



THE LOCAL GOVERNMENT SYSTEM IN

SRI LANKA



2 POLITICAL AND ORGANISATIONAL STRUCTURE OF SRI LANKA

Relations between the Sinhala majority and the Tamil minority have dominated the history of independent Sri Lanka.

In 2002 central government committed itself to a lasting peace through a dialogue with the Liberation Tigers of Tamil Eelam (LTTE), facilitated by the government of Norway, with support from the USA, India and Japan. Although the LTTE withdrew from the peace talks in April 2003, they announced that they were committed to a negotiated end to the conflict.

In this context the Sri Lankan government has embarked on a programme of economic development and recovery that seeks to increase economic growth and reduce conflict-related poverty. Although the programme has a strong bias towards developing infrastructure, other elements cover ICT, education and health, agriculture and fisheries, tourism and public-sector reform.⁶

Public corporations or other statutory authorities have taken over some services and functions previously delivered at the local level. These include the National Water Supply and Drainage Board and the Ceylon Electricity Board. The National Housing Development Authority (NHDA) and the Urban Development Authority (UDA) have developed housing schemes for the urban poor.⁷ The government established a Commission of Enquiry on Local Government Reforms which reported in 1999, recommending a new development vision for local government.⁸

There is universal adult suffrage at age 18. Voting is not compulsory.

The most recent parliamentary election was held in April 2004.⁹ The United People's Freedom Alliance (UPFA)¹⁰ gained 105 seats with 46% of the vote, the United National Party (UNP) took 82 seats and the Tamil National Alliance 22. The remaining 16 seats were won by smaller parties.¹¹ The next election must be held no later than April 2009. The last presidential election was held in November 2005, returning Mahinda Rajapakse (UPFA) to office with just over 50% of the vote. The next must be held no later than November 2011.

2.1 Position of local government in the state
Under the 13th Amendment to the

1 INTRODUCTION

The Democratic Socialist Republic of Sri Lanka,¹ a unitary state, is situated in the Indian Ocean close to the south-eastern tip of the Indian sub-continent. It has a land area of 65,610 sq km² and a population of 20,926,315.³ The official languages are Sinhala and Tamil.

The unicameral parliament has 225 members elected under a modified system of proportional representation to serve a six-year term. Of these 196 are elected from multi-member⁴ constituencies, with 29 seats apportioned on the basis of the national vote and filled by nominees of the political parties or groups. To qualify for a seat a party must secure 5% of the vote.⁵ There are nine provinces in the country, 25 administrative districts and over 300 divisional secretariats.

The president, who is head of state and head of government, is directly elected to serve a six-year term, and must secure over 50% of the vote. The president may serve a further six-year term. Executive power is accorded to the president, who may summon, suspend or end a legislative session, and dissolve the parliament.

The president appoints the prime minister, the leader of the majority party in the parliament. The president appoints a cabinet from the members of the parliament, on the advice of the prime minister.

There are three types of local authority. These include 18 municipal councils, 42 urban councils in the urban areas, and 270 *pradeshiya sabhas* in the rural areas. The capital, Colombo, has its own municipal council.

The contribution of local government to GNP was 0.2% in 2005.

constitution in 1987, the Ministry of Local Government and Provincial Councils has responsibility for the national policy for local government, and the form, structure and constitution of local authorities. The minister has power to create, reconstitute or upgrade a local authority, based on the recommendations of a committee established for these purposes. Furthermore, under the three principal Acts for local government, the minister at national level may curtail or extend the term of office of the three types of local council by one year.¹²

The provinces, run by provincial councils, are responsible for all other matters relating to the supervision and administration of local authorities. The Provincial Councils (Consequential Provisions) Act 1989 vests this responsibility in the provincial Minister for Local Government, with authority being delegated to the provincial commissioner of local government. The power to dissolve a council is also exercised at the provincial level.

There have been instances where councillors have been suspended due to charges of mismanagement and malpractice.

