The liberation of both Northern and Eastern Provinces by the government forces brought to an end, age-long internal crisis in the South Asian island state of Sri Lanka. Though internal conflicts have ended in the country but the political, economic and social impacts they have caused in the life of the country still manifest in different aspects in the nation especially in the North and Eastern Provinces. Conducted with the used of qualitative research methodology, this work examined the political, economic and social impacts of internal crisis in the post 1977 era in Sri Lanka. Distortion of democratic institutions as well as political instability was part of the political impacts of the crisis. Channelization of development funds to funding military operations in the North and Eastern Provinces during the conflict were part of the economic impacts of the conflict while deterioration of social institutions especially health and the growth in number of Internal Displaced Persons (IDPs) who have not been completely resettled till date in both the North and Eastern Provinces of the country as this research found out were some of the social impacts of the conflicts. The research recommended the strengthening of democratic process to accommodate various political affiliations as well as reconciliation through ethnic harmony and the resettlement of Internal Displaced Persons (IDPs) in the North and Eastern Provinces as possible alternative to the resurgence of similar crisis in the near future.

**Keywords:** Conflict, Economic, Political, Social, and Sri Lanka.


**INTRODUCTION**

The post 1977 era in Sri Lanka started with a change of regime in 1977 which led to radical changes in economic policies described as one of the liberalization of the economy. Although the period from 19970- 1977 was one of severe economic hardships owing to continued external shocks and economic disruption due to youth insurgency in the south. The external and internal shocks and misguided economic policies resulted in an era of poor economic performance and difficulties. Political changes took place in the period after 1977 in the country. Fundamental changes in the framework of economic policies though with changes in emphasis and
content also took place. And the political change in 1994 can best be described as a period of continuity and change in economic policy. However, more recently there has once again been a tilt towards state capitalism (Sanderatne, 2012). The period from 1978 till date, that is often described as the post-liberalization era saw dramatic changes in the economic, social and political spheres of Sri Lanka as a country. Decades of internal crisis which threatened the unity and sovereignty of the country as a single independent political entity were experienced in the post 1977 or post liberalization era. Though the country as figure 1 showed below still remains an indivisible state.

Internal crisis is a dynamic phenomenon. Conflict in post 1977 era in Sri Lanka started purely as domestic conflict without the involvement of external factors and actors. The dynamic of the conflict quickly expands beyond the borders of the country drawing Diaspora, neighboring countries, regional powers and even super powers. The conflict interact with the larger socio-economic and political landscape. Conflict destabilizes the economy and political system. Although such destabilization in turn feeds the conflict. As the twenty year-old violent phase of the Sri Lankan conflict illustrates some conflicts produce more complex and ambiguous results (Samarasinghe, 2013). The state may be weaken but not necessarily collapse. The political system may be distorted but does not necessarily become total dysfunctional. The economy may be weaken but does not necessarily regress. The outcome depends primarily on the strength of institutional structures, the capacity of the state to cope with conflict and role and influence of international factors (Friedman and Lake, 2000). If the institutions and the coping capacity of the state are relatively strong and international actors are only peripherally interested and involved, the conflict transformation is relatively different to that where state capacity is weak and international actors are more actively involved (Douma, 2001). Although the Tamil Tigers has been militarily defeated as figure 2 indicated below. But then, the Sri Lankan internal crisis need to be understand from its political economy point of view.

The political economy of the Sri Lankan internal crisis should be understood in its demographic, economic and political context. It is an island country of 66,000 sq. miles with a current population of about 22 million people. Since independence from British in 1948, the population has trebled. This also hints at population pressure on land, social services, and the job market. Sri Lanka is one of the most densely populated countries in the world with a population of about 450 per sq. km. This is an important additional consideration that puts pressure on scare resources (Goodland, 2001). At independence Sri Lanka was considered a relatively prosperous country by Asian standards. In the mid-1950s it was on a par with Malaysia with a per capita income of about $120. But today, the country is almost at the bottom of the World Bank’s lower middle-income countries with a per capita income of about $830. Although, the 1977 liberalization strongly backed by donors with generous assistance has attracted substantial foreign investment until internal crisis and political instability began to discourage investors (Wikipedia, 2017). The country first elected a legislature exercising universal franchise in as far back as 1931. Many analysts attribute the country’s strong record on social welfare to the democratic system that put pressure on governments to invest in social programs. Electing government in free and fair elections was established tradition in the country until more recent times when elections were tempered with by the government to its own advantage (Monogaram, 2004).

