

The SSA carried out study in 2009-2010 on the theme, "State Reform from Below: Local and Community Initiatives for Peace Building, Development and Political Reforms in Sri Lanka." In the course of this study, the SSA's research team examined issues relating to local democracy and local governance in rural Sri Lanka. This document is one of the several policy briefs emerged as outputs of this research initiative.

SSA POLICY BRIEF ON LOCAL DEMOCRACY

Reforming Local Government: Ideas for Better and More Democratic Local Government

Introduction

Reforming local government has been on the political and policy agendas of Sri Lanka's governments since independence. The Choksy Commission of 1954, the Moragoda Committee of 1978, the Presidential Commission of 1998, and the National Policy on Local Government of 2009 are important landmarks of the continuing interest in local government reform. The present UPFA government recently took steps to change the system of elections to local government bodies, seeking to reintroduce the ward system with limited space for proportional representation. The government's proposal for establishing a system of Jana Sabhas at the community level of local government also indicates a possible reform perspective. During the All Party Representative Committee (APRC) deliberations a few years ago, some political parties, too, showed a keen interest in strengthening local government in Sri Lanka. Some even suggested the revival of the Gam Sabha system.

Why should Sri Lanka's local government be reformed? What new elements should be introduced? What objectives should any new reform of local government serve? Reflecting on these questions would be helpful to envision a sustainable system of local government that will deepen Sri Lanka's democracy, enhance the quality of democratic governance and make local government meaningful to people's lives.

Before reflecting on these questions, let us first try to understand the meaning and significance of local government in a democracy.

Why Local Government?

Local government is usually understood as 'government beyond the centre.' It is the branch of government closest to the people, which looks after the essential local needs of the citizenry. This is why in popular imagination local government is seen as the 'door step government.'

From the point of view of the theory of democracy, local government is the site where 'more democracy' is available to 'common people' at the 'local level.' Political theorists also see local government as the arena where the problem of the distance between voters and representatives can be overcome. The detachment of voters and their elected representatives is a shortcoming in representative democracy. Some argue that this problem of detachment between the representative and the represented can be overcome by facilitating greater and continuous participation of people in governance. According to this approach, local government provides the best site for continuous popular participation.

In brief, local government is accepted as the level of government that can facilitate more democracy.

Local Government in Political Theory

Political thinkers have often recognized the capacity of local government to make room for more democracy. For example, Alexis de Tocqueville, the French political philosopher of the mid-19th century who wrote a major book about democracy, considered local government as the mainstay of local democracy. He also saw local democracy as a school of political education and a safety valve of democracy for the entire nation.

In de Tocqueville's assessment, local democracy was a school of political education because it taught people how to use power democratically before they became national political

leaders. Local government, according to de Tocqueville, constituted a complementary 'second track' of governance, which made possible stable governance at the 'first track,' that is national, government. Citizens trained in the 'primary school' of local democracy would be politically enlightened, independent and experienced. They would be able to protect the everyday life of their fellow citizens and communities against encroachment by the national government.

John Stuart Mill, 19th century English political philosopher, believed that local government could provide a means for dividing government authority so that excessive centralization of central government authority could be checked. According to Mill, local government could even become an alternative to the central government. Therefore, Mill advocated the autonomy of local government.

Mill also saw the democratic potential of local government. He believed that local government could be an effective training ground for citizens in the practice of democracy. Mill argued that local government bodies, unlike national government bodies, offered many citizens the chance of being elected. By performing local functions, local citizens could receive political education. It offered political space for those who were excluded from the national processes of democracy. Thus, Mill saw the value of local government in broad-basing opportunities for political participation and creating conditions for greater social inclusion.

This appreciation of local government gave rise to the concept of 'local democracy.' According to some theorists, as a form of local democracy, local government bases itself on the decentralization of power. It provides opportunities to use local knowledge to meet local needs. It also provides the most accessible avenue for political participation. People feel most competent to engage in local politics. At the same time, people can have a sense of ownership for local initiatives and in turn ensure the sustainability of services if the participatory element is respected by the local authority.

