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FILE

DIRECTORATE OF INTELLIGENCE

27 November 1987

Prospects for the Indo-Sri Lankan Peace Accord [redacted]

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Summary

The Indo-Sri Lankan peace accord after four months is encountering obstacles neither Indian Prime Minister Gandhi nor Sri Lankan President Jayewardene envisioned. Tamil resistance to the Indian military has been stiff and casualties high. Jayewardene has managed to win ratification of the accord in Sri Lanka's Parliament and he hopes that provincial council elections soon to be held will maintain the accord's momentum. Continuing unrest in the north and east, disagreement between Colombo and New Delhi over the powers of the provincial government, and the lack of a clearly defined role for Tamil moderates is apt to delay the election timetable for at least several months.

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Fighting between the Indians and Tamil insurgents is not likely to be as intense over the next few months as the recent Indian operations around Jaffna. If there has been no agreement between New Delhi and the insurgents by mid-1988, the Tamils will have had time to regroup and may launch more aggressive and systematic attacks on Indian forces.

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Serious outbreaks of violence between Tamils and Sinhalese are likely if the Indians and Sri Lankans cannot show progress on the accord by next summer and India may decide there is little chance to settle the island's ethnic problem. Gandhi may look for face-saving ways to withdraw Indian troops, possibly by arguing that India faced a more compelling national security threat from Pakistan or China. Jayewardene might try to minimize the damage to his political credibility by postponing elections scheduled for early 1989, but such a move would only fuel political dissent.

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This memorandum was prepared by [redacted] Subcontinent Branch, South Asia Division, Office of Near Eastern and South Asian Analysis. Information as of 23 November was used in its preparation. Comments and queries are welcome and should be directed to Chief, South Asia Division

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With the implementing legislation for the peace accord passed by the parliament in Colombo, both Sri Lanka President Jayewardene and Indian Prime Minister Gandhi are planning for provincial council elections in Sri Lanka's Northern and Eastern Provinces. The security situation probably is too unsettled, however, to meet the late December schedule both leaders seek. Other senior Indian and Sri Lankan officials appear more realistic and are indicating elections are unlikely before next spring. [REDACTED]

Even if Indian military forces are able to end the violence in the two provinces soon, we believe the two leaders have failed to establish a clearcut strategy for the participation of Tamil moderates in the elections. [REDACTED]

India's Goals

Over the short term, Gandhi still hopes that he can sufficiently weaken the main Tamil insurgent group, the Liberation Tigers of Tamil Eelam, to force them to adhere to the accord. At the same time, we believe he does not want to weaken them so much that they cannot be used as an Indian lever against the government in Colombo in the future. New Delhi therefore almost certainly will remain open to the possibility of resuming a political dialogue with the Tigers. New Delhi probably had such a motive in mind when it recently announced a cease-fire following the Tigers' release of 18 Indian soldiers. If the Tigers are willing to surrender most of their weapons and publicly agree to abide by the accord, we believe New Delhi would press Colombo for more concessions to the Tigers. If the Tigers resist, Gandhi is prepared to continue trying to quash the insurgents militarily. [REDACTED]

Over the long term, we believe Gandhi anticipates he can extract Indian troops from their difficult peacekeeping mission after implementing the accord. We expect that he is prepared to keep Indian forces in Sri Lanka at least through

next year. This would enable the Indians to keep a lid on a new outbreak of Tamil-Sinhalese violence as Colombo prepares for the December 1988 referendum to determine the future status of the Northern and Eastern Provinces and the presidential and parliamentary elections that follow in early 1989. Assuming the referendum and the presidential and parliamentary elections are held successfully, Gandhi likely will claim the accord has been implemented and withdraw his troops. [REDACTED]

Next Steps

We expect New Delhi to undertake additional steps to win over the Tamils during the coming weeks in order to establish a favorable atmosphere for the provincial council elections:

--It likely will press moderate Tamil leaders now residing in India to return to Sri Lanka to get the provincial administration under way, realizing the moderates are the most acceptable Tamils to Colombo. We believe most will hesitate to become involved in the face of insurgent threats and assassinations.

--If the Tigers publicly adhere to the accord and stop fighting, the Indians probably will allow some Tiger representation on the provincial council. The Indians are unlikely to agree, as they did prior to the recent fighting, to allow the Tigers to dominate the council.

