a monopoly of violence or predation. In such areas a 'new rich' has emerged who profit from the spaces and opportunities created by the conflict, such as the lack of a strong legal and regulatory environment. In Savukkady, for instance, *mudalalis* are involved in tree felling; in Mullipotana, groups have illegally colonised land; and traders in Batticaloa exploit differences in fish prices.

Violence and social capital

It has been argued that historically Sri Lanka was characterised by a border culture of co-existence and hybridity (Tambiah, 1986; Rajasingham-Senanayake, 1999). Ilangaithurai Mugathuwaram and Savukkady, for instance, used to be mixed Tamil-

Sinhalese villages and are now purely Tamil. In this section, we analyse the links between violent conflict, political economy and social capital. There are broadly four ways in which social capital has been affected by ongoing conflict.

The first common community coping strategy was to fall back on group-based networks and family ties. The most resilient sources of social capital are socially embedded networks and institutions, particularly those based on caste and religion. In several villages in the east, particularly in Ilangaithurai Mugathuwaram, there had been a reassertion of religious ties. The temple and the mosque have been in some areas rejuvenated as a result of the conflict. In Puttur East and in Ilangaithurai Mugathuwaram, both villages in relatively stable, uncleared areas, caste networks were still extremely important and as one villager commented: 'People don't talk about caste but they feel it ... they are thinking in their hearts and mind that we are low-caste people and they can't talk to us.' Therefore, particularly in the more stable areas, there appears to have been deepening or strengthening of bonding social capital.

Conflict has induced contradictory processes. On the one hand communities have fallen back on traditional sources of social capital, and on the other, conflict has been the trigger for rapid social change. It has led to the emergence of a new leadership, it has altered gender and generational hierarchies and created a 'new rich', entrepreneurial class. Therefore, society has moved on, something to which aid agencies are not always sufficiently sensitive. In Jaffna, for example, reconstruction programmes have been criticised for attempting to revert to the *status quo ante*. Such transformations are not confined to the north-east. Communities in the south have also been profoundly affected by processes associated with the conflict and, unlike the north-east, with economic liberalisation. Civil society organisations have mobilised in response to human costs of the conflict (for example, the Mother's Front) and the impact of the market economy on the rural agricultural sector (for example, the Movement for National Land and Agricultural Reforms) (Saravanamuttu, 1998: 116). While communities directly affected by conflict appear to be falling back on caste-based networks, in cleared areas the open economy and greater mobility appear to be undermining such relationships.

While a political economy perspective points to the primacy of 'interests', rather than 'passions', one should not ignore the importance of the 'emotional economy' of violence, and the processes through which hate is constructed and mobilised. Conflict entrepreneurs appear to have an intuitive understanding of such processes and how to destroy social capital and create 'anti-social' capital (Goodhand and Hulme, 1997). The LTTE for instance have either co-opted or destroyed pre-existing institutions and created new ones to win hearts and minds. Bonding social capital has been created within the Tamil community (hence the LTTE's campaign to eradicate caste identities) at the expense of bridging social capital between Tamil and non-Tamil groups. Propaganda and violence have been used to nurture an emotional economy based on a currency of fear, victimhood and a sense of grievance. Showcase killings and 'theatrical' violence have been used strategically to cow populations, provoke reprisal killings and deepen ethnic fault lines. Another important element of the affective economy is the mythology of the 'heroic death'. Its most extreme version is the LTTE's female suicide bombers which draws on this symbolism of valour to recruit and mobilise young men (Coomaraswamy, 1999).