Weaknesses in Local Government in Sri Lanka

There is both official and popular recognition that Sri Lanka's local government has been in a state of 'crisis' for some time. For example, the Report of the Commission of Inquiry on Local Government Reforms (1999) noted that Sri Lanka's local government has become "just another subject in the administrative structure." It is "weak in resources, not effective in management." The Commission

also blamed the local government system for not playing "an outstanding role in the mainstream of administration and development." The Commission even went on to say that the framework of local government in Sri Lanka is "outdated" and "at [a] crossroads at present."

In a study being carried out by the Social Scientists' Association, some of the major weaknesses of Sri Lanka's existing local government system as a sphere of democratic local governance were identified. The following are these weaknesses:

(i) *Dominance of the central government in the affairs of local government:* Ministries, institutions, agencies and personnel of the central government have greater authority, resources and presence over local government bodies. As elected institutions of governance, local government bodies are placed at a level below the provincial councils. A host of agencies of the central government function at the local level. They include the offices of the District Secretariat, the Divisional Secretariat, local offices of various government ministries and departments, Grama Niladharis and other officials such as the Samurdhi officer, cultivation officer and family health officer. One consequence is a shift in the balance of power in favour of agencies of the central government. This has created disparities between elected institutions of local governance and bureaucratic institutions of local administration, at the expense of local democratic processes of governance.

(ii) *Political dependence for resources:* The dependence of local government institutions on politicians and parties in power for resource allocation is widespread. Almost as a general rule, pradeshiya sabhas in the periphery have access only to limited financial resources. Annual grants for salaries, members' allowances and a very limited amount of capital grants, mainly for roads, are the areas of support from the central government which come through the provincial council. Local authorities are supposed to generate income from their own sources, as permitted by the governing legislation, such as the Municipal Councils Ordinance, Urban Councils Ordinance and Pradeshiya Sabha Act. These local sources of income include property rates, taxes, licence duties, tax on vehicles and animals, trade licences, rents on markets and trade stalls, parking fees, fines and stamp duties. These provide only a thin revenue base for local authorities, preventing them from performing even their limited development mandate.

(iii) *Lack of dynamism*: There is a general perception that local government institutions are inefficient, inactive and therefore lack dynamism. Even many local government representatives accept lack of dynamism as an inescapable reality. Some critics even highlight issues of corruption, nepotism, lack of energy and initiative, disregard for procedures, administrative inefficiency, underutilization of assets and inability to effectively respond to the development agendas of the central government.

(iv) *Absence of people's participation*: Although in theory local government should facilitate people's participation in local governance, Sri Lanka's local government institutions are not known for facilitating such participation. Even the limited opportunities available for consultation of the people through committees of urban councils and *pradeshiya sabhas* are utilized neither by the councils nor the citizens. Local government institutions have not developed a culture of governance that requires citizen input and popular participation. As a result, local government has lost its democratic character and become totally controlled by political parties, officials and the central government. In brief, local government is not a form of government by the people, or for the people. As a result, currently almost all local authorities have lost credibility as governing bodies of the people.

(v) *Local power elites*: The absence of popular participation has led to local government emerging as a space dominated by local power elites, linked to political parties and public office. This explains why local government elections have become moments for intense and sometimes violent power struggles among local power elites, as well as among immediate family members of powerful national and provincial politicians.

(vi) *Perpetuates social and political exclusion*: Democratic institutions have a social role to play in societies like Sri Lanka. That role is to facilitate social transformation and provide space and opportunities for marginalized and excluded social groups to share benefits of democracy. The poor, women, oppressed caste communities, marginalized communities and ethnic minorities are examples of such groups whose social upliftment local democracy should promote. Sri Lanka's local government institutions do not serve this objective of social change, social equity and societal democratization. Therefore, local government as a whole has become socially conservative, perpetuating social and political exclusion.

(vii) *Lack of accountability and responsiveness*: One widely held criticism of local government in Sri Lanka is the absence of mechanisms and practices for either institutional accountability or democratic accountability. Institutional accountability is an outcome of proper rules, regulations and procedures to ensure 'upward accountability' – that is accountability to higher authorities such as the provincial council and central government. Democratic accountability entails accountability to citizens who elect local government bodies. The lack of democratic accountability is accompanied by the lack of responsiveness to people's needs and day-to-day requirements, such as requests for building permits, trade licences, etc.

