Decentralization and Local Government Structure in Sri Lanka: Opportunities and Challenges

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Introduction to Sri Lanka

- Population 21.6M, 2013 July estimate
- 65,610 square meters, length 268 miles, width 139 miles
- Ranked 92 in the 2013 HDR, high development category
- Ranked 75 in Gender Inequality Index
- 9 provinces, 25 districts, 330 divisions, 14,000 ‘villages’
13th amendment to the constitution of Sri Lanka, 1987, provides for power sharing on the basis of devolved subjects through three lists devolved, central government, and concurrent list.


- Local government bodies including municipal councils -17, urban councils, 38 and pradeshiya sabha – 257.


- Supervision, and administration of local government devolved to Provincial Councils but cannot reduce powers of local councils.
Service Delivery

- Divisional Secretariat is the central hub at divisional level by linking service delivery chain of central and provincial governments.
- Divisional secretariats have more resources and skilled human resources in comparison to local governments.
- While local governments can collect taxes on rural roads, markets and cemeteries, limited role in service delivery.
- Social Support payments made through divisional secretariats.
Fiscal Base

- Provincial fund for provincial taxes, fees, charges including turnover taxes, excise duties, motor vehicles, stamp duty, other revenue
- Grants and loans made by the central government: recurrent grant, block grant, capital grant, criteria based grant, medium term investment programme grant, matching grant
- Project based grants from international development partners
- Sector ministry funding for development sectors
Challenges and Opportunities

- Although in high development category, increasing inequalities, marked by disparities between provinces including malnutrition, stunted growth in rural areas
- Fragile peace, that can be adversely impacted by pockets of dissatisfied citizens throughout the country
- Women’s political participation extremely low at the local level at 1.9%, section 226 (4) of constitution provides for representation of women and youth;
- Significance of a meaningful system of devolution and local governance has to be recognized by the decision makers; example of recent northern provincial council elections
- Need for Meaningful Devolution of Powers under the 13th Amendment, and strengthening of Pradeshiya Sabhas
- Mechanism required for Grass Roots organizations to engage with elected Pradeshiya Sabha for meaningful participation
Despite devolution of power to elected Provincial Councils and the establishment of elected local councils as far back as the 1930s and 1940s, the centrally appointed administrative institutions continue in large degree, to function in each area as agencies of the government.

Status and functioning of the Divisional Secretariat as an institution parallel to the elected Pradeshiya Sabha, with a wider range of functions, detracts from the image of the local council among the people.

Inadequacy of funds faced by both PCs and local councils, inevitably results in dependence on the centre through budgetary allocations (on recommendations by the Finance Commission), departmental funding and allocations from central MPs and provincial council members.
Thank You