Tamil nationalism is mirrored by Sinhala nationalism in the south, with political entrepreneurs mobilising groups using similar methods. Buddhism has been

an important mobilising agent within the Sinhalese community. State education programmes have also reinforced ethnic and language differences. However, the picture is much more complex and fragmented than the shift from bridging to bonding social capital implies. Sinhalese nationalists who are attempting to stimulate bonding social capital have fragmented into three different political parties. Tamil political groups are similarly divided. Bonding social capital may represent a powerful social glue when there is a clearly defined enemy, but when conflict becomes protracted, the fault lines become less clear and bonding may break down.³ Conflict entrepreneurs on either side are aware of these tensions and exploit them accordingly. Political and military support for the Tamil paramilitary groups, for example, represents an attempt to harness tensions within Tamil civil society and so undermine LTTE attempts to create an ideology which transcends local loyalties. Therefore, social capital may be manipulated and strengthened for perverse outcomes. However, the relationship between conflict and social capital is a dialectical one, each having an influence on the other. The LTTE for instance, in spite of its attempts to homogenise intra-Tamil differences, has itself experienced intra-Tamil tensions within its own structures.

Although we have argued against a simplistic assumption that conflict undermines social capital, clearly certain types of social capital have been a casualty of war. Structural social capital for instance, which involves trust in the state and wider social institutions, has been corroded in the north-east. This is mirrored in the south by growing disillusionment with the state and increased support for radical political parties such as the JVP. Moreover, bridging social capital between communities has been purposely undermined. This is reflected in the decline of organisations with cross-cutting memberships that transcend ethnic fault lines. In the more secure areas, where people are able to invest in the future, longer term forms of behaviour predominate. This is reflected in the dynamic organisational environment in Ilangaithurai Mugathuwaram for instance, which includes a number of temple societies, credit groups and a fishing society. In front-line areas suffering from chronic insecurity, the organisational landscape is depleted and more opportunistic forms of behaviour predominate. Therefore, social capital depletion appeared to be greatest where communities were subjected to competing regimes of control and terror. Such an environment has undermined both bridging and bonding social capital.

Table 2 summarises the links described above, between security environments, political economy and social capital.

Implications

For research and understanding

Sweeping generalisations about the link between social capital and conflict have limited value, both for analysts and policymakers. The case studies point to the complexity and context specificity of processes related to social capital formation and depletion. However the following points appear to be salient and perhaps merit further exploration:

- Conflict zones do not represent ‘zones of social capital deficiency’. Different forms of social capital have been strengthened or weakened, leading to processes of exclusion and inclusion. Frequently there has been a process of social com-

Table 2 The inter-relationships between violent conflict, political economy and social capital

	<i>'Stable' environment</i>	<i>'Unstable' environment</i>
Security environment	Security. Monopoly of violence. Predictability. Protection. Law and order. Rights respected.	Insecurity, disputed control, unpredictability. Inter and intra-household violence. Environment of impunity.
Political economy	Competition. Open markets. Investment. Market-based transactions.	Monopolistic, forced markets. Parallel, grey economies. Lack of investment. Group-based transactions.
Entitlements	Productive activities. Direct, market and civic entitlements	Decline of market and civic entitlements and increased reliance on direct and extra-legal entitlements.
Social capital	'Trust equilibrium'. Structural social capital; trust in the state, institutions etc. Cognitive social capital; trust and reciprocity — within and between groups.	'Opportunistic equilibrium'. Decline of structural social capital — lack of faith in the state; erosion of formal rule-based institutions. Increased bonding social capital and perverse or 'anti-social' capital.

pacting (bonding social capital) at the expense of broader societal networks (bridging social capital). These processes are partly a cause and partly a consequence of ongoing violence. They can also be consciously manipulated by conflict entrepreneurs. Some analysts argue that the risks of violent conflict may be lower when networks are weaker, which runs counter to the 'more the better' claims of the social capital 'enthusiasts'.⁴ Is then 'broad and shallow' better than 'deep and narrow'? If so how can the former be amplified?

- Social capital strengthening can have perverse outcomes. This is missed by those who take a normative view of social capital. As Edwards wryly comments it is better to be 'bowling alone than conspiring together' (Edwards, 1999: 4). The important thing is the character of social capital rather than the amount. One needs to develop an understanding of the interactions between social, economic and political processes, rather than notions of social capital divorced from its wider context.