Managing internal conflict as figure 3 clearly portrayed above is a costly and complex enterprise. It requires money, material, human resources and organization. A protracted war such as the one of Sri Lanka requires a steady flow of economic resources, a political capacity to mobilize those resources on a sustained basis for the conflict, and the organizational capacity to utilize those resources for the conflict. It is however in consonance with this view that the political, economic and social impacts of the conflict on the nation take precedent.

STATEMENT OF THE RESEARCH PROBLEM

The ethnic war is not the only conflict that Sri Lanka has witnessed. In 1971 and again 1988-1990 a Marxist oriented nationalist group called the Janatha Vimukti Peramuna (JVP-Peoples Liberation Front) as figure 4 showed resorted to armed rebellion to topple the government. Although this in addition to the ethnic conflict with the Liberation Tigers of Tamil Eelam (LTTE) contributed to the strengthening of the Sri Lankan military forces (de Silva, 1998). See

But this does not mean necessary precautions have been adopted against future outbreak of similar conflicts. Strong military power to thwart future outbreak of internal conflict is just an alternative against outbreak but not an alternative to preventing outbreak itself. The political, economic and social impacts of the conflict must have to be addressed quickly as precaution against future outbreak of related conflict. Ethnic harmonization, political inclusion, resettlement of thousands of Internally Displaced Persons (IDPs), Justice for people whose rights were violated during the conflicts as well as effective and enduring reconciliation strategies are more needed than the building of strong military arsenal as precaution against future outbreak of similar conflict. It is however in order to examined the political, economic and social impacts of the conflict so as to recommend on the way forward that this research was necessitated.
Figure 1: The Island State of Sri Lanka
Source: Google (2017)

Figure 2: Defeat of the Tamil Tigers
Source: de Silva (2000)
OBJECTIVES OF THE RESEARCH

The objectives of this research include:

1. To examine the political impact of internal crisis in post 1977 era in Sri Lanka
3. And to find out the social impact of the crisis on the country in post 1977 era.

RESEARCH QUESTIONS

The research raised and answered the following questions:
1. What are the political impact of internal crisis in post 1977 era in Sri Lanka?
2. How does internal crisis have impact on Sri Lanka in the post 1977 era?
3. And are there social impact of internal crisis in Sri Lanka in the post 1977 era?

LITERATURE REVIEW

Sri Lanka has experienced two decades of internal war waged between government security forces and Tamil rebels popularly known as the Liberation Tigers of Tamil Eelam (LTTE) beginning from the early 1980s. Since independence from British in 1948 political parties elected to office in democratic elections, but which the 74% majority Sinhalese community dominates have ruled Sri Lanka. The 12% Sri Lanka Tamil minority who lives mostly in the north and east of the country has generally not shared power at the Centre. In contrast the 7% Muslim minority has generally had representatives in government. From 1977 the 6% plantation (Indian) Tamils who live mostly in the central region among the Sinhalese have also been part of government. The Sinhalese-Tamil ethnic divide is linguistic and not racial. About 69% of the country’s population is Buddhist (almost all are Sinhalese), 16% Hindu who are exclusively Tamil, 7% Islam, and the remaining 8% Catholic or Protestant who come from both the Sinhalese and Tamil communities. The conflict is also not religious. But connected with factors of political economy. The conflict between government and LTTE which was protracted and bloody was reported to have claimed 1,000,000 lives. The protracted and bloody was reported to have claimed 1,000,000 lives. The conflict between government and LTTE which was protracted and bloody was reported to have claimed 1,000,000 lives.

The government reacted to the rebellion by increasing military spending from 4% of the total government budget in 1969/70 to 7.0% in the three years immediately following it (Gunasinghe, 1998). Major actors in the conflict between government and LTTE are Sinhalese, Tamils, Plantation Tamils, Muslims, the State, Business Sector, Non-Governmental Organizations (NGOs), Sinhalese Expatriates, Tamil Diaspora, India, Donors, International NGOs like Red Cross, etc. (Gunaratne, 1998). The Janatha Vimukti Peramuna (JVP) organized a second rebellion over 1988-90. On that occasion, the government had adequate military and police strength to deal with the rebels. The presence of the Indian troops in the Northern and Eastern Provinces known as the north and east or north-east allowed government to withdraw troops from the war zone and redeploy them in the south against the JVP rebellions. Though this internal rebellions were not part of the protracted civil war in the country (Bastian, 1990). The strengthening of the Women wing of the national forces as Figure 5 was conceived by the government as an attempt towards boasting security to combat possible resurgence of internal crisis in other regions of the country. And also as attempts to prevent conflicts in the north and eastern provinces from spreading to other regions of the country.

The 1983 ethnic riots were the worst ever of such unfortunate events to have taken place in Sri Lanka. The immediate event that triggered the widespread violence against ordinary Tamil people in Colombo and elsewhere was the death of thirteen soldiers in a terrorist ambush in Jaffna on July 23rd. The Tamil death toll in the South was estimated to be around 500 to 600. One of the more disturbing features of the 1983 riots was the breakdown of law and order in the first few days after rioting broke out. Many members of the police and other law enforcement agencies were either indifferent from the anti-Tamil violence perpetrated by mobs or in some cases even actively supported the perpetrators (Rupesinghe, 1998). The events of 1983 were a watershed in the macro political economy of the Sri Lankan conflict. The economic consequences of the 1983 riots were quite devastating. From July 1983 the hither-to promising economic numbers began to move in the wrong direction. Tourists and foreign investors were shaken by the images of burning buildings and rioting in Colombo that international TV carried worldwide. Tourist arrivals that were growing at the rate of 20% per annum in the five years up to 1982 in that year arrivals totaled 40,000. Recovery of the industry was slow and painful (Marga, 1998). Figure 6 is one of the images of the activities of the 1983 Colombo riot discussed in Figure 5.

Another blow again came when the Tigers attacked the Katunayake (Colombo) international airport in 2001 and destroyed several aircraft belonging to the national career Sri Lanka Airlines (Sengupta, 2002). Tourist arrivals in 2002 January to May were down 26% on the figure 6 for the same period in 2001. Direct flights between Colombo and Germany, a major market for the Sri Lanka tourist industry, were cancelled following the attack. The number of arrivals from Germany declined from 35,610 in January-April 2001 period to 18,904 in the same period in 2002 (Chalk, 2004). Foreign Direct Investment (FDI) that was pivotal for the success of the export-oriented strategy and was expected to feed the newly established export processing zone also slow down considerably after 1983. Net foreign direct investment averaged $51 million in the period 1978-92 and between 1983-89 it declined to $35 million. Between 1990 and 1992 it picked up significantly and reached $87million (Moore, 2000). Of course the ethnic war in the north and east was the only causal factor for political instability, loss of investor confidence, and economic slowdown. The 1982 referendum that replaced regular parliamentary elections and served as a mandate to extend the life of the 1977 parliament by a further six years was strongly opposed by the opposition including the TUFL (Collier, 2000). In the
north the LTTE soon fell out with the Indian Peace Keeping Force (IPKF) and commenced military campaign of its own to remove Indian troops from the north and east. And under pressure from LTTE and Colombo, the IPKF left Sri Lanka in March 1990. But the period 1983-90 was Sri Lanka’s lost decade of development (Jackson, 2001). Although, the economy revived after 1990 with GDP growth averaging 5.1 over the 1990s. Per Capita growth averaged 39% during the same period. The economy of the South, which was spared the worst of the war, moved along, albeit, never realizing its full potential. This was not the ideal but tolerable especially when it is viewed in the context of the East Asian economic crisis of 1991-90 that produced negative
growth in almost all the East Asian Tiger economies (UNDP, 1998). Below is part of the aftermath of the international airport attack in figure 7.

**METHODODOLOGY**

This research was conducted with the used of secondary and qualitative method of investigation. Library based documentation analysis was adopted by the Researchers. Secondary data sourced from journal articles, working papers, textbooks, magazines, newspapers, lecture notes, reports, bulletins and internet based data were utilized for the research. The Researchers made used of related and relevant images sourced from Google platform through the internet as supporting evidence to justify issues and events explained in the research.

**DISCUSSION OF RESULTS**

The Researchers discussed the results of this research under three separate headings such as:

**Political Impact**

Internal crisis destabilizes political system. Sri Lanka state was weakened by the conflict and although it did not collapse completely. The political system was greatly distorted but does not become completely dysfunctional. Internal sovereignty of the nation was seriously threatened by the conflict especially in the North and East and the loss of human lives involved in the conflict is a setback to democratic development of the nation. The conflict worsen the political system by splitting the Sinhalese and Tamils along ethnic lines at crucial moments in the political history of the country. It made all efforts towards ethnic accommodation seriously difficult as ethnicities were divided along political party affiliations (Suryanaryan and Sudersen, 2000). Democratic tradition also came under increasing pressure. Several national and local elections were rigged in the late 1990s and early 2000s (ICES, 2001). Media freedom was limited and restricted under the cover of national security. Rule of law was violated with impunity so often that people lost faith in key institutions such as the police and bureaucracy. And human rights suffered serious violation especially in the North and Eastern Provinces which were the major fronts in the conflict (Barash, 2001). Over heat of internal polity as a result of political distortion caused by internal conflicts in the country resulted in tense political movement and participation under linguistics and religious affiliations as the image in figure 8. And it became very clear that a single national party that accommodates all citizens irrespective of language, religion and regional identity no longer exist in the party politics of the country. There was separate political parties for the Sinhalese Buddhists, Tamil Hindus, Catholics, Muslims and the other citizens with no identity religious identities related to any of the earlier stated ones.

**Economic Impact**

One the greatest impact of internal crisis in post 1977 era in Sri Lanka was witnessed during the Tamil militancy. The threat from the LTTE resulted in the radical change of government attention to military spending. As the threat escalated, the government spent additional resources on the military. In 2000 defense expenditure absorbed over one billion dollars accounting for about 17% of total government expenditure which was about 6.4% of the GDP. This economic burden of funding internal conflict catapulted the nation to funding budget deficit. Balance of Payment (BOP) escalated drastically in 1980s and this impacted negatively on production, export earnings, and economic growth that in turn reduced tax revenue to government. The cost of the war for the period 1983-88 totaled US $4.2 billion or 68% of Sri Lanka’s
1988 GDP (Coughan and Samarasinghe, 1991). In 1983-96 lost output totaled Rs.2,340 billion at 1996 prices or about three times the GDP of Rs.768 billion in that year. In fourteen years the government and LTTE spent additional Rs.2.28 billion on the war (Marga, 1998). Using a 10% interest rate, which is the standard discount rate used in cost-benefit analysis, the total cost of the war over the 13 year period was about Rs.1,429 billion or the equivalent of about 200% of the 1996 GDP (Arunatilake and Kelegama, 2000). Government ability to thwart internal conflicts bedeviling the country left serious signs of economic impact in the system. Although the conflicts are over, but statistics as in figure 9 demonstrated persistent increase in government annual defense budget in the country. This increase is estimated to take place between 1940 and the year 2020. This is a geometrical increase in defense spending while social sector expenditures is estimated to increase at arithmetic progression compare to its defense counterpart.

However, while there was a decline in government activities in the North, there was an interesting variation to the performance of the Northern economy. The scale of the public service usually grew even during the war. Between 1990 and 1995, the value of public administration as measured by the total salaries and wages paid in the Northern Province increased from US$24 million to US$28 million. This is explained by the expanded effort made by the government to take care of Internally Displaced Persons (IDPs) and the risk allowances paid to officials on top of regular salary. The main theatre of war until the mid-1990s was the North. Thus it is the Northern Province economy that mostly suffered. Fishermen in the North moved to the East to practice their trade and manufacturing sector grew positively in the Eastern Province during the first of the 1990s. After 1995, following the capture of Jaffna Peninsula, the war spread to the Eastern Province as the LTTE tried to gain control of the area. Overall, the North and Eastern Provinces contributed about 15% of Sri Lanka’s GDP in the early 1980s. This had declined to about 5% by the late 1990s (Grober and Gunasevlam, 2001). The conflict in general impacted negatively on Sri Lankan economy as the statistic on defense and arms trade of the country between 2004 and 2016 indicated in figure 10 given in Figure 10.

