

From Policy to Practices: Redefining Roles, Services and Citizen Engagement in Local Government Institutions in Sri Lanka – A Case Study Ratnapura, Sri Lanka.

H. D. Hasitha Jeewanthi, Osantha N. Thalpawila*

Department of Political Science, Faculty of Social Sciences, University of Kelaniya, Sri Lanka.

*Corresponding author

DOI: <https://dx.doi.org/10.47772/IJRIS.2025.90700030>

Received: 26 June 2025; Accepted: 03 July 2025; Published: 28 July 2025

ABSTRACT

Local government refers to the system of administration at the local level, aimed at promoting the well-being and common good of the local level citizens. A major problem that can be identified in local government institutions in Sri Lanka is their failure to provide quality services to the community. In this context, the objectives of this study were to: (a) Examine the contemporary role of local government institutions, (b) Explore the level of citizen engagement in the local government process, and (c) Identify challenges and barriers that hinder the effective delivery of services at the local level. A qualitative research method was used for this study, with Ratnapura District selected as the study area. A total of 120 respondents were selected using random sampling methods. The findings were analyzed using a descriptive analysis method and discussed thematically. This study revealed that local government has established the necessary legal framework to ensure service quality and enhance citizen participation. However, in practice, citizens have limited awareness of the services provided by local government institutions. Additionally, citizen-based participatory programs lack transparency and accountability. E-governance facilities in local government are not fully inclusive, and many citizens struggle to access them. The general view is that local government institutions, lacking autonomous powers, have limited authority, functions, and resources, making local government reliant on patronage privileges. To ensure accountability, responsiveness, and transparency, public participation should go beyond symbolic engagement and be rooted in a broad, inclusive approach. Strengthening the relationship between citizens and the local government process should serve as the foundation for service delivery by reforming outdated legal and policy frameworks while operating with a focus on the development of the periphery.

Keywords: Citizens, Democracy, Local Government Institutions, Services

INTRODUCTION

A democratic process is essential for the proper functioning of the state and its periphery. The policy objective of strengthening the periphery should be to bring governance closer to the people, ensuring greater accessibility and responsiveness. Generally, the central government remains distant from the people, whereas the periphery is inherently closer to them. This proximity should be recognized as a fundamental principle of democratic politics. Accordingly, local government institutions serve as the institutional framework for democracy in Sri Lanka's periphery. Local government is a representative body established to provide, manage, regulate, and administer essential services such as public health, utilities, roads, welfare, and entertainment at the local level (Abeyrathne, 2007). Different countries have varying structures of local governance. For instance, in India, the lowest unit of local government is the Panchayat Sabha. India's 73rd and 74th constitutional amendments granted constitutional status to the Panchayati Raj institutions, aiming to alleviate poverty and improve the delivery of basic services (Dainis, 2015). A key aspect of this system is that Panchayat Sabhas serve as democratic representative institutions established in every village, with the authority to plan and implement development activities. In Sri Lanka, the idea of establishing a "Grama Rajya" system, modelled after the Panchayat Sabha system, has periodically emerged in political discourse as a potential approach to strengthening local governance.

Sri Lankan local government has a history of two millennia, going as far back as the early phase of state

formation during the Anuradhapura period. The village council system is considered the foundation of modern provincial governance. Village councils were administered in a very simple and traditional style, providing essential services to inhabitants. These village organizations were mainly responsible for agro-economic activities, such as the collection of irrigation dues, issuing of water for cultivation purposes, settlement of minor disputes, organization and promotion of religious activities, acceptance of cash deposits and providing them safety as well as interest, organization of hospital services, the direction of collective community activities and apprehension of criminals (Endgame, 1997). The local government system in Sri Lanka during the ancient and medieval periods is described in the report of the Commission on Local Government, published in 1955. It describes the Gam Sabha system as a local governance structure. Here it is stated that "matters of common interest were fully discussed by the village councils, and the decisions of the majority were accepted and acted upon by the community without dissent" (Choksy Commission Report, 1955). Above the village council were the governing authorities known as Rata Sabhas and Disaves, which were responsible for overseeing matters affecting the entire district or province (Hettiarachchi, 2015).

