

# An Introduction to the Local Government System in Sri Lanka: Changes and Key Issues

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This paper is an introduction to the local government system in Sri Lanka, for those who are not very familiar with the system, making a historical overview first and then outlining the modern establishment in the 1930s under the British rule and the developments thereafter, after independence in 1948. A special attempt is made to relate the issues of local governance to the prevailing ethnic conflict in the country and to highlight the importance of enhancing and empowering the local councils for self-government.

## **Historical Overview**

The idea of local self-governance can be considered traditional in South Asia. In ancient times, the popular name for the system was *Panchayath*, which is still being used in India and Nepal with diverse meanings. The equivalent in Sri Lanka was *Gam-Sabhas* to mean village councils. The local self-governance was part and parcel of a political system broadly called *Manda-la*, quite akin to a federation where authority was decentralized. The system encompassed a *Manda*, meaning a centre and a *La*, meaning the periphery. The *Mandala* system was necessary (an imperative) as any ruler could not control the vast areas directly for practical reasons.

There are inscriptions dates back to the 10<sup>th</sup> century in Sri Lanka which talks about the powers and functions of *Gam-Sabhas*. These inscriptions indicate several self-governing functions in respect of law and order, water management, land allocation and dispute resolution. However the decision making of *Gam-Sabhas* was most probably confined to the elders of high castes. The inscriptions talk about *Dasa-gam* (clusters of ten villages), *Demala-gam* (Tamil villages) and *Vihara-gam* (villages belonged to the Temples). When criminals sought refuge in *Vihara-gam*, the officials could not arrest or prosecute them. The royal functionaries entered villages only to arrest high criminals. Other offenses were tried within the village itself. There were other inscriptions which talks about *Nagara-Guththika*, to mean Mayors, who were administering the major towns on behalf of the King.

It is difficult to say whether the *Gam-Sabha* system with self-governing functions continued throughout the history. Robert Knox gives a picture of highly authoritarian system of village administration during the latter part of the 17<sup>th</sup> century. During the colonial period (1505-1948) the old *Gam-Sabha* system seemed to have virtually disappeared.

A different system of local government was introduced by the British during the latter part of their administration (1796-1948). The first to create were the Municipal Councils of Colombo and Kandy in 1885. They were modeled on the British system of local government, nevertheless with restricted powers and functions.

The functions of the Municipal Councils were to supply and maintain urban utilities and services such as health and sanitation, local roads and public places (parks, libraries, toilets, town halls, markets etc.). The powers of the councils included the collection of rate payments and the control of housing and business premises.

Before the creation of those councils, the above powers and functions were uncomfortably vested in the hands of the chief administrative officers in the respective districts, the Government Agents (GAs) and his assistants (AGAs and DROs). In this sense, the creation of local government institutions was part and parcel of a decentralization process. But for a long period to come, the above functions or their rudimentary tasks in the vast rural areas of Sri Lanka were implemented or rather not implemented by the GAs down to the Village Headmen or *Gam-Muladanis*. It is only in 1924 that the first Village Councils were created to cater to the village people. But they did not cover the whole country.

### **The Beginnings (1931-1948)**

A proper system of local government institutions came under the Donoughmore Constitution of 1931 with the introduction of the universal franchise. This constitution was important in many respects of self-government. At the national level, 7/10 of the executive powers of the country were transferred to the elected representatives. Among which was the Local Administration in charge of an Executive Committee and a Chairman.

What was introduced by the Donoughmore Constitution (proposed by the Donoughmore Commission) was a committee system of government based on certain Fabian socialist views and certain practices of the British County Council system. In this conception of governance, all elected representatives, irrespective of the divisions of majority or minority (or any other), could participate in the executive functions through the committees. This system did not anticipate Ministers or a Cabinet. At the national level, this system became transformed into a cabinet system of government and in fact became replaced by the Soulbury Constitution in 1947 in anticipation of independence.

However, when the local government system became fully systematized in 1936 with a four-tier system with separate Ordinances for Municipal Councils, Urban Councils, Town Councils and Village Councils; it was the above concept of committee system of governance that became inaugurated. Two new types of councils, the Urban Councils and Town Councils became introduced.