Social Impact

Internal crisis in Sri Lanka had retrogressive impact on social development. It has had a devastating effects on human welfare. Given the scale of the war one would have expected human development to suffer a serious setback. Undoubtedly in the North and East, given the destruction of health facilities, shortages of food and medicine, 800,000 Internally Displaced Persons (IDPs), and so on human development would have suffered a serious setback. The conflict was largely restricted to the North and East. This simply implies that household and community welfare largely suffered in those provinces. Social expenditures and entitlements in both North and East shrank as state spending in the provinces were more committed to funding the conflict. Though government efforts to finance the human cost of the conflict were impressive but then, education, health and other social spending were seriously affected in both North and East as a result of shortage and reduction in in government funding (Peiris and de Silva, 2000). Poverty,
famine, destitution and several cases of social ices grew with the conflict (Sen, 2005). And supports by NGOs to ameliorate humanitarian crisis became more glaring than public attention to those matters. Although all parties involved in the conflict abided by the agreement of sustaining education during the conflict. Therefore education though poorly funded was maintained throughout the conflict. The Jaffna and Eastern Province Universities as well as other schools and institutions operated uninterruptedly throughout the conflict period. As education suffered a little, health deteriorated seriously and resuscitating it as well as other social welfare to initial stage in the North and East became seriously difficult after the end of the conflict (O’Sullivan, 2001). Post conflict regime is yet to completely addressed the humanitarian crisis caused by the country’s internal conflicts. Several Internally Displaced Persons (IDPs) who fled the north and eastern provinces to escape the conflicts as figure 11 showed have not been rehabilitated till date.

SUMMARY OF MAJOR FINDINGS

The Researcher arrived at the following major findings:

1. Political impact of internal crisis in post 1977 era in Sri Lanka include the fact that the conflict distorted the country’s political system. It weakened the state during the conflict and destabilized the nation’s political system.

2. Economic impact of the crisis include the channelization of development funds to funding military operations leading to little state attention to development projects throughout the period of the crisis.

3. Social impact of the crisis include the deteriorating nature of health and medical facilities especially in the North and East as well as the inadequate funding of social services and management of humanitarian crisis especially Internally Displaced Persons (IDPs) by the crisis.
Figure 10: Sri Lanka Defense and Arms Trade (2004-2016)
Source: Google (2017)

Figure 11: Humanitarian Crisis in Sri Lanka Conflict
Source: Google (2017)
CONCLUSION

Conflict is a dynamic process with actors, alliances, interests and issues changing over time as the conflict progresses. Sri Lankan internal conflict emerged and turned into open warfare against a backdrop of five thousand years of colonial rule followed by independence in 1948. The war notwithstanding there has been no wholesale collapse of the state or the institutional structure. To some extent during the conflict, economic growth continued, social welfare was maintained throughout the other provinces and little in both North and East, and regular elections have been held. But then, demographic pressure has risen with population trebling from 1948 till date. Economic growth has been inadequate to create sufficient jobs for the rapidly growing labor force. Democracy has been compromised, and the political system failed to generate more ethnic harmony. Human rights violations have become all too common. And post conflict reconciliation seems to be very sluggish—development that hold at bay the possibility of the outbreak of civil disobedience in the near future if the situations are not quickly arrested.

RECOMMENDATIONS

The followings are the recommendations of this research:

1. State measures towards proper resettlement and rehabilitation of Internally Displaced Persons (IDPs) in the North and East should urgently be adopted.
2. Mechanisms for ethnic harmony and tolerance should be created.
3. Political and social inclusion should be encouraged on cross national basis.
4. Good governance, equality, respect for human rights and the rule of law should be upheld in national affairs.

REFERENCES