The most significant transformation in local government occurred during British colonial rule. Over time, Sri Lanka's local government system evolved into a three-tier structure consisting of Municipal Councils, Urban Councils, and Pradeshiya Sabhas. These local authorities operate under their respective legal frameworks: Municipal Councils Ordinance (No. 29 of 1947), Urban Councils Ordinance (No. 61 of 1939), Pradeshiya Sabhas Act (No. 15 of 1987). Under these ordinances, local authorities are assigned specific duties and powers aligned with traditional local government functions in Sri Lanka, including: (a) Roads and thoroughfares, (b) Public health, (c) Markets and public utility services, and (d) Welfare and development. The functions assigned to municipal councils are described under section 46 of the Municipal Councils Ordinance. (a) Maintain and cleanse all public councils or committed to its management (b) enforce the proper maintenance, cleanliness and repair of all private streets (c) supervise and provide for the growth and development of the municipality by the planning and widening of streets, reservation of public improvements (d) abate all nuisances, (e) establish and maintain any public utility service that it is authorized to maintain under this ordinance and which is required for the welfare, comfort or convenience of the public, (f) Generally to promote the health, welfare, convenience and the development, sanitation and amenities of the municipality. Similarly, the functions of the Urban Councils are outlined under the Urban Council Ordinance (Chapter 255). The responsibilities and functions of the Pradeshiya Sabhas are explained in section 19, Pradeshiya Sabhas Act No. 15 of 1987.

Local governments are empowered to spend from the revenues of the council to discharge the above responsibilities and functions, to levy special assessments with the approval of the Minister, subject to the limitations and conditions prescribed by the by-laws, to collect reasonable fees from those who receive their services, to enter into agreements with the beneficiaries of such services in the manner prescribed by the by-laws, to enforce and collect assessments in accordance with them, to authorize providers of such services and to allow them to collect fees from those who receive benefits from them, and to extend the above services to another adjacent local government area of the local government with the approval of the said council and to collect fees (Abeyrathne, 2007). Thus, the relevant powers and ancillary powers are vested in the performing of functions. The responsibilities of local government institutions also extend within a wide range within those powers.

In the history of political thought, various scholars have studied local government. A more in-depth and comprehensive discussion of local government institutions has been developed in the academic literature. Local government institutions can be identified as a result of the decentralization of power (Olown, 1988).

Olown points out that according to the existing literature, there are two approaches to interpreting local government institutions. According to the first approach, those institutions are defined as an institutional system operating under the central government in a comparative study. In the second approach, they are defined as a system of institutions that make careful and characteristically especial decisions. These specific characteristics are highlighted under five main aspects: (1) Legal Personality, (2) Localness, (3) Active Citizen Participation, (4) Control by the Central Government and Extensive Budgeting, (4) Specific Powers to Perform Various Functions (Olown, 1988). It is argued that these qualities serve to distinguish local governments from other institutions at the regional level and to provide the basis for maintaining organizational structure and efficiency.

Mawhood (1993) has emphasized the importance of local government institutions. He points out that no political

system can be considered comprehensive and complete without local government institutions. It is analyzed that there are three clear ways to create awareness about the importance of local government. (a) Establishing training platforms to educate the public on political matters, (b) Creating a training foundation to develop strong political leadership, and (c) Implementing a system to ensure government accountability is maintained. These are, on the one hand, part of the role of local government institutions.

Local governance can also be identified as a discourse that is closely related to discourses on the state and democracy (Pratchett and Wilson, 1996). The relationship between local democracy and local governance in the democratic transformation of authoritarian states is analyzed here. They have presented their argument within a framework that addresses the basic problems of local governance. They show that civil society is a fundamental theme in the democratization process. Uyangoda (2011) has presented a theoretical discussion on institutional democracy. That is the approach of 'minimalist democracy'. This is an approach that is identified with classical liberalism and neoliberalism. This means that the core of democracy is the proper functioning of political institutions and procedures that ensure individual freedom.

In terms of governance institutions, institutional democracy is characterized by a government with limited powers, the rule of law, and the election of rulers by popular vote. The social and economic rights of individuals are not imperative in this approach. Here, institutional democracy determines the nature and framework of governing institutions. The theory of Social Capital presented by Putnum (1993) in his work has had a tremendous impact on analyzing the relationship between local governance and democracy. Putnum's main theory is that when a society has strong social capital, democracy in that society is strengthened. This means that the relationships between citizens in society are based on the networks of trust and relationships that arise between them and the organizations that these organizations create. He was interested not only in the contribution of political institutions to the process of democratic development, but also in the social context in which democratic institutions operate. The mutual trust and support that arise among citizens through their involvement in voluntary organizations are the formal institutional, cultural, and value frameworks within which informal institutions and their processes operate. Putnum concluded that democratic institutions can function best when there is strong social capital in the active social life of citizens.