(viii) *Lack of accessibility*: Even the lowest units of local government bodies, *pradeshiya sabhas*, are not easily accessible to people, due to institutional and political reasons. Since most citizens view the local government bodies as either irrelevant or not particularly useful to their everyday needs, people are reluctant to access local government institutions. In rural areas, the *pradeshiya sabha* office is often located far away from the people. Marginalized social groups and women rarely find local government institutions useful to their needs. Under conditions of extreme politicization of rural public life, citizens of the losing party have no inclination to access their local government bodies. All this has led to the detachment of local government from the people.

People's Criticism of Local Government

As our study found, people as citizens also have a fairly critical understanding of Sri Lanka's local government. The main points of citizen criticism are as follows:

(i) *Alienation of local government representatives from citizens*: Most members of local authorities do not maintain close links with the people once elections are over. After winning the election, members are more inclined to 'serve their kith and kin' than those who voted them into power. Candidates who lost an election have no interest in sustaining any meaningful links with the voters between elections. They reemerge during the next election, sometimes on a different political party list.

(ii) *Local elected power as a stepping stone to corruption*: Most elected members are corrupt. They do development work only when such work enables them to make money from contracts. Getting elected to a local government body marks the beginning of a career for personal and family well-being, as well as for upward political mobility.

(iii) *Lack of imagination and creativity*: Even when a chairman or members want to do something for the community, the local councils do not have adequate resources. They expect the central government or the provincial council to provide them with resources. Councils do not think innovatively about how to strengthen the resource base necessary for public work. They are not innovative or imaginative enough to marshal local resources and launch new initiatives for development. This is because local authorities have no concept or long-term strategic vision for involving people in the area in decision-making or resource mobilization. They do not have the habit of consulting citizens who elected them. 'They know everything. So, why should they consult voters?'

(iv) *Local government reproduces male power in governance*: Articulated by women political and social activists, this critique points to the continuing alienation of women citizens from local government institutions. This women's critique points to a number of dimensions of male dominance in local political structures. Women rarely get opportunities to contest local elections, since they are treated by party bosses, both national and local, as candidates who 'cannot win elections.' Sri Lanka has recorded the lowest percentage of women representation in national and local legislative bodies in the Asian region.

How to Respond to the Crisis and Criticism?

There is a general recognition in Sri Lanka that the country's local government is in crisis. Criticism of local government, as outlined above, is also generally shared by many. Policy makers, scholars and donors are quite aware of the crisis as well as the criticism. In response, three perspectives have emerged in recent times to rectify the weaknesses of local government.

(i) *Making local government the 'third tier' of government*: This perspective seeks to address the question of institutional neglect of local government by granting it constitutional and structural status as a separate sphere of governance. This was a key recommendation made by the Presidential Commission on Local Government Reform of 1999. This position was endorsed by the Ministry of Provincial Councils and Local Government in its Policy Statement on Local Government, issued in December 2009. This perspective also proposes a 'new vision' for Sri Lanka's local government. This 'new vision' seeks to make local government independent from the control of the central government as well as of provincial councils. It advocates 'subsidiarity' (strengthening

the units of governance that are closest to the people and lowest in the order of institutional structure of the state) as the guiding principle for Sri Lanka's local government.

(ii) *Strengthening the institutional capacity of local government*: This perspective seeks to address the institutional weaknesses of Sri Lanka's local government. Ideas proposed include: (a) reforming existing laws to broaden the revenue base of local authorities, (b) new legislation to ensure better financial management and accountability, (c) training and capacity building in all aspects of management, (d) provision of better infrastructure facilities such as buildings, office equipment and e-governance facilities, and (e) training programmes in participatory budgeting.

