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THE IMPACT OF THE IMF'S ON DEVELOPING OF INTERNATIONAL ECONOMIC LAW

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ABSTRACT

The IMF, as one of the most recognized institutions affiliated with the United Nations, is responsible for regulating the global monetary and financial system. In more than six decades of its existence, the Fund has undergone many structural changes and has had the importance of many ups and downs, but has always been able to re-establish its importance in times of crisis and achieve its goals by Attention to the changing conditions of the global economy. Although most of the news about its activities is focused on providing financial assistance to countries in crisis-contingent economic reform programs, it also provides technical and strategic advice to its members, at least in terms of coverage and scope. It is far more important than the role of the financier. This descriptive-analytical study was carried out and found that due to changes in the global economy, the fund has been transformed from an international monetary institution into an international financial institution with a broader scope of activity. And because of its importance in international trade, it has led to the development of international law, especially in the context of international economic law rules.

KEYWORDS: *International Monetary Fund, World Economy, World Bank, International Trade Law, International Economic Law.*

1-INTRODUCTION

The International Monetary Fund is an international institution established to provide management and oversight of the international financial and monetary system at the 1944 Burton Woods Conference. Initially, only 54 countries accepted membership, but now there are more than 188 member states. [1]

The first IMF charter, which was drafted in 1944, announced the improvement of international trade cooperation, enabling the growth of world trade, improving exchange rate stability, and helping to create a multilateral system of payments. Of course, the functions and functions of the

Fund have undergone changes in the past decades as the global economic environment evolves, and these changes continue.

So far, the impact of IMF measures and policies on countries has been studied, but this paper has attempted to study the impact of changing global economic environment on this international institution. This article provides a historical overview of the most important developments of this international body and finally examines the present situation of this institution. One of the important questions is how institutional change in this international organization is and how the crisis has affected its political approaches. This information helps countries to better understand their current and future status, to better align their relationships with it. This article concludes that the IMF has undergone many structural changes in its six decades of operation and has had many ups and downs; Adjust its goals to suit the changing conditions of the global economy. [2]

2. Establishment of the IMF and its primary goals

The impetus for the fund goes back to the problems that arose during the Great Depression of the 1930s. The Great Depression created instability in short-term capital flows and caused the collapse of capital markets. As a result, countries were unable to finance their recessionary deficit deficits, and other policies such as devaluing national currency and protecting their own industries were brought about by the international monetary system following the Second World War. There was a general need to prevent the recurrence of economic and political nationalism - as was the case in the 1930s. [3]

The Draft Statute of the Fund, presented in Burton Woods (1944), was a combination of US and UK programs The United States sought to establish a multilateral payment system based on the conversion of foreign currency and British currency To pursue a full-time employment policy. Bordeaux and James. (2000). In the end, the US plan prevailed, in which a fixed exchange rate system based on face value of gold was denominated in US dollars. In this new system, known as gold-currency exchange, world countries locked their national currency into the United States dollar and the United States kept the dollar's value relative to the gold price.[4]

During the Bretton Woods regime, the fund was mostly formed as a collection of forms (the Statute of the Fund). In this system, the Fund helped by lending to members who were facing difficulty in making payments. The primary purpose of the Fund was to reduce the value of national currencies, to provide short-term financial assistance to address temporary imbalances in the balance of payments, and to establish an international economic institution such as the United Nations. The function of the fund in this system was to manage the payments system between countries to ensure that the imbalance in the current account of a country would not threaten the stability of the exchange rate system.[5]

3. IMF in the Burton Woods system

In the 1950s, world trade grew sharply, with no global recession. Also, during this period the role of the Fund was overshadowed by the creation of multilateral agreements between member states. Therefore, in these circumstances there was no room for the fund to operate. If the fund had acceptable performance in terms of exchange rate stability, it did not succeed in other areas. These problems were related to the slow pace of current account liberalization in developed countries, the pressure of countries to increase or decrease their national currency value, and the failure of developed countries to use IMF resources. "Safeguards" were among the first tools used by the IMF. And then it became a common practice in the box. The first precautionary agreement was reached between the Fund and the Belgian State in 1952. In this type of agreement, a credit line with a ceiling and a limited life span is subject to certain preconditions. The tool expanded the scope of its fundraising activities and enabled the entity to implement its doctrine of economic management to achieve stability through the application of preconditions, including the fundraising tools in this Code of Conduct and the Guidelines. We are known. Financial planning includes a set of accounting alliances and - a limited number - behavioral equations that specify the requirements for achieving balance of payments and low inflation.[6]