Dainis (2015) conducted a comparative study on local governance in Sri Lanka, discussing the differences between the local governance experiences of India and the Philippines with the Sri Lankan experience.

"India and Philippines experience in local government, where there is a clearly defined national policy on local governance, dealing adequately with structures, powers and functions, inter-governmental relations and the processes necessary for exercising the powers."

However, under the existing constitution Sri Lanka's local government is still a subject devolved to the provincial council. Uyangoda (2015) argues that the loss of local autonomy to local government institutions negatively affects the delivery of local government services as well as regional development. He also explains the causes behind the crises in local government institutions and local democracy in Sri Lanka: (a) Dominance of the center in the periphery, (b) Political dependence for resources and (c) Inertia in Local governance. His argument is that legal and policy solutions must be found to address these situations. Otherwise, while local governments ensure the political citizenship of citizens, according to Marshall, they should also be granted social citizenship in accordance with the standards of society. In particular, local government services and responsibilities must have local democracy, local autonomy and local self-governance (Pratchett, 2004).

METHODOLOGY

This study used the phenomenological research methodology and the institutional approach. The institutional approach lays the foundation for studying the formal structures of local government institutions, including the institutional legal framework, institutional structure, procedures, roles and problems they face in providing practical services. Also, the specialty of the phenomenological methodology is the ability to obtain detailed objective data through the experiences of citizens on how they interact with local government institutions in practical life. In line with the methodological direction of the study outlined above, qualitative primary and secondary data collection methods were used for this study. Several methods were used to collect primary data.

namely semi-structured interviews, focus group discussions and participatory observation. These methods were primarily used to understand the functioning of local government institutions in their practices and service delivery, and the relationship between local government institutions and the community. Academic books, articles, journals, and government Acts and Ordinances were used as secondary sources. Through these sources, it was possible to understand the legal background and institutional framework of local government institutions. A descriptive analytical method was used to analyze the data obtained from primary and secondary sources.

Ratnapura District of Sabaragamuwa Province was selected as the study area. Ratnapura Municipal Council, Balangoda Urban Council and Pelmadulla Pradeshiya Sabha were selected with the aim of studying how local government institutions function for the needs of the rural people. A random sampling method was used to select the respondents, and their ethnicity, gender and age were taken into consideration while selecting the recipients. The methods used to select recipients and to obtain information and data from them, as well as their numerical values, are outlined in the table below.

Table 1 Data Collection Methods, Sources, and Number of Participants

Method	source	Number of Respondents
Semi Structured Interviews	Community leaders	08
	Community	25
	Civil society leaders	15
	Local Government officials	15
	Business community	05
	Local-level politicians	07
	NGO Representatives	05
	Academics	05
Focus group discussions	Vulnerable people (people with disabilities, displaced persons)	08
	Civil society leaders	09
	Community (Development projects Beneficiaries)	04
	Local Government officials	06
Participatory observations	Community (Development projects Beneficiaries, and disabled persons)	05
	Local Government Institutions	03

Note. This table summarizes the data collection methods used, the sources involved in each method, and the number of participants per each category.

RESULTS AND DISCUSSION

Local government is a system of governance that is closer to the people and, therefore, expected to deal with problems related to the day-to-day life of the people with their active participation. Local governments are responsible for providing services that extend from the birth to the death of a citizen (Abeyrathne, 2007). This study sheds light on the current functions and roles of local governments and the forms of interaction between local governance and citizens.

Service delivery, Identified Services and Legal Provisions

These institutions have been appointed as legal authorities by the legal provisions related to the establishment of local governments. Accordingly, among the functions assigned to the local government institutions, the roles and responsibilities of each local government institution are specifically mentioned under Section 46 of the

Municipal Councils Ordinance, Section 46 of the Urban Councils Ordinance (chapter 255) and Section 19 of the Pradeshiya Sabha Act. Local government institutions typically provide residents with a wide range of services within their jurisdictions. Although the role assigned to local government institutions is a broad field, citizens have limited themselves to a few local government services. These services have been introduced as identified services in this study. In interviews conducted with the Public Coordination Officers of local government institutions, they stated that most people approach the institution to obtain the following services, namely (a) Infrastructure development, (b) Waste management, (3) Public health services and (4) Taxation and finance. While people are not interested in other services, there is no significant awareness about them.