- The predominant discourse of social capital lacks an analysis of politics and power. As Harriss and De Renzio (1997) note 'it neglects considerations of power and the fact that the consequences or organisation of social capital can be negative for many members of a society, especially those who are relatively powerless'. A future research agenda might focus on developing greater understanding of particular configurations of social capital that can lead to social inclusion or exclusion, fragmentation or cohesion.

For policy and practice

Our case studies do not support Putnam's idea of social capital 'path dependence'. They appear to demonstrate that social capital can be influenced for positive or negative ends, as demonstrated by conflict entrepreneurs who have in relatively short periods of time been able to generate perverse social capital. The key question then is how can one invest in and construct 'pro-social' capital.

For external actors, whose understanding and knowledge of community-level dynamics and social relations will always be limited and partial, the important thing may be to help create an 'enabling' environment, rather than attempt to micro-manage and engineer social capital. Since a basic precondition for inclusive forms of social capital appears to be a secure environment in which human rights are protected, support for a legitimate state which has a monopoly of force appears to be important. Second, a robust support for human rights and humanitarian protection would also seem to be critical.

As Edwards notes, the most important areas of social capital are also the most contingent and the most difficult to engineer, such as attributes of trust, tolerance and non-discrimination. Conversely the easiest areas to influence in the short run, like the number of NGOs and civic organisations, may not be especially important in the grand scheme of things (Edwards, 1999). Policymakers still tend to focus on the forms rather than norms.

Sceptics would argue that successful civil societies take care of their own 'strengthening' and foreigners should leave well alone. This particularly applies in areas of violent conflict where capacity building may contribute to the creation of perverse social capital. Interventions need to be based on a sophisticated analysis of motivation and incentive systems — rather than a simplistic division into 'pro-peace' or 'pro-war' groups. In Sri Lanka, one can begin to map out a number of areas of intervention that may help create an enabling environment for social capital formation. First, support for state reform processes which strengthen good governance, rather than liberal reform processes which involve merely down-sizing the state. As our case studies show, the state is still an important source of entitlements to poor conflict-affected communities. Support for a state education system which builds bridging social capital rather than accentuates ethnic and language differences would seem to be important. Second, donors could provide more strategic support for civil society organisations that can build bridges across the ethnic divide. These might include alliances like the National Peace Council, social movements like the Sarvodaya Shramadana, church organisations — for example the Catholic church which has both a Tamil and Sinhalese constituency — and women's organisations that have become very active during the course of the conflict. Rather than focusing on cherry-picking Colombo-based NGOs and only thinking in terms of

projects, donors might think more creatively about supporting strategies and processes and mobilising alliances that can have an impact on public policy.

Conclusion

Is social capital the glue that holds societies together or does it provide the humus for mobilising and sustaining violent conflict? It is not possible to address this question without looking at the wider political and economic framework within which conflict takes place. Ideas about social capital have been applied often unthinkingly to conflict situations, refracted through a development lens. Applied in a normative sense — social capital is a ‘good thing’ — it has limited value in helping us understand and respond to the processes generated by violent conflict.

We would subscribe to Edward’s position on social capital of the ‘sceptical tactician’; the concept has value in providing a unifying interdisciplinary discourse, which may counterbalance the overemphasis, in our view, on the economic functions of violence at the expense of social analysis. However, the critical factor is the interaction between social, economic and political processes, rather than notions of social capital divorced from the wider context. Rather than focusing on engineering social capital, external agencies need to focus on understanding better the preconditions for social capital formation — such as voice, security and human rights — and how they can contribute to the creation of an enabling environment. This requires as a starting-point a rigorous analysis of political and economic processes.

Notes

1. A *mudalali* is a businessman
2. See also Grunewald (1999: 23).
3. This is a hypothesis developed by Jehan Perera, personal correspondence, 10 May 2000.
4. It is argued by Putnam that ‘strong’ interpersonal ties (like kinship and intimate friendship) are less important than ‘weak ties’ (like acquaintanceship and shared membership in secondary organisations) in sustaining collective action. High levels of trust within the family and kin group can therefore make more difficult the promotion of trust outside.

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