(iii) *Bringing local government under the control of the central government*: This is a new perspective being advanced by the present UPFA government. It has two components: (a) to ensure that all, or at least most, local government bodies are politically controlled by the UPFA, and (b) local government bodies are controlled by the central government. The argument for this approach is both political and developmentalist. The political argument is that as elected bodies of governance, local government institutions should generally implement the political agenda of the ruling party. The developmentalist argument is that the local government should play a direct development role in the country, and the best way to ensure this goal is by bringing local government under the political as well as administrative control of the central government. This will also ensure central government financial support, better management and accountability as well direct guidance and supervision for local government.

Should Local Government Be Brought under Central Control?

From the point of view of democracy, the answer to this question is 'no.' Democratic governance requires autonomy of local government, and not its control by the central government. Central government control of local government will lead to the serious erosion of local democracy, which has already been weakened by a variety of other factors. What Sri Lanka requires is not less local democracy, but more local democracy. This can be achieved by ensuring greater autonomy to local government, accompanied by a programme to overcome other institutional, administrative and managerial shortcomings.

An Agenda for Institutional Reform

Among scholars and practitioners of local government in Sri Lanka, there is shared agreement that an agenda for reform should be based on the principle of institutional autonomy of local government. Greater, and not less, autonomy is a necessary condition for overcoming the present crisis. This autonomy should cover three spheres: (a) political, (b) institutional, and (c) financial.

Political autonomy of local government calls for accepting the principle that local government bodies need not be an extension of the regime in power at the centre. Local government elections should not be viewed as an extension of national election campaigns either. This will enable local political actors involved in local government as well as citizens to focus on local issues, local agendas and local development needs. Ensuring the *local* character of local government is necessary for the democratic rebuilding of Sri Lanka's local government.

Institutional autonomy calls for establishing local government as a separate tier of government, ensuring it constitutional recognition and status. This should aim at guaranteeing local government relative independence from provincial councils as well as from the central government. It should also be accompanied by a programme of institution building necessary for a separate sphere of government. Institutional autonomy is necessary to make local government an active, robust and dynamic level of governance.

Financial autonomy should aim at strengthening the financial base of local government bodies so that they can serve the public and implement programmes of development without depending on external sources of support, such as the provincial council, line ministries and central government. Financial autonomy can be ensured through two main policy reforms.

The first is direct annual development grants to local government bodies by the central government, irrespective of the political party in power in the local bodies. To ensure autonomy, an independent Local Government Finance Commission should be established. The Commission can determine, allocate and monitor this process. For local bodies in economically underdeveloped areas, where people are mostly poor, sources of tax income are meager, and development needs are greater, more economic assistance should be extended on the principle of equalization.

The second is the expansion of the revenue base of local bodies through amendments to existing laws.

An Agenda for a Stronger Culture of Local Democratic Governance

As the popular critique of local government in Sri Lanka clearly indicates, institutional autonomy alone is not adequate to make local government relevant and meaningful to citizens. Reform should address this question of citizen alienation. This calls for a reform agenda aimed at democratic capacity building of local government. Some proposals arising from the popular critique are as follows:

(i) Reintroduce the ward system to enable closer interaction between citizens and their local representatives.

(ii) Make the lowest of the local government units smaller than the present *pradeshiya sabhas*. The present Grama Niladhari division can provide the ideal size of the lowest unit of local government to ensure better accessibility to citizens as well as closer citizen engagement with local representatives.

(iii) Assure representation in local government bodies to women, social and ethnic minorities and the poor through a quota system. This is a positive lesson to be learned from India's Panchayati Raj system, which has a quota system of representation for women and depressed castes/tribes. Assured representation is necessary to overcome the political exclusion at the local level that arises from social exclusion. The principle behind this reform is 'democratic inclusion.' This is one way that 'more democracy' can be made available to 'common people' at the local level.