In this way, although the role of local government institutions has extended across a broad scope, it was possible to identify a pattern in which these institutions operate by limiting their services. As a result, the community has come to view these institutions as entities committed to providing minimal services. It was also identified that local government institutions operate under the authority of political leaders. In such a situation, people have often had to receive services without raising questions. In particular, public officials in local government institutions have had to work under the leadership and guidance of public representatives. However, it was necessary to inquire into the satisfaction of recipients with the services provided by local government institutions.

It is appropriate to define these services as identified services in the identification of these citizens. Because through interviews conducted with the respondents, the majority of them were of the opinion that the general public has identified only those services as the functions and services of local government institutions. They were asked about their satisfaction with those services.

Table 02 Satisfaction of identified Service Delivery

Service Type	Satisfied	Dissatisfied
Infrastructure development	61.6%	38.3%
Waste management	30.8%	69.1%
Public Health	74.1%	25.8%
Taxation and Finance	56.6%	43.3%

Note. This table presents the percentage of respondents satisfied or dissatisfied with various public services. Source: Field data, 2023–2025.

This highlights that there is some level of satisfaction among the respondents regarding the identified services of the local government institutions. Interviews conducted with the respondents revealed that the local government institutions are implementing policies and programs that are beneficial to public health. The respondents also identified some weaknesses in the services. A former public representative of the Pelmadulla Pradeshiya Sabha stated that the local government institutions are now more responsive to the complaints of the people and that the attitudes of the people towards the services of the local government institutions have now shifted towards a positive direction. One thing that was identified through the study was that these institutions have created the necessary space for the enjoyment of rights in the diversity within the community. A public servant working in the Ratnapura Municipal Council stated,

"It has been pointed out that Sinhala and Tamil languages are the administrative languages of government institutions under Amendment No. 16 of 1988. The main name boards of many local government institutions, including our institution, are displayed in all three languages. We also act in accordance with that policy when providing services."

It was identified through participatory observation that the local government institutions studied were working in accordance with the official language policies in terms of administration and maintaining records, in the public call system, and in the conduct of official activities. However, it was revealed that a significant Tamil-speaking

population lives in the study area that there is a huge shortage of officials who can perform duties in Tamil in providing services to them, and that the ethnic ratio of various districts has not been taken into account in recruitment and assignment. There is no Tamil ethnic officer or officer who can handle the Tamil language in both Ratnapura Municipal Council and Pellmadulla Pradeshiya Sabha (Ratnpura Municipal Council and Pellmadulla Pradeshiya Sabha Staff List, 2023).

However, it was revealed that local government institutions use citizen charters to educate the public about local government activities and to provide necessary guidelines to citizens in providing services in order to improve the quality and efficiency of their services. The majority of the respondents were of the opinion that they expect local government institutions to provide a socially accountable service. However, approximately 43.2% of the respondents in the study expressed the view that services are not provided following existing legal procedures, and that there is a tendency toward authoritarian practices that challenge individual freedom in the process of obtaining services.

Citizen participation

Citizen-centered local government is the expected answer in the contemporary political debate about the relationship between local governments and citizens. Local governments are the institutional system that involves local people in the process of governing. Active participation of citizens is important for local democracy. As Habermas points out, the ability of citizens to exercise power arbitrarily and oppressively is limited by the fact that citizens operate in the public sphere (Habermas, 1989). Citizen participation reduces the power of local governments. This creates the right to freely participate in the decision-making and meetings of local governments. An example of this is the committees operating in local governments. It is expected to create participatory democracy. Four main committees operate in every local government. Namely, Finance and policy committee, housing and community development committee, technical services, environment and amenities committee (Pradeshiya Sabha Act, 1987). That is, 56.4% of the respondents expressed the opinion that through committees, issues affecting the community in general are openly discussed and debated, allowing for decisions to be made that promote the common good and are acceptable to all. Habermas referred to such an environment as a public forum with active participation of the community. Furthermore, the ability to influence the political practices of society is created in this space. However, during an interview with a former mayor of the Balangoda Urban Council, it was emphasized that the expected level of public participation in these committees is lacking. He stated,

“This is the best way to strengthen the trust of the people and directly involve them in the governance system. But the people do not participate in it.”