2.2 Provincial government

The provinces are both political and administrative. Under the Indo-Sri Lankan Accord of July 1987 and the resulting 13th Amendment to the constitution, significant authority has been devolved by central government to provincial councils. This power-sharing initiative was undertaken primarily as an alternative to demands for a separate state by the Tamil political parties and militant separatist groups. It was also seen as a measure to enhance democratic participation by communities and groups in the process of government.¹³

Although Sri Lanka has nine provinces (Table 2) there are only seven functioning provincial councils. The Northern and Eastern provinces were merged on a temporary basis because of the ongoing war in these predominantly Tamil areas. The council in this province ceased to function in 1989 and its administration was taken over by central government.

The 13th Amendment provided for the establishment of the provincial councils, the appointment and powers of the governor and a board of ministers, the membership, tenure and legislative competence of the councils, and alternative arrangements in the event of a failure in the administrative machinery. It also established a finance commission¹⁴ at the national level and a high court in each province.

Devolution of power is made under three lists in the 9th Schedule of the constitution. List I identifies the powers of provincial

councils, while List II, the reserved list, specifies the powers reserved to central government. List III, the concurrent list, outlines the powers that may be exercised by the centre or the provincial councils, following consultation with the other. Some of the major functions devolved to provincial councils include internal law and order, implementation of provincial economic plans, education, provincial housing, agriculture and agrarian services, rural development, land use and land development, cooperative development, and local government.

Members of the seven provincial councils are elected under a system of proportional representation to serve a five-year term. Each district within a province is a constituency. The president determines the number of members constituting a provincial council. The commissioner of elections determines the number of members within a constituency. Elections were last held in North Western province in January 1999, in five provinces in April 1999, and in Southern province in June 1999, having been postponed from 1998 on grounds of national security.¹⁵

Each province has a governor appointed by the president for a five-year term, responsible for executing the policies of the council through a board of ministers headed by a chief minister and no more than four other ministers. The governor also appoints a chief minister, and the other ministers on the advice of the chief minister. In addition each provincial council has a chairman and a vice-chairman elected from among its members by majority vote. The chief secretary, appointed by the president, is the most senior public official.

3 LEGAL BASIS FOR LOCAL GOVERNMENT

3.1 Constitutional provisions

Local government is enshrined in the 13th Amendment to the Constitution of 1987, which states that 'Local authorities will have the powers vested in them under existing law, the Municipal Councils Ordinance and the Urban Councils Ordinance. Pradeshiya sabhas will have the powers vested in them under existing law. It will be open to the provincial council to confer additional powers on local authorities but not to take away their powers.'

3.2 Main legislative texts

The Provincial Councils Act No. 42 1988 provides for the membership of provincial councils, the conduct of business, financial procedures, and the establishment of a provincial public service. The main Acts relating to local authorities are:

- Municipal Councils Ordinance 1947

- Urban Councils Ordinance 1939
- Pradeshiya Sabhas Act No. 15, 1988.

Following the constitutional amendment it was expected that the provincial councils would pass legislation to transfer the official activities of the local authorities to their jurisdictions. However, other than certain legislation on local authority management, the activities of the local authorities are still governed by the original Acts.¹⁶

The Ministry of Provincial Councils and Local Government is responsible for policy and legislation at the national level, while the provincial ministers responsible for local government are responsible for the implementation at local level.

4 LOCAL GOVERNMENT ORGANISATIONAL STRUCTURE

4.1 Main divisions

There is a single tier of local government divided into urban and rural authorities, although there is no formal definition of urban and rural.

The urban authorities comprise 18 municipal councils, covering the cities and larger towns, and 42 urban councils covering smaller towns and less urbanised areas.

Rural councils, of which there are 270, are called pradeshiya sabhas. These areas, in most cases, are coterminous with the 330 divisional secretariats.¹⁷

The responsibilities of all three types of local authority are broadly similar, though the pradeshiya sabhas have some additional developmental responsibilities.¹⁸

4.2 Distribution of local governments and population¹⁹

The largest municipal council is Colombo with a population of 663,354 and the smallest Newara Eliya with 49,162. Maharagama is the largest of the urban councils with a population of 224,849, the smallest being Kadugannawa with 1,316. The largest pradeshiya sabha is Panadura with 265,000, and the smallest is Laggala at 14,202.