(iv) A change of law alone is not adequate for making local government more democratic. It requires action on the part of citizens and local citizen groups. While laws must be introduced to engage citizens in planning, implementation, budgeting, monitoring and accountability, proactive citizen participation is necessary for democratic local governance. The following are elements that constitute a democratic culture of citizen involvement in local government:

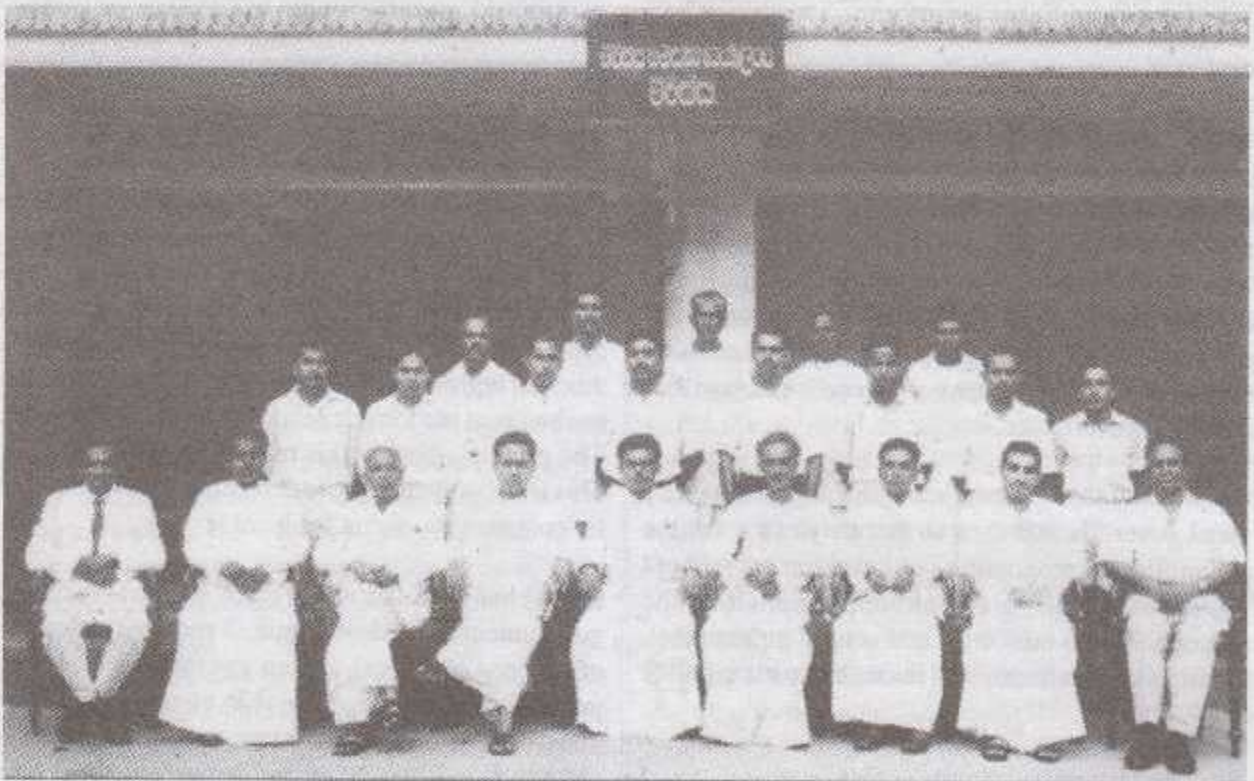
(a) Sri Lanka's rural society has many voluntary citizen associations. These citizen associations can form themselves into a forum for: (i) discussing policy priorities for their local body, (ii) identifying development needs and priorities of the community, (iii) inviting elected representatives for discussions

and engagement, (iv) preparing development programmes for the community along with budgeting, and (v) monitoring the progress and activities of the local council. The principle that guides these activities is the creation and maintenance of a local forum for democratic deliberation.

(b) Citizens or representatives of citizen associations can attend monthly council meetings to monitor council deliberations and provide feedback. When councilors know that their meetings are monitored by citizens, they tend to work better and be conscious of direct accountability to citizens.

Deepening Local Democracy

The reform ideas suggested above can be viewed as the basis for regenerating Sri Lanka's local government. However, local government can work better only if there are political conditions and the will for the sharing of political power with citizens at the lowest level of governance. The reform ideas outlined above have the capacity to deepen Sri Lanka's local democracy. The deepening of local democracy is a precondition for better local government. Better local government is a condition for better democracy. ■



Members and officials of the Village Council, Mirissa.
A picture taken in 1967.