Among the seven standing committees currently in the Ratnapura Municipal Council, there is only one committee that has active community participation. That committee was the ‘Library, Early Childhood Development, Community Development, Sports and Recreation Committee’. The study identified that the reason for that active participation was that the areas related to the youth community were discussed in those committees, so they participated in them. Overall, active citizen participation could not be identified in the committee system.

Local government institutions are constantly taking legal measures to increase citizen participation. For example, a 25% quota system has been introduced to ensure the political participation of women (Local Authorities Elections Act No 01 of 2016).

Although local government institutions have encouraged the public to provide public consultation for the implementation of development projects, it has been revealed that it has failed. In discussions with local government officials, the majority felt that citizens do not actively participate in politics despite the opportunities created for them. They pointed out that economic factors influence the active participation of the community. The opposition of minority groups to local government institutions was identified in a statement by a recipient representing the estate worker community.

“It is an institution that does not concern us and is not relevant to us”.

His political implication in this was that local government institutions discriminated against him and that he was a second-class citizen. Furthermore, the study revealed that the nature of political leadership has also contributed to the decline in civic participation. In particular, during the interviews conducted with respondents regarding the behaviour of political leaders, it was exposed that they tend to exercise their power arbitrarily, abusively, and in a manner that harms the public. It was also indicated that leaders of local government institutions are not accountable to the people but rather to responsible to the political party that appointed them. By targeting politically aligned groups, their actions have led to a breakdown of public trust in local government institutions. In this context, Bourdieu's emphasis on the character of the Individual provides a conceptual foundation here. The study explained that the behaviour of politicians has been identified as a key factor influencing the lack of mutual understanding between local government institutions and the public.

E-governance practices and trends

Currently, e-governance is being used by local government institutions to improve the efficiency of services. The study revealed that e-governance is being implemented with the objectives of creating a collaborative structure between people and institutions, providing all information to everyone for the public good, increasing and encouraging public participation, ensuring transparency and accountability in the governance process, and reducing costs in state institutions.

A seminar conducted by the Sabaragamuwa Provincial Council targeting local government officials highlighted the potential of e-governance to improve the quality of governance and make government institutions more efficient and productive.

Balangoda Urban Council has directly addressed the e-governance process. Ratnapura Municipal Council has addressed it to a very limited extent, and Pelmadulla Pradeshiya Sabha does not even maintain its official website. The following table, prepared based on the information obtained from the study, can be used to identify the e-community services of local government institutions.

Table 3 Local government institutions and e- governance practices

Local Government Institution	Service Type	Relevant Links
Balangoda Urban Council	e-Wedagedara (Ayurvedic Treatment)	https://www.balangoda.uc.gov.lk
	e-library Balangoda	https://www.balangoda.uc.gov.lk
	e-complaints (Public complaints and grievances management system)	https://complaints.balangoda.uc.gov.lk
	e-balangoda - IT for Your Life (IT awareness Program)	https://www.balangoda.uc.gov.lk

Note. This table shows digital initiatives implemented by the Balangoda Urban Council as part of its digital transformation efforts. Source: Field data, 2023–2024.

The Ratnapura Municipal Council and the Balangoda Municipal Council have provided the opportunity for the public to make payments online. A respondent stated that all payments in the Ratnapura Municipal Council can be made through the People's Bank Internet Payment Gateway. The study also revealed that the Balangoda Municipal Council has a payment app and a QR code to make payments. In addition, GPS technology is used in providing services to the communities. The community can obtain information about the Balangoda Municipal Council's gully bowzers and garbage collection tractors at any time. In a discussion with the Balangoda Municipal Council Librarian, she stated that the Balangoda Municipal Council is running the first e-library owned by a local government in Sri Lanka. Also, everyone in the jurisdiction, including students, teachers and university students, will benefit from this.

In a discussion with a person with special needs, he stated that e-governance is very important as it allows

differently abled people to actively access services. He called this a special facility provided to his community. This can be pointed out as the best intervention made by the state machinery to include differently abled people in active participation in the public sphere. However, there has been strong criticism from the community that the expected e-democracy in this e-governance is not being implemented properly. This has affected the local government institutions to maintain power and the relationship between citizens and local government institutions to become distant.