In 2001 approximately 30% of the population lived in urban areas.²⁰

5 DEMOCRATIC AND POLITICAL STRUCTURES IN LOCAL GOVERNMENT

All councils are elected for a four-year term of office on the basis of a list system of proportional representation.²¹ Political parties, coalitions or independent groups submit nomination lists of candidates for the number of members as specified for the council plus three further names. Voters must vote for the party or group of their choice, and indicate three preferences from the names on the list. The Commissioner of Elections determines the

seats to be allocated to each party or group.

Since the local elections of 1997 each voter has been able to give all three preference votes to the same candidate under the provisions of the Local Authorities (Amendment) Act 1990. The Act also required that nomination lists must include a 40% quota of candidates between the ages of 18 and 35 in order to ensure that youth were formally represented. This provision has been followed since the 1997 elections.

An earlier ward system was discontinued with the introduction of the proportional representation system. However, the report of

the Commission of Enquiry on Local Government Reforms²² recommended that wards should form the basis for local government elections, and that there should be ward committees. This is still under consideration.

Mayors, deputy mayors, chairpersons and vice-chairpersons are nominated by members of the parties or groups securing the greatest number of seats in the election. The Commissioner of Elections confirms their appointments.

The democratic system is uniform across the three types of local council.

The decision-making process in all councils is through committee recommendations, with decisions made by the council.

Less than 2% of all councillors are women.

5.1 Municipal councils

Municipal councils are required to appoint certain standing committees including one for finance. There is discretion to appoint special committees.

Councils are led by a full-time mayor, nominated by the majority party or group, who holds office for four years. As with all councils, central government determines the level of remuneration.

There are no executive committees or cabinets.

5.2 Urban councils

Urban councils do not have a legal requirement to establish committees: however, councils have full discretion.

Councils are led by a full-time chairperson, nominated by the majority party or group, who holds office for a four-year term. The level of remuneration is determined by central government.

There are no executive committees or cabinets.

5.3 Pradeshiya sabhas

Pradeshiya sabhas are required to appoint the following committees:

- Finance and policy-making
- Housing and community development
- Technical services
- Environment and amenities.

They have full discretion to establish other committees.

A full-time chairperson, nominated by the majority party or group, holds office for a term of four years. The level of remuneration is determined by central government.

There are no executive committees or cabinets.

5.4 Local government staffing

The Provincial Councils Act 1987 established a Provincial Public Service (PPS) into which local government officers were absorbed from the national Local Government Service. The governor of the province has powers of appointment, transfer, dismissal and disciplinary control over officers of the PPS. These powers may be delegated to the Provincial Public Service Commission, which may in turn delegate other senior officials.²³

Central government staff belonging to all-island services are occasionally deployed to local government, but on a temporary basis.

Municipal councils must have a commissioner, the head of paid service, by law. The

Table 1. Distribution of local authorities and population

Local authorities	Largest by population		Smallest by population	
Municipal councils	Colombo	663,354	Newara Eliya	49,162
Urban councils	Maharagama	224,849	Kadugannawa	1,316
Pradeshiya sabhas	Panadura	265,000	Laggala	14,202

Table 2. Provinces, districts, population and the distribution of local authorities