In the late 1950s, the Fund's activities became clear and specific that the Fund's resources were not sufficient to cope with all the events. Badin Roy, in 1962, formulated a "general borrowing agreement" that allowed countries to borrow up to a certain ceiling from the 11 developed countries.

In the first two decades of its operation, the fund was gradually becoming more prominent, but it was also affected by the fundamental problems of the Burton Woods system. During this period, countries such as England, faced with deficits in balance of payments and lack of foreign exchange reserves, could not adhere to the rates set in the fixed exchange rate system, so they would have to rely on their money pressures. . Countries like Germany and Japan have struggled to raise their national currency. In addition, the United States was constantly facing a deficit of balance of payments and a decline in gold reserves because the growth of the global economy required increased supply of dollars, but the United States could not supply the necessary dollars without backing.[7]

4- IMF and economic crises

The IMF's years of experience have shown that economic crises have provided an opportunity for the institution to become stronger in the global economy than ever before. The most important crises in the last two decades of the 20th century in which the Fund played an active role were: the debt crisis in Latin America (1980s), the economic crisis in transition economies (the 1990s and the political crisis in Southeast Asia (1990s).[8]

In the 1980s, worries about the high level of debt volatility in developing countries were due to declining commodity prices and rising interest rates in international markets. Increasing the likelihood of default by large countries such as Brazil, Mexico and Argentina has been compounded by concerns from lenders and the likelihood of instability in financial markets in developed countries. The fund's activity during the crisis has made the fund's role in developing countries as an information source, coordinator of public and private debt and providing policy advice more pronounced. Fundraising to stabilize and achieve liberalization of long-term balance sheets, the use of short-term instruments (devaluation of national currency and monetary and shrinkage policies), and commercialization policies, and high-yielding market policies. With the collapse of the Soviet Union and membership of the newly independent countries in the fund, demand for fund services increased. The implementation of managed exchange rates in these countries created problems that were not very different from those of the previous system. In some countries, the balance of payments pressures were not easily mitigated, and the volatility of exchange rates increased the costs of converting real money into the economy. These problems necessitate the implementation of the Fund's policy recommendations and the use of its resources. In the late 1980s, the Fund launched programs to support mid-term and long-term structural reforms whose direction was to move towards a market-oriented economy. The persistent balance of payments crises in developing countries and their dependence on IMF programs have led to increased criticism of the IMF. According to these criticisms, the Fund not only failed to achieve its goals, but also imposed significant social spending on developing countries by implementing these policies. Southeast Asian countries have been the focus of many investors due to the high interest rates they paid. [9]

This has allowed Thailand, Malaysia, Indonesia, Singapore and South Korea to experience high economic growth in the 1990s. However, China's entry into the field of foreign capital attraction led to the Southeast Asian crisis. Since China had cheap and abundant labor, it was able to rapidly increase its exports and replace the neighboring countries of eastern Asia. To compete with China, these countries have devalued their national currency. This can be devastating for an economy with a foreign debt because it carries the risk of non-payment of installments, and that was the fact that triggered the crisis. These countries relied heavily on foreign borrowing for their growth, and capital inflows declined dramatically. The so-called "Easy As" countries, which had $ 13 billion in capital inflows in 1996, experienced $ 12 billion in capital outflows in 1997. This change in trend over the course of a year was itself a rare experience in the global economy, and after that the shares of Asian companies declined significantly.[10]