Another strong criticism from citizens is that when state institutions and public representatives provide their services through the Internet, it has set the basis for serving only the needs of one social class. It also increases the possibility of citizens being further displaced to the private sphere and the growth of fraud and corruption in local government institutions. The findings from focus groups with low-income families, discussions with civil society leaders, and discussions with technical officers revealed that e-governance has failed due to low e-literacy, language barriers, lack of technical devices, and ignorance of how to use them. This indicates that a group that should have a voice in local government institutions has been excluded: invisible citizens. This can, in one way, be interpreted as digital exclusion. Particularly, e-governance is indicated as a primary medium through which such individuals are politically marginalized. Within this, they become subject to discrimination due to their inability to enjoy their civil rights. A key finding of the study was that local government institutions are not actively working to protect civil rights to e-governance. This can be shown to have led to the spread of hegemony in local government institutions and the empty concept of accountability and responsibility. This is the dark side of mass democracy and the weaknesses of e-democracy which have threatened democratic equality and individual freedom. Full citizenship is also at risk. In this context, citizens have moved away from local government and have turned to forming citizen associations to fulfill their personal and public needs. People, through the trust they build among themselves and by helping one another, tend to work collectively in a spirit of mutual support. In this way, the community itself has initiated awareness programs to reintegrate the marginalized elements of their population into the political mainstream, utilizing their social capital. The Rathnapura Municipal Council area serves as a clear example of this. This is demonstrated through the table below.

Table 4 Use of social capital in Local community projects, empowering e-governance and education

Community project	Purpose	Civic Participation
Online village workshop	Improve the e-governance literacy of people	23-30%
E-seva	Give awareness of the E-governance Approaches Ex: mobile app Kiosks	40-50%

Note. Civic participation percentages reflect approximate engagement rates for each initiative.

This is the network connection of social capital that Putnum pointed out. Although it is questionable how close e-government is to the community, it was identified that communities in the Rathnapura Municipal Council area are criticizing the weaknesses of governance through social media, such as Facebook.

Limited power, functions and resources

The quality of services provided by local government institutions and their inability to provide services to the people is mainly due to the limited powers of local government institutions. Being subject to the constant supervision of the central government and provincial councils and operating under them left no power for local self-government. In a discussion with a government official of the Pelmadulla Pradeshiya Sabha, it was identified that the approval power of the subject minister of the central government regarding the Pradeshiya Sabha leads to delays in some cases. The restrictions imposed on borrowings of local governments are subject to the constant influence and supervision of the central government and provincial councils, and it has had a negative impact on governance activities during the implementation of the surveillance on the officers and public representatives employed by local government institutions. There are also legal provisions for the central government and

provincial councils to maintain their authority. In justification of this, the higher authorities point out that they are acting to protect citizens from arbitrary local government control. This situation was pointed out in a conversation with the Minister of Provincial Councils and Local Government Affairs.

There have been constant ideological conflicts between public officials when dealing with public representatives. It has been pointed out that government officials are constantly influenced by political patronage in the assessment of the property values of ordinary communities. This study identified that public representatives arbitrarily use resources and provide patronage to their people. Also, there is no good relationship between government officials and public representatives. Communities have built new networks of contacts with the Minister by directly reporting the weaknesses of institutions to the Minister, and institutions are constantly being scrutinized. This negative relationship frames the provision of community services and the recognition of the roles of local government institutions.

Although the Pradeshiya Sabha Act has made special provisions for the Pradeshiya Sabhas to engage in development activities in their jurisdiction, the lack of necessary financial resources has reduced the ability of the Pradeshiya Sabhas to utilize these provisions properly. The Ratnapura Municipal Council, as well as the Balangoda Urban Council and the Pelmadulla Pradeshiya Sabha, identify assessment tax and rental income as the primary sources of income. An accounting officer stated that there is a constant difference between the estimated amount and the receipts when considering these incomes. She stated that a decrease in the income of the Ratnapura Municipal Council in the years 2020, 2021 and 2022 can be identified compared to the year 2019. Her description of the income sources of the Ratnapura municipal council is given in Table 5 below.

Table 5 Revenue Summary 2