--New Delhi may seek candidates for the council from Tamil insurgent groups who are rivals to the Tigers to broaden Tamil representation and add legitimacy to the council in the face of insurgent claims of exclusion. Such a move would help New Delhi counter criticism from Indian Tamils angered by the Indian offensive on Jaffna.

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--Indian officials will continue and perhaps intensify their relief efforts among the Tamil populace to weaken support for the Tigers. India also may begin returning Sri Lankan Tamil refugees from India to the Eastern Province. This would be popular with the Tamils but might spark a Sinhalese backlash.

--If the Tigers do not come to terms, the Indians will continue to pursue their leaders, attempt to split their leadership by co-opting some deputies, and hope to wear the guerrillas down. [Redacted]

The Sinhalese Factor

Jayewardene is likely to concentrate over the next few months on maintaining Sinhalese support for the accord. He will be mindful that both the main Sinhalese opposition party--the Sri Lankan Freedom Party under the leadership of Mrs. Sirimavo Bandaranaike--as well as politicians in his own ruling, United National Party are looking ahead to the presidential and parliamentary elections in 1989. Politicians on both sides will increasingly key their reactions to Jayewardene's efforts to implement the accord to what they believe is best for their own political careers. [Redacted]

We believe the 81-year old Jayewardene also may be growing increasingly concerned the peace accord will break down once he leaves office in 1989. He has proposed signing a friendship treaty with India that he believes will help to ensure a long-term commitment between the two countries. [Redacted]

Despite Jayewardene's public adherence to the accord, we believe New Delhi has some doubts about his intentions to follow through on the agreement in the

manner in which New Delhi intends. Jayewardene wants to prevent a merger of the Northern and Eastern provinces that would strengthen the Tamils' political role in Sri Lanka and encourage the insurgents' goal for a separate state. India, on the other hand, insists the merger is one of the conditions of the accord. India probably calculates it can give Jayewardene some leeway now in order to achieve at least minimum progress on the accord, but it likely will grow angry over continuing differences as both parties grapple with the procedural process for the provincial council elections. [Redacted]

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Outlook

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Despite their weakened position after the offensive, Tiger leaders probably believe they have time on their side. Fighting between the Indians and Tigers will not be as intense over the next few months as the recent Indian operations around Jaffna. The Tigers will use the period to recover from their losses. They also are likely to try conciliatory tactics, such as the recent release of the Indian soldiers, to test India's willingness to make concessions. New Delhi and Colombo will hold firm to their demands that the Tigers surrender their weapons and abide by the accord. By mid-1988, if no agreement has been reached between the Tigers and New Delhi, the Tigers will have had time to regroup and will be in a better position to launch more aggressive and systematic attacks on Indian forces. Such attacks could occur about the time that New Delhi and Colombo are ready to hold provincial council elections and disrupt implementation of the accord further. [Redacted]

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We believe the security situation in Sri Lanka will deteriorate significantly if Jayewardene and Gandhi are unable to begin to show progress on the accord by next summer. There would be more widespread outbreaks of violence between Tamils and Sinhalese, and India may conclude there is little chance to settle

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the island's ethnic problem. Gandhi would then begin to look for face-saving ways to withdraw Indian troops, possibly arguing that India faced more compelling national security threat such as renewed tensions on the Indo-Pakistani or Sino-Indian borders. Jayewardene might try to minimize the damage to his political credibility by postponing presidential and parliamentary elections, arguing that conditions were too unstable. Such a move, however, would only fuel political unrest within the Sinhalese community. [REDACTED]

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Over the months ahead, both Gandhi and Jayewardene will look to the United States for continued support for their efforts to make the peace accord work. Gandhi might expect Washington to publicly acknowledge the magnitude of the problems he faces in intervening in Sri Lanka but will be extremely sensitive to any interpretation that Indian forces are bogged down. Jayewardene would expect US support in any decision he might make to postpone elections and US economic assistance to bolster the country's ailing economy in the face of more fighting. [REDACTED]