Prior to the crisis, Southeast Asian countries like Thailand could easily borrow from international markets and lend foreign currency to their loans. With the onset of the crisis and trade deficits and the devaluation of their national currency, fears of lending led investors to rebalance their capital, helping to deepen the crisis and drive domestic and foreign capital outflows. On the other hand, there was a vicious cycle that helped to make the situation worse. While the devaluation of the national currency has encouraged investors to exit by failing to re-invest, these investors have been pushing the national currency further down by selling their assets and converting them into dollars. . The Fund borrowed money from these countries and called for policy advice, but most critics of the fund criticized the fund's recommendations, even some liberal economists. While the crisis at this time was a major problem for the South-East Asian capital account deficit, policy recommendations were more focused on structural reforms. Criticism of the fund's performance led to the creation of an independent review office at the International Monetary Fund to review the fund's performance, and it raised two major criticisms of the fund's performance in the Southeast Asian crisis. Firstly, the IMF lacked strong economic control over the two major economies of this crisis, Indonesia and South Korea, and secondly, the IMF's lending programs did not have the necessary efficiency to respond to the financial crises, so this fundraiser was once the most important factor in a crisis. The crisis is not a structural issue, it should not be used as an opportunity to force the other side to make long-term reforms.[11]

5. Current IMF activities

The IMF currently has three main functions: to monitor the economic and monetary conditions in member countries and the world economy, to provide financial assistance to member countries that face payment problems, and to provide technical assistance and advisory services to IMF member states. It devotes its resources to monitoring the performance of its members. This includes monitoring economic and financial changes, accessing information, providing policy advice and preventing crises. Therefore, for the IMF to be able to perform well in cases where the stability of the international financial and monetary system is threatened, the IMF needs to keep in touch with its members and to constantly monitor their economic situation. The IMF can also provide these countries with the resources it needs to support those countries that are experiencing a balance of payments crisis. The IMF's purpose of lending has helped countries in crisis to refine their policies, thereby boosting economic growth and boosting employment and investment. These allowances vary depending on the conditions of the countries. For example, a country that is experiencing a sharp drop in its key export commodity needs financial assistance until the price rises again to alleviate the problems caused by these sudden changes. On the other hand, a country experiencing a sudden outflow of capital needs to determine what is the problem in which investors have lost confidence? Perhaps the interest rate is too low, or the budget deficit is growing, and equity has been defined as tools such as "fast financing" and "low credit" programs for low-income countries. In addition, the IMF can provide technical assistance and consulting services to improve the quality and effectiveness of internal policy making for its members. Technical assistance includes areas such as banking supervision, monetary and foreign exchange policies, tax policy making, statistics and legal matters. Some, however, have questioned the effectiveness of IMF supervision to identify threats to the international financial system. For example, criticism of the IMF's view of the accumulation of large volumes of reserves in recent years reflects an imbalance in the current system. The IMF has also been mistaken in providing advice to countries on the exchange rate and its policies. Perhaps the most important of the banking system's problems is the problem. But the IMF has also created plans to prevent a crisis, including a "flexible credit line" and a "liquidity and caution line" to help members' immediate needs for balance sheet. Low-Income Needs have created the "Quick Credit Facility" program. In addition, the IMF can provide technical assistance and advisory services to its members to improve the quality and effectiveness of internal policy making. Technical assistance includes areas such as banking supervision, monetary and foreign exchange policies, tax policy making, statistics and legal matters.[12]

Some, however, have questioned the effectiveness of IMF supervision to identify threats to the international financial system. For example, criticism of the IMF's view of the accumulation of large volumes of reserves in recent years reflects an imbalance in the current system. The IMF has also been mistaken in providing advice to countries on the exchange rate and its policies. Perhaps most important of all is the criticism of the IMF's slow adjustment of the emphasis on macroeconomics to financial market dynamics.[13]