The concept of a 'committee system of governance' has been the main characteristic of the local government system in Sri Lanka since 1936 even until today, although major distortions and reversals have occurred in 1977, 1981 and 1987 which will be explained later. 1936, therefore, can be considered the beginning of a modern local government system in Sri Lanka with roots dating back to 1924 (first village councils) and 1885 (first municipal councils). The four layers of the system were as follows which covered by and large the whole island except the estate sector where the plantation workers of the Indian origin lived. Many of the local government functions were ostensibly performed by the estate management.

At the top of the system were the Municipal Councils constituted for cities and large towns, while Urban Councils were created for other urbanized areas. There were similarities between these two types of institutions. Similarly Village Councils meant to cater to the rural people, while small towns within those areas came under the administration of the Town Councils. The constitution, powers and functions of these four types of local government institutions were determined by the respective ordinances passed by the State Council. Previously, the village councils (1924) and municipal councils (1885) were created by the Orders of the Governor.

The electoral system of the local government institutions was based on a simple mechanism. All council areas were divided into a number of Wards and representatives from these Wards were elected through the first- past- the post system until the election system became changed into the Proportional Representation (PR system) after 1978. There were separate legislation governing the rules and procedures of local government elections. The main principles were the universal franchise, secret ballot, one person one vote, and one member for one ward.

The voter turnout and political enthusiasm for local government elections were quite high during the initial periods until the system became submerged in the national political system after independence. In the initial period, there were no well formed political parties and most of the local politicians were independent candidates. The local government system was the nursery for national politics; those who wanted to contest national elections entering local politics first. The link between the voters and the Ward members were strong and many voluntary associations became organized at the local level creating the conditions for the emergence of a nascent civil society in the country.

The functions and powers of the local government institutions differed from the village councils to the town councils and from the urban councils to the municipal councils. The following, however, could be considered the main contours of the system.

The functions of the councils included (1) health and sanitation (2) construction and maintenance of local roads (3) housing and matters related to housing (4) public markets, parks, libraries, and (5) other utility services to the citizens. All these matters were listed under the objectives of the "promotion of the comfort, convenience, and the welfare of the people."

The main powers of the councils encompassed (1) the collection of rates and payments (2) issuance of licenses for shops and small businesses and (3) the standard setting and the regulation of those standards pertaining to the functions of the councils. In the implementation of the latter powers, the councils did and could sue its errant citizens. The councils also issued what were called “Public Orders.” These orders were posted in public places directing its citizens “to do or not to do such and such things.”

### **After Independence (1948-1977)**

Sri Lanka (then Ceylon) achieved its independence under the Soulbury Constitution in 1948 which was a unitary state system. Under the unitary system, obviously the local government system came under the sphere of the central government (without provincial or state governments) although the elections for the institutions were held independently. Moreover, the system came under the direct control of a Minister instead of the supervision of a multi-member Executive Committee.

The powers of the Minister of Local Government over the system were immense. This did not necessarily mean that the local government system was always abused. Instead there were several progressive improvements that the system underwent after independence in terms of expansion in numbers, elevation in status, popular participation, and the services and guidance rendered by the Ministry. To facilitate the functions of the Minister and the Ministry, the Department of Local Government had been created in 1946 with a Commissioner and Assistant Commissioners. Their professional services were immensely useful to this date.

The first Minister was a pioneer in the local government system in Sri Lanka who initially engineered the system in 1936 as the Chairman of the Executive Committee in charge of local administration. During his period, the local government system in fact thrived. He was also in favour of creating a provincial council system, under which the local government system could have come under that sub-national councils much earlier than it happened in 1987. A major accusation against the Minister, however, was that he mobilized the local government institutions in the country (particularly in the Sinhala areas) for the creation of a new party, which took power eventually in 1956, and in the process the local government institutions in the North (Tamil areas) were neglected.

The Minister’s powers over the local government system were far reaching. They were most prominent in the areas of administration and financial control. In respect of administration, the constitution of local governments - in the sense their creation and the elevation from one category to another (e.g. an urban council to a municipal council) - was vested with the Minister, implemented nevertheless through a formal procedure (By-Laws) and Gazette notification.

There was a separate Local Government Service (LGS) created to recruit administrative personnel for local government institutions which was also directly under the control of the Minister. The discipline and transfer of the administrative and clerical personnel came under the functions of the LGS, which left very little power to the local government institutions on these matters. For example, a local government council could not even transfer an officer, whom they considered incompetent or harmful to their activities. Likewise, they had to wait for very long periods in filling up vacancies etc.