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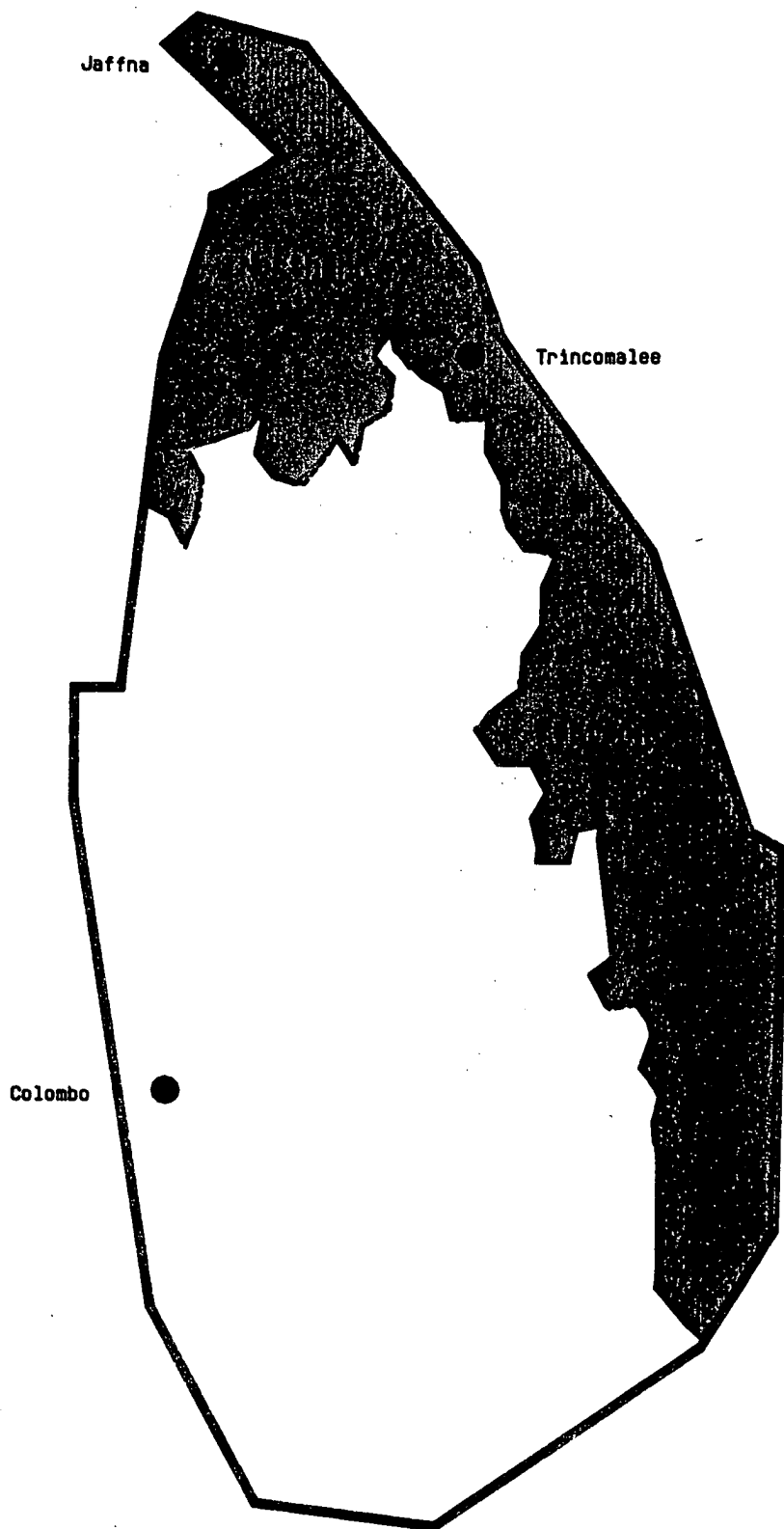
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**LOOKING AHEAD FOR INDO-SRI LANKAN
PEACE ACCORD**

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|-------------|------------|--|
| 1987 | December | <i>Gandhi and Jayewardene seeking to hold provincial elections; April-May more likely dates.</i> |
| 1988 | 29 July | <i>First anniversary of the signing of the peace accord.</i> |
| | 10 October | <i>First anniversary of the Indian military offensive on Jaffna.</i> |
| | December | <i>Referendum to determine if Sri Lanka's Northern and Eastern Provinces to merge.</i> |
| 1989 | January | <i>Sri Lanka's presidential elections to be held.</i> |
| | March | <i>Sri Lankan parliamentary elections anticipated.</i> |
| | November | <i>Indian parliamentary elections scheduled.</i> |

SRI LANKA: TAMIL INSURGENT AREAS



x: MAJOR CONCENTRATIONS OF INDIAN TROOPS



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**SUBJECT: Prospects for the Indo-Sri Lankan
Peace Accord** [redacted]

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