6. IMF management

In order for the IMF to have an effective role in the world financial and economic system, it must have the support of its members. In the IMF, a member's influence over the voting power of a member is limited, which is measured by the member's quota. The quota in the IMF performs multiple functions; for example, it determines the member's financial participation quota, voting rights and access to IMF resources. Each member of the IMF receives a quota, and these quotes are generally held every five years. From the beginning there was a belief that quotas should reflect the position of each member in the global economy. [14] Of course, this kind of rule in the IMF has been criticized. For example, in the last decade the global economy has undergone drastic changes that have led to a shift in the relative power of IMF members, with many developing countries playing a greater role in the global economy, and this trend is likely to the near future will continue. For this reason, developing countries and emerging markets have sought to increase their share of international institutions such as the IMF. Accordingly, in 2010, the IMF approved an increase in the share of countries, with the share of developing countries and emerging markets rising further than those in developed countries. However, discussions about changing the quota formula continue to be sought and the current quota formula is being modified to reflect the relative position of countries in the global economy. Reaching a consensus on this issue, although technically sound, is actually a political issue as it determines the voting rights and power of states to influence the IMF.[15]

7. IMF gains in international economic law

Although the IMF has a specific charter that is largely regulated in the aftermath of World War II, it has pursued different goals in the international economy at different times and with the changing global economic environment. Beyond this, the IMF, contrary to what its opponents say, has not adopted a specific, unadjusted approach. The IMF has shown that while in many cases, such as the South East Asian crisis of the decade (1990s) it was very committed to maintaining free-market frameworks of capital, but in other cases (such as the debt crisis in Europe) it showed that its views were subject to scrutiny. It has even adjusted its proposed policies by revealing their inefficiencies during the recent crisis, while the IMF predicts a deeper downturn at the outset of the recent crisis, but more specifically. Deep down on the problems, the IMF has revised its previous proposed policies. [16]

In other words, although opposition to the IMF is based on its previous mentality, the House of Representatives can turn to examples and claim that the IMF still pursues these policies on the basis of a free market policy, without any flexibility. If the IMF decisions are analyzed in a historical context, one can easily find flexibility in investment policy over the past decades. In fact, the IMF's current approach to market policies, rather than ideologically driven, is to pay attention to the principle without which creativity and economic growth would not occur. This approach is based on the principle that other variables such as other economic conditions of the country can make it more flexible. In other words, the IMF has the ability to gain experience through economic developments and events that can cross past hard boundaries and be equipped with more efficient tools for crossing the crisis. For example, the flexible credit line tool is one of these flexible lending tools that was defined in the recent crisis to help emerging economies. In this program, lending instead to past membership was based on future membership. That is, governments with strong economic foundations and well-executed IMF reform programs, with no administrative process in place to periodically review their policies to decide on future payments, have high access to resources. The IMF found. As a result, the credit line tool became a flexible tool that allowed members with less restricted access to more resources to reduce crisis deepening.[17]

8. CONCLUSION

The IMF was established in the specific economic environment after the Second World Bank, but this did not limit the functioning of the IMF by changing these conditions. On the contrary, throughout the IMF period, it has adapted its activities to the global economic environment and opened new, more expansive areas of influence. Of course, IMF activities have had many ups and downs. It has been in doubt for some time in stable periods, even with the existence of this institution, but with the advent of crisis in a corner of the world, it has been able to restore its position stronger than ever.

The challenges faced by the international monetary system are very different from the challenges that the IMF created. The first challenge that changed the nature of the IMF was the move from fixed exchange rates to floating exchange rates. As a result of these changes, the IMF's supervisory role was strengthened. With the emergence of the IMF financial crises as an international monetary institution set up for exchange rate stabilization and convertibility, it has replaced itself with an international financial institution that has more monetary and monopoly responsibilities - It also covers capital markets and banks and financial reform. The financial crisis of the years 2007 to 2009 clearly illustrates the need for a global financial institution. The IMF is now not just an international monetary institution, but an IMF at the center of the global financial system. In the first place, the IMF's role from crisis therapist to institution for crisis prevention has changed. The increasing role of the IMF in the financial markets has made it mandatory for banks and other financial institutions to study the performance of this institution more closely and improve their cooperation with it.

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FACTORS AFFECTING THE ADOPTION OF COMPUTERIZED ACCOUNTING SYSTEM (CAS) AMONG SMEs IN JAFFNA DISTRICT

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ABSTRACT

Small and Medium Enterprises (SMEs) have been recognized as an important strategic sector for promoting growth and social development in Sri Lanka. It is necessary to use computerized reporting system instead of manual recording system for recording business transaction to run business smoothly and achieve growth and profitability. However, many of these enterprises have not adopted to the Computerized Accounting System (CAS) despite the benefits of this system. This study was designed to identify the factors affecting to the adoption of CAS among Small and Medium Enterprises in Jaffna district. It will be caused to recognize constraints which affect to the adoption of CAS among SMEs and assist to growth and social development of SMEs in Sri Lanka. Primary data were used as the data source of this study. Data were collected using a questionnaire and analyzed those using descriptive statistics, correlation and regression analysis. Government of Sri Lanka should encourage SMEs for adoption of CASs. Finally, SMEs should understand benefits and value of CAS when they adopt it to their organizations. We can confirm that adoption of CAS will lead to growth of SMEs in Jaffna district.

KEYWORDS: *Cost, Business Size, Infrastructures, Government Support, Management Support, External Environment, Ease of Uses and adoption of Computerized Accounting System.*

INTRODUCTION

The research was examined for the purpose of identifying factors which affect adoption of Computerized Accounting System (CAS) among SMEs in Jaffna District. Here researcher attempts to find out what kind of factors which affect the adoption of computerized accounting system among SMEs in Jaffna District and what kind of relationship exists among these factors.

Research Problem

In the modern societies SME's keep their business transaction records manually. But there are some SMEs using CAS to records their business transactions. According to the Andrew (2015), even though, they records business transactions in the computer, none of the SMEs have computerized their accounting system. Instead of computerized accounting system SMEs are using MS word, Microsoft excel etc to record their business transactions. It indicates that most of SMEs had computers, but used the basic software for their operations. Therefore, Researcher has identified the research problem as "Identifying factors affecting adoption of computerized accounting system among SMEs in Jaffna District".

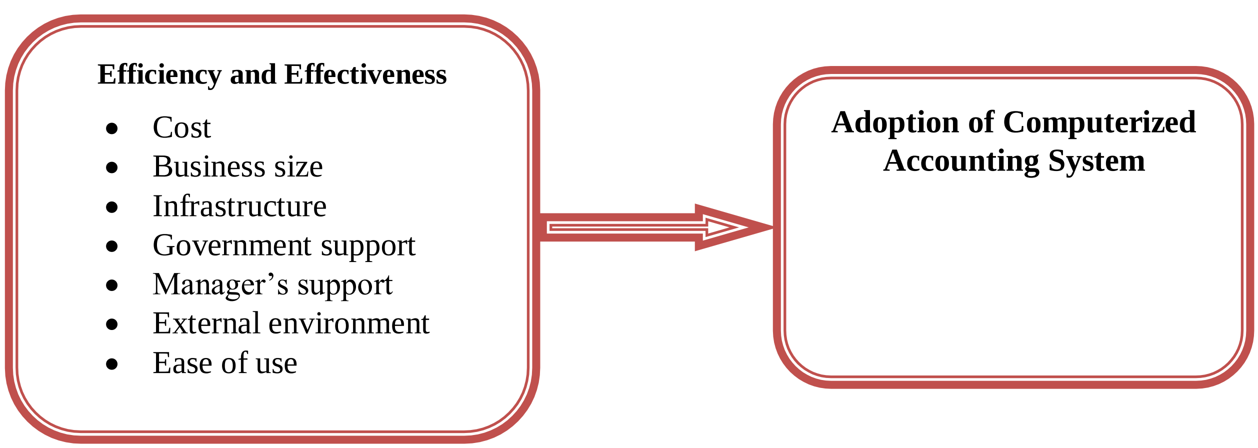
Research Objective

To identify the relationship between Factors of adoption of computerized accounting system among SMEs

LITERATURE REVIEW

Amidu, Effah, and Abor (2011) Described Accounting systems are responsible for analyzing and monitoring the financial condition of firms, preparation of documents necessary for tax purposes, providing information to support the many other organizational functions such as production, marketing, human resource management, and strategic planning. Sam, Md, and Tahir (2012) said that Outsourcing the accounting work to the public accounting firm is preferred by the small and medium businesses. Hajime, Matsumura, Mohamel, and Huang (2012) said that Businesses consider accounting information as sensitive business information and attempts to maintain them secure. Before exploring studies about computerized accounting, there is a need to know what exactly a computer means. Waburoko, (2001) define computer as a general purpose machine, which can receive, store, manipulate and output information. It is therefore agreeable that a computer is an electronic device that operates and runs under the control of instructions or commands stored in its own memory unit, accepts data through input, stores it, processes the data and produces output. Computerized accounting is defined by Alan and Frankwood (2005) as a total suit of components that together comprises all inputs, storage, transactions, processing, collecting and reporting of financial transaction data. Individuals and companies both big and small manage their money and assets one way or another. They hire accountants to help them to carry out the mathematical requirements of accounting and balancing their books. Before the introduction of information technology into accounting, these accounting protocols were performed manually. Today many accountants and non-accountants like to use computer software to perform these duties.

Conceptual Model



Research Hypotheses

- H_1: There is a significant relationship between Factors and adoption of computerized accounting system among SMEs
- H_2: There is a significant impact of Factors on adoption of computerized accounting system among SMEs

RESEARCH METHODOLOGY

- **Population**: population of this research is all the SMEs which are located is in Jaffna district.
- **Sample**: The 50 SMEs were selected as sample from population.
- **Sampling Techniques:** Convenience sampling method had been used for the sample selection.
- **Data Collection:** Questionnaire method is used to collect information for this research.
- **Analysis Methods:** Data analysis strategy in this study consists of both descriptive statistical analysis and inferential statistical analysis. The Statistical Packages for Social Science (SPSS) version 21 was used for data analysis.

Reliability Statistics

Reliability Statistics

	Cronbach's Alpha
Cost,	.789
Business Size	.712
Infrastructures	.855
Government Support	.805
Management Support	.755
External Environment	.788
Ease Of Use	.792
Adoption Of Computerized Accounting System	.785

As the cronbach's alpha in this study were all much higher than 0.6, the constructs were therefore deemed to have adequate reliability

Correlations Analysis

Correlations		
		Adoption of Computerized accounting System
Cost Business Size Infrastructures Government Support Management Support External Environment Ease of Use	Pearson Correlation	.853**
	Sig. (2-tailed)	.000
	N	50
**. Correlation is significant at the 0.01 level (2-tailed).		

This research is undertaken to find out the relationship between Factors on adoption of computerized accounting system. Correlation analysis was carried out to find out the nature of relationship between the variable based on the value of correlation. The table indicates that Factors on adoption of computerized accounting system are significantly correlated at 0.01 significance levels. The correlation value between Factors on adoption of computerized accounting system is 0.853 which is significant at 0.01 levels. H_1 is accepted at 0.01 significant levels.

Multiple regression analysis

Multiple regression analysis was used to test if the factors significantly predicted adoption of computerized accounting system. The results of the regression indicated the two predictors explained 35.6% of the variance (R^2=.37.4, F(49.082)=0.19, p<.01). It was Found that Factors significantly predicted Fare (B = .019, p<.000), as did cost (B= .091, p<.000), Business Size, (B= .096, p<.000), Infrastructures (B = .549, p<.001), Government Support r (B = .093, p<.002), Management Support r (B = .122, p<.000), External Environment r (B = .123, p<.001), Ease Of User (B = .254, p<.002),

CONCLUSION

The Factors on adoption of computerized accounting system are significantly correlated at 0.01 significance levels. The correlation value between Factors on adoption of computerized accounting system is 0.853 which is significant at 0.01 levels. H_1 is accepted at 0.01 significant levels. Regression analysis was carried out to the impact of we can observe that Factors on adoption of computerized accounting system by 35.6% remaining 64.4% are determined by other factors. H_2 is accepted

Recommendations

- The SMEs have been contributing the economic development of country and generating new employments opportunities for the society.
- The growth of SMEs and use of CASs by them will support to improve the economy of the country.
- Therefore, government should support SMEs by reducing cost of ICT tools by implementing flexible rules. The study reveals that external environment has positive effect to the adoption of Computerized accounting system

Suggestion for Future Researcher

- This study is limited to SMEs which were located in Jaffna district.
- The study can expand to the other district in Sri Lanka and this study can implement by combining two more district at once. This study is selected only one 50 SMEs owners in Jaffna district. Researchers can examine the same study by using a large sample.
- Further, the study can implement for other industries to identify affecting factors for adoption of computerized accounting including large scale organizations.

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E-SERVICE QUALITY AND CUSTOMER LOYALTY: SPECIAL REFERENCE TO BANKING SECTORS IN JAFFNA DISTRICT

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ABSTRACT

Internet is one of the modern innovations that literally transformed the world and has become a part and parcel of our everyday life. Currently, Internet is acting as a revolutionary agent that is changing the business world in a dynamic way. With the blessings of Internet and information technology, now communication and relationship development between people from any corner of the world have become incredibly easy Definition of customer led quality as features of products which meet customers' needs and thereby provide customer satisfaction". As E - service quality relates to meeting customers' needs, we will be looking at "perceived service quality" in order to understand Customers (Gronroos, 2013). Service quality is a business administrative term and describes the degree of achievement of an ordered service. In this connection, objective and subjective service quality can be distinguished. Our research objective is: To find out the relationship between dimensions of e-service quality on Customer loyalty. The correlation value among Security, Responsiveness, Reliability, Ease of use, and Loyalty are .535, .656, .742, and .877 which is significant at 0.01 levels.

KEYWORDS: *E - Service Quality, Customer Loyalty, Banking Sector*

INTRODUCTION

The customers not only judge the accuracy and dependability of the delivered service but they also judge the other dimensions as the service is being delivered. The relationships between service quality, customer satisfaction, trust and loyalty are well documented in the services literature (Parasuraman, 2001). Moreover, the way in which electronic service quality (e-SQ) positively influences online businesses success has been established in the literature (Yang & Fang, 2014;, & Malhotra, 2013). This relationship often leads to customer purchase intentions (Aladwani, 2014), customer satisfaction (Kim & Stoel, 2014), website brand equity (Tsao & Tseng, 2014) and online loyalty (Flavián, Guinalíu, & Gurrea, 2016; Gounaris, Dimitriadis, & Stathakopoulos, 2014). In addition, the literature focuses on the relationships that exist between service quality and perceived value, and the impact of these on customer satisfaction, corporate image, and behavioral intentions (Al Dmour, Alshurideh, & Shishan, 2014; Wu, 2014; Hu, Kandampully, & Juwaheer, 2009; Cronin, Brady, & Hult, 2010). However, despite the insights provided by these studies, no specific studies on the dimensions of e-SQ and the consequences of these for the online shopping sector yet exist (Kassim & Abdullah, 2010; Jin, Yong, & Kim, 2008; Anderson & Srinivasan, 2003). As a result, the set of relations between the four important elements for the success of e-services (e-SQ, e-satisfaction, e-trust, and e-loyalty) is also not yet clear. This work contributes to the e-services literature by clarifying the relationship between these constructs. In this study, satisfaction is considered as a result of e-SQ, and it affects e-trust and e-loyalty, affecting behavioral loyalty first and attitudinal loyalty second. To the knowledge of the authors, this specific effort has not yet been undertaken, particularly in the context of e-services in the online shopping sector.

Research Problem

The effect of e-service quality on Customer satisfaction, trust, and loyalty has been discussed widely in many articles. In these articles, customer satisfaction, trust, and loyalty have been considered as linked. It means that, trust and loyalty have been presented as a precursor to loyalty and the authors discussed about the effect of e-service quality on these two factors as a measurement approach towards measuring the effect of e-service quality on customer loyalty. Hence geographic context is an important factor. Besides geographic location, cultural background of the user could be another influencing factor to create differentiation in the reception of e-service quality. However, we are not regarding impact of cultural background as doing otherwise would involve a lot of complexity and this factor is not within our scope. Kassim and Abdullah (2009) did not find any mentionable impact of culture on the perceived e-service quality dimensions. Hence we decided to explore the effects of the major dimensions of e-service quality on Customer loyalty.

Objective of the study

Our research objective is: To find out the relationship between dimensions of e-service quality on Customer loyalty

LITERATURE REVIEW

Definition of customer led quality as features of products which meet customers' needs and thereby provide customer satisfaction". As service quality relates to meeting customers' needs, we will be looking at "perceived service quality" in order to understand Customers (Gronroos, 2013). Service quality is a business administrative term and describes the degree of achievement of an ordered service. In this connection, objective and subjective service quality can be distinguished. Objective service quality is the concrete measurable co-ordination of a working result with the previous defined benefit; since the measurability is remarkable dependent on the definition's accuracy, a measurable quality criterion easily can return out as a subjective one. Subjective service quality is the customers perceived conformity of the working result with expected benefit; this perception is overlaid with the customer's original imagination of the service and the service provider's talent to present his performance as a good one Lewis & Booms,(2013).

Customer loyalty is the key concept of this study. There are a number of definitions of loyalty forwarded by different authors. However, these definitions are mostly complementary, not contradictory. Oliver (2012, p. 34) defined “Customer loyalty as a commitment to re-buy or re-patronize a preferred product/ service again and again in the future”. Neal (2014) thinks Customer loyalty is a behavior and defines Customer loyalty as 'the proportion of times a purchaser chooses the same product or service in a specific category compared to the total number of purchases made by the purchaser in that category, under the condition that other acceptable products or services are conveniently available in that category (Neal, 2014, p. 21). Anderson and Srinivasan (2013, p. 125) investigate the impact of Customer loyalty in the context of e-commerce, and Customer loyalty is defined as the customers favorable attitude toward an e-business resulting in repeat buying behavior. The favorable attitude does not necessarily mean satisfaction; it can be other attitudinal outcome as well such as intention to share with others, pleasure, trust and so on. We decided to adopt the definition of loyalty constructed by Chang, Wang and Yang (2012) which encompassed all the definitions which viewed Customer loyalty as a commitment of repeatedly buying a preferred product/service and positive WOM consistently after making the first purchase. Thus, Customer loyalty can be identified with three characteristics exhibited by a Customer: a. Repeat purchase behavior b. Positive attitude towards the service provider; and c. Positive Word of mouth

Research Hypothesis

H_1: There is a significant relationship between E-service quality and Customer Loyalty

RESEARCH METHODOLOGY

- **Population** : E banking users in Jaffna district
- **Sample** : 100 respondents
- **Sampling Techniques** : Convenience sampling Techniques
- **Data Collection:** Primary data which is the most important part of the study was collected via a questionnaire.
- **Analysis Method:** Correlation Analysis

Data Analysis - Correlation analysis

This research is undertaken to find out the relationship among Security, Responsiveness, Reliability, Ease of use, Loyalty. Correlation analysis was carried out to find out the nature of relationship among the variable based on the value of correlation. indicates that Security, Responsiveness, Reliability, Ease of use, and Loyalty are significantly correlated at 0.01 significance level. The correlation value among Security, Responsiveness, Reliability, Ease of use, and Loyalty are .535, .656, .742, and .877 which is significant at 0.01 levels.

Recommendations

Managers can use this research to renovate their online service proving strategy so that they can make more loyal Customers by upgrading the important considerations of e-service quality. Managers must pay special attention to the way the website is organized as Customers put a high value on this factor. Managers need to minimize any threat of monetary frauds or mistakes. Nothing will harm the goodwill of an e-commerce bank then the scam with Customer's cash.

Managers need to continuously asses the dimensions of e-service quality to ensure that they are updated with the technological improvement and their e-retailing store is not losing the edge.

LIMITATIONS

Though we tried our best to make the research as sound as possible, yet there were some limitations. Firstly, we think that this research could be done in two separate studies. First one is to find out the most relevant dimensions of e-service quality and another one is for measuring the relationship between those dimensions and Customer loyalty. We could not do that due to time constraint. Other limitations include lack of English skills. Better communication skills would allow us to make the research better readable and we could communicate with our respondents more easily.

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