The most unsatisfactory was the financial control and arrangements. The local government institutions particularly in rural areas could not generate much income on their own. Their activities and services were largely dependent on national budget allocations and interim grants. The Ministry had a greater leverage in the distribution of financial allocations and interim grants. There were many red tapes in between in obtaining and utilizing the funds. While it was correct that the local government institutions had to be monitored or supervised in their monetary transactions, the prevailing conditions appeared to be extremely limiting on the functions that they were supposed to perform.

The above situation had direct consequences on the local government institutions in the North and the East, traditionally inhabited by the Tamils and the Muslims. There were over hundred local government institutions in these areas and they were the only institutions that the minority communities could directly control to achieve whatever possible under the circumstances. There were distances in the first place. While the local government councils had to rely largely on the Ministry in Colombo for financial and administrative matters, communication with or travel to Colombo was extremely frustrating. Then there were the issues of ethnicity and politics. Language was a major issue in communication since the mid 1950s, and a genuine difficulty between the Ministry officials and the visiting local councilors and officers.

There were feelings of discrimination, actual and perceived. As the national budgetary allocations were meager for any local government area and even the marginal benefits could be obtained only through political patronage, the Tamil or Muslim dominant local councils were at a disadvantage not necessarily because of their ethnicity, but because of party politics. There was only one Minister of Local Government after independence from the minority Tamil community (1965-68). That was a rare occasion and a short one, during which an abortive attempt was made to introduce a provincial council system and bring the local councils under that devolved structures.

The control of local councils from Colombo was not only detrimental to the country's ethnic relations but also to good governance in general. There had been an unhealthy tendency in local government elections, when they come after a national election, to go along the political party in power. The simple reason was that otherwise, political patronage could not be entertained to perform the functions of local government councils smoothly. The voters knew that, and voted accordingly except in minority dominant areas.

The situation in minority areas was much more complicated. In the volatile mid-1970s when the Jaffna Mayor who won the elections as an independent candidate but crossed over to the ruling party, he became the first victim of the emerging separatist movement. Behind that killing, which cannot be condoned at all, there was a growing opposition to the status quo in minority areas where the local councils were under the control of the central government.

There was another major reason why the local government system was at doldrums after independence. This was particularly the case since mid 1950s. The country's development path was central planning, under which the importance of local governance or devolution of power took almost no significance. The blue prints of several development plans vouch for this matter and reveal the linear approach that was adopted in plan implementation which emphasized centralization rather than devolution or decentralization.

### **Local Government Reforms (1977-87)**

There had been several major local government reforms after 1977. The year 1977 marked two somewhat contradictory developments in the country. On the one hand, an open economic system was inaugurated with ostensible liberalization and market economics. This could have ideally been a favourable situation for strengthening local governance, devolution or even federalism.

On the other hand, the open economic policies were accompanied by a closed polity with near authoritarian policies. Sri Lanka introduced a Presidential system of government in that year, and a new constitution the year after. With the new constitution, the electoral system was changed into proportional representation (PR) which did not make much sense in respect of the local government system. For local government system, the Ward system was much better than the PR system which adversely converted the whole local government area into one electorate among other changes.

In another adversarial development, all local government elections were postponed after 1977 and no election for any council was held until 1981. By that time a new system of District Councils had been introduced in place of Village Councils and Town Councils, to be abandoned again within six years. Therefore, the period has been extremely volatile with consequences for political stability and good governance in the country.

There was a brief amendment to all local council ordinances in 1977 whereby the powers of Chairmen or Mayors became enhanced. Under this amendment the sole authority of budget approval was placed in the hands of the chairmen. This amendment is described as an introduction of a mini-presidential system into the local government system in the country. The concept of "committee system of government" became largely neglected.

A major reform however came in 1981 with the short lived introduction of the District Development Councils (DDC). These councils were to replace the existing Village Councils and Town Councils in order to achieve two objectives. First was to address some of the demands of the Tamil community for greater power/participation in development administration at district level. Second was to decentralize administration in order that economic reforms under the open economy were to take an efficient implementation at local or district level. In respect of the former, reforms had been characterized as “too little too late.” The first DDC election in Jaffna itself was a bad omen. Run up to the elections, the monumental Jaffna Library was burnt down accompanied by major malpractices and fraud in the election process.

