FOUR ESSAYS ON
PEACE CONSOLIDATION AND ETHNIC RECONCILIATION IN POSTWAR SRI LANKA
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ABSTRACT

In four essays, this dissertation explores the process of peace consolidation and economic recovery from the devastating conflicts in Sri Lanka. This dissertation addresses a timely and important topic. The findings make an important contribution to the literature on development and peacebuilding, specifically on the role of aid in alleviating the risks of conflict and helping countries rebuild their economies after conflict. Additionally, the dissertation highlights important political economy dimensions that help understand social and political dynamics that lead to conflict, such as regional and ethnic inequalities, which also influence post-conflict reconstruction.

In addition to a historical background chapter, the dissertation comprises three empirical essays. The first empirical paper on the role of aid on peace consolidation investigates the geolocations of aid projects within Sri Lanka using mixed methods of GIS and econometrics. The study finds that donors do not respond to the needs of the recipient country. The second empirical paper on state capacity building uses tax effort ratios as a proxy for state capacity while also exploring the perception of the government by marginalized groups. The paper finds that the Sri Lankan post-conflict state cannot be characterized as a capable state along the tax mobilization dimension and that the perception of the government is negative. Lastly, the third empirical paper on remittances and internally displaced persons examines whether remittance receivers get wealthier over time in post-conflict settings and whether internally displaced persons spend their remittances more on consumption than on asset accumulation relative to non-IDPs receiving remittances. The results show that remittances are primarily used for everyday survival needs or for accumulating consumer goods of the conflict/disaster survivors.