Province	District	Population	Number of local authorities			
			MC	UC	PS	Total
Western	Colombo	2,342,000	4	5	4	13
	Gampaha	2,099,000	2	5	12	19
	Kalutara	1,085,000	-	4	12	14
Central	Kandy	1,325,000	1	4	17	22
	Matale	459,000	1	-	11	12
	Nuwara Eliya	722,000	1	2	5	8
Southern	Galle	1,020,000	1	2	17	20
	Matara	788,000	1	1	15	17
	Hambantota	538,000	-	2	10	12
North Western	Kurunegala	1,486,000	1	1	18	20
	Puttalam	728,000	-	2	10	12
North Central	Anuradhapura	773,000	1	-	18	19
	Polonnaruwa	372,000	-	-	7	7
Uva	Badulla	813,000	1	2	14	17
	Monaragala	410,000	-	-	10	10
Sabaragamuwa	Rathnapura	1,049,000	1	1	14	16
	Kegalle	791,000	-	1	11	12
North East	Jaffna	596,000	1	3	13	17
	Kilinochchi	143,000	-	-	3	3
	Mannar	97,000	-	1	4	5
	Vauvnia	142,000	-	1	4	5
	Mullathvu	144,000	-	-	4	4
	Batticaloa	544,000	1	1	10	12
	Ampara	613,000	1	1	16	18
	Trincomalee	383,000	-	2	11	13
	Total		19,462,000	18	42	270

MC = Municipal councils; UC = Urban councils; PS = Pradeshiya sabhas

Table 3. Women's representation in local government after the 2002 elections

	Municipal councils	Urban councils	Pradeshiya sabhas
Councillors	10	9	45
Mayors/chairpersons	12	1	2

commissioner is the chief administrative officer, to whom heads of divisions or departments are accountable. The heads of these departments are typically a secretary, an administrative officer, an accountant, an engineer, and a medical officer of health. Colombo Municipal Council has several departmental heads reporting to the commissioner: a secretary, chief engineer, internal auditor, a veterinary surgeon, and a chief medical officer.²⁴

In the urban councils and pradeshiya sabhas the head of paid service is the secretary.

The secretary is the chief administrative officer, supported by an administrative officer, a technical officer, and a public health inspector.

5.5 Independent scrutiny

Local authorities are accountable to the Auditor General for funds transferred to them by central government through the provincial councils. This requirement is specified in Section 218 of the Municipal Council Ordinance 1947, Section 181 of the Urban Council Ordinance 1939, and Section 172 of the Pradeshiya Sabhas Act 1987.

6 DISTRIBUTION OF SERVICE DELIVERY COMPETENCE

The municipal councils, urban councils and the pradeshiya sabhas are charged with 'the regulation, control and all matters relating to the public health, public utility services and public thoroughfares, and generally with the protection and promotion of the comfort, convenience and welfare of the people'.

7 FINANCE²⁵

7.1 Revenue

The aggregate expenditure of local government in 2002 was Rupees (LKR) 4.14bn (US\$43m). No aggregate information exists on the revenue breakdown for local government.

Below is an example of a municipal council, Badulla, from 2000. Its total revenue was LKR70.8m (US\$905,705), comprising:

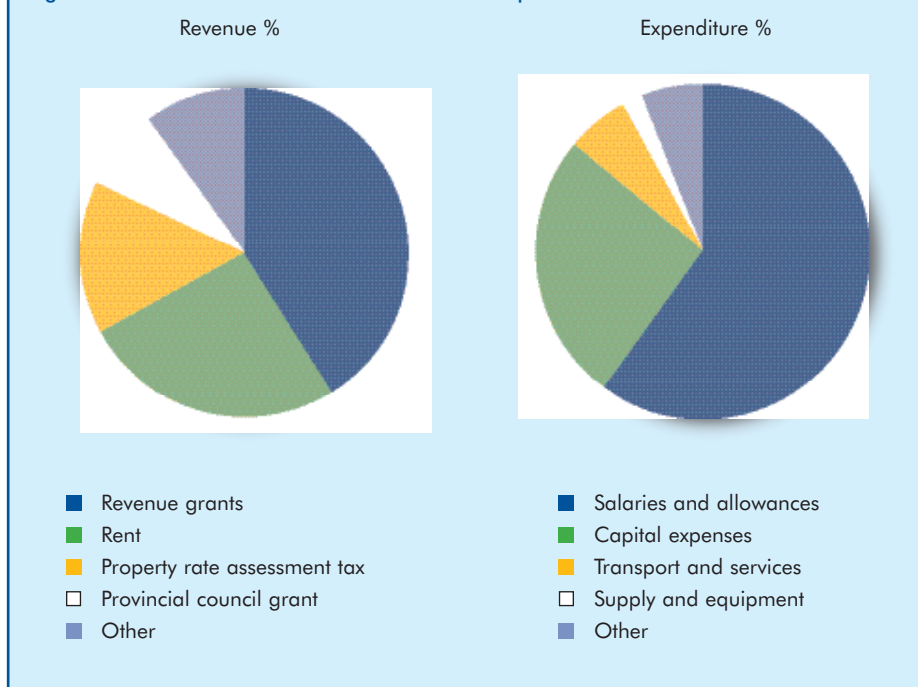
1. Revenue grant	41%
2. Rent	26%
3. Property rate assessment tax	15%
4. Provincial council grant	8%
5. Other	10%

Local authorities are responsible for collecting taxes and user fees.

7.2 Revenue-sharing

Central government provides financial transfers to cover salary bills in whole or in part. In the pradeshiya sabhas the whole salary bill is covered, whereas in the smaller urban authorities it is closer to 70%. In Colombo

Figure 1. The financial structure of Badulla Municipal Council



Municipal Council it is about 50%.²⁶ There is no formal policy of revenue-sharing. Decisions are made from time to time by the Finance Commission.

Locally-raised taxes must be levied within the limits prescribed by central government.

7.3 Expenditure

The aggregate expenditure of all types of local government in 2002 was LKR4.14bn (US\$43m). No breakdown by expenditure lines is available for this aggregate.

An example from Badulla Municipal Council shows the following split:

1. Salaries and allowances	60%
2. Capital expenses	26%
3. Transport and services	6%
4. Supply and equipment	2%
5. Other	6%

Local authorities are not permitted to set deficit budgets.

8 ORGANISATIONS OF LOCAL GOVERNMENT

There are three local government associations: the Sri Lankan Urban Councils Association, the Sri Lanka Pradeshiya Sabhas Association and the National Chapter of Mayors of Sri Lanka. These three associations form the Federation of the Associations of Sri Lankan Local Authorities.

Membership is voluntary and all are funded by member subscriptions and other income-generating activities.

Both the urban council and pradeshiya sabha associations are affiliated to IULA-ASPAC.

9 INTERGOVERNMENTAL RELATIONS

Chief ministers of the provincial councils meet in a regular conference in which the Minister for Local Government and Provincial Councils, at the national level participates as the government representative.²⁷ Meetings are also held between representatives of the sector/line ministries, the provincial chief secretaries, and the secretaries of the Provincial Public Service Commission.

The Sri Lanka Institute of Local Governance²⁸ also has a facilitating role providing professional support to both provincial councils and local authorities. It also provides research support to the national ministry for the formulation of policies on local government.

10 E-GOVERNMENT

Sri Lanka has a well-developed website²⁹ providing an overview of the government's structure and evolution. There are links to all government ministries, and other governmental and non-governmental organisations. Site content is being progressively expanded with, for example, new material on the provincial councils.

There is a comprehensive e-government strategy to enable government to effectively utilise ICT opportunities, and allow citizens to benefit from the global information economy.³⁰ Coordinated by the Prime Minister's Secretariat, the policy applies across all areas of government administration under 19 strategic areas.

There is no local e-government strategy, but councils have been instructed to begin with email services, and internet connection where feasible. Generally councillors are provided with telephone facilities, but only in a few councils are they able to access email services.

In 2006 there were 280,000 internet users in Sri Lanka, 14% of the population.³¹

11 ENVISAGED REFORMS

The Commission of Enquiry on Local Government Reforms, established in 1999, suggested that there should be a new development vision for local government.³² It recommended that the vision should address the following matters:

- A greater degree of autonomy
- Enhanced popular participation in the affairs of local government
- Public accountability
- Self-reliance and equity
- Greater responsiveness to the needs of local constituents
- A developmental role for local government
- Efficiency, effectiveness and productivity
- Development of a new local development culture
- A ratepayer's charter.

A committee established by central government to report on potential amendments to local government legislation is studying some of these proposals. Currently parliament is proposing a move away from proportional representation towards a mixed member system more heavily weighted with 'first-past-the-post'.

The commission considered the issue of women's participation in local governance.³³ It recommended that forums should be established to promote a dialogue between women and elected members. Committees should be required to include representatives of women and their interests, and elected members should work with women's organisations. The commission did not recommend any measures to ensure the compulsory representation of women, rather that they should be able to contest elections freely and by choice.³⁴ Government has established a Cabinet sub-committee to study further how women's participation may be boosted.

12 MISCELLANEOUS

The Sri Lanka Institute of Local Governance, established under Act No. 31 of 1999, coordinates training, management development and research on local government and provincial council matters. Its remit is to:

- Provide training for members and officers of provincial councils and local authorities
- Make available to provincial councils and local authorities the services of specialists to improve their organisational systems
- Provide a forum for the critical appraisal of provincial and local government management practices

- Assist other management and development training units
- Provide data to the minister for formulating policies on local government
- Network with local and foreign institutes in disseminating information.

The Local loan and Development Fund is a statutory body providing over LKR100m capital per year to local government below market rates. Its focus is to support local infrastructure development.

13 SUMMARY

Sri Lanka has adopted decentralisation policies which have resulted in formal devolution of powers to provincial councils and from these councils to divisional secretariats. Local authorities operate across the country in both urban and rural areas. Their powers and responsibilities, primarily in the areas of public and environmental health, have remained unchanged since constitutional recognition was given to local government in 1987. As most local authorities lack a strong revenue resource base there is a dependency on central government transfers through the provincial councils, which have responsibility under the constitution for their supervision.

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- 33 The state of women in urban local government in Sri Lanka, 2000
- 34 The Commission made a similar set of recommendations for youth.

Service	Delivering authority					Remarks
	Central	Provinces	Village and community			
			Municipalities	Urban	P. sabhas	
GENERAL ADMINISTRATION						
Police	●	●				
Fire protection			●	●	●	
Civil protection	●					
Criminal justice	●					
Civil justice	●					
Civil status register	●	●				
Statistical office	●					
Electorate register	●					
EDUCATION						
Pre-school		●	●	●	●	
Primary	●	●				
Secondary	●	●				
Vocational and technical	●					
Higher education	●					
Adult education	●					
SOCIAL WELFARE						
Kindergarten and nursery		●	●	●	●	
Family welfare services	●	●			●	
Welfare homes	●	●	●	●	●	
Social security						
PUBLIC HEALTH						
Primary care		●	●	●	●	
Hospitals		●				
Health protection		●			●	
HOUSING AND TOWN PLANNING						
Housing	●	●	●	●	●	
Town planning	●		●	●	●	
Regional planning	●	●				
TRANSPORT						
Roads	●	●	●	●	●	
Transport	●					
Urban roads	●	●	●	●	●	
Urban rail	●					
Ports	●					
Airports	●					
ENVIRONMENT AND PUBLIC SANITATION						
Water and sanitation	●	●	●	●	●	
Refuse collection and disposal			●	●	●	
Cemeteries and crematoria		●	●	●	●	
Slaughterhouses			●	●	●	
Environmental protection	●	●				
Consumer protection	●					
CULTURE, LEISURE AND SPORTS						
Theatre and concerts		●				
Museums and libraries	●	●	●	●	●	
Parks and open spaces			●	●	●	
Sports and leisure	●	●				
Religious facilities	●				●	
UTILITIES						
Gas services						
District heating						
Water supply	●		●	●	●	
Electricity	●					
ECONOMIC						
Agriculture, forests and fisheries	●					
Economic promotion	●					
Trade and industry	●	●				
Tourism	●	●				

● = discretionary service by the local authority