The DDC system was a complete failure with major repercussions on the local government system. In fact the period between 1981 and 1987 was a period of vacuum and distortion. The DDCs could not replace the earlier local government councils. Local government units meant to be smaller units than the districts. Sri Lanka had only 23 districts at that time (now 25). Although new organizations called Gramodaya Mandalayas (Village Awakening Councils) were organized as a substitute, the new institutions were more of political organizations of the ruling party than representative councils.

A major reform and positive change only came aftermath of the Pradeshiya Sabha Act (PSA) of 1987 whereby a new local government system predominantly for rural areas became conceived amalgamating in many places the old Village Council areas and the Town Council areas. The thinking behind the introduction of the DDC system also continued by constituting the new Pradeshiya Sabha areas corresponding by and large to the divisional areas of the existing Districts where already Divisional Secretariats exist. The idea was to create a synergy between the central administration and the local council administration for the purposes of economic development which was not a bad idea in itself. The Divisional Secretary for example was supposed to be the Secretary of the Pradeshiya Sabhas. There were many other new features, both good and defective, in the new system, discussion of which is beyond the scope of this paper.

A major constitutional change that affected the local government system came at the end of the same year (1987) with the 13<sup>th</sup> Amendment to the Constitution which introduced a new layer of governance at the provincial level called the Provincial Councils. The introduction of Provincial Councils was meant to ameliorate the demands particularly of the Tamil community who sought a separate state or tangible autonomy for the provinces of the North/East of Sri Lanka. The Provincial Councils which fell far short of federalism nevertheless introduced devolution of power. Under the introduced scheme of devolution, the local government system in fact came under the control and supervision of new Provincial Councils. There was no constitutional ambiguity about the situation, although for many years to come there was confusion or practical uncertainties. After the PC system, the Department of Local Government at the national level became discontinued. But it took time to create similar departments at the provincial level although Provincial Commissioners of Local Government were appointed.

There were other problems. The introduction of the PC system was a sudden change and the people, the councilors or the officials did not understand where they stood under the new system for many years to come. Most affected were the Pradeshiya Sabhas which cater to the vast majority of the population. It is estimated that 85 percent of the population are covered by the Pradeshiya Sabhas. The provincial council system also has not been politically stable. The system was not a success in the North or the East because of its rejection by the separatist movement. There has always been speculation that the system might be soon changed. The lack of financial autonomy or stability of the Provincial Councils also has created major uncertainties on the part of the local government system.

### **The Current Status**

There are 18 Municipal Councils, 42 Urban Councils and 270 Pradeshiya Sabhas in the country as at present. Many of them are reconstituted after the last elections held on 30 March 2006, except in the areas where there is no government control, or the elections could not be held due to military confrontations. The absence of duly constituted local government institutions is undoubtedly a major anomaly in the system.

There are other continuing defects. The elections held under the PR system has proved to be not suitable for the local governance where there is a clear need for representatives based on Wards rather than political parties per se. The committee system of governance which was the backbone of the local government system in Sri Lanka for a long period of time is not functioning properly at present. There is an undesirable tendency for the local government institutions to blindly follow national politics and the image of the national parliament with government-opposition confrontations. While criticism, dissent and opposition should be respected, there is a pressing need for cooperation of all representatives in local governance.

However there are many positive potentialities in the new system after the introduction of the Provincial Council system. Now the local councils, particularly in distant places, do not need to come to Colombo for their administrative matters. They are now dealt with by the Provincial Councils and the respective Commissioners and their Departments, although this is an area that has to be strengthened. Most importantly, the 13<sup>th</sup> Amendment allows the Provincial Councils to pass Statues which could improve or enlarge the powers and functions of the local government councils in the respective provinces.



In theory, therefore, there is the possibility that the local government system could become diverse and different from one province to the other depending on the socio-economic circumstances, development needs or ethnic composition. This aspect has a major relevance for the resolution of the ethnic conflict in Sri Lanka, if it is pursued in the right direction. Local government elections have not been held in many parts of the North and the East for many years due to the ongoing military conflict in those areas. Even if the elections are held, there are no provincial councils to cater to those local councils.

There are proposals that the conflict in Sri Lanka should be or may be resolved on federal lines. If the 13<sup>th</sup> Amendment is an indication for the direction that such a federal system might or should take, the minority communities in the North and the East might be able to utilize the opportunity to fashion their local councils on their own liking and having self-governing opportunities at local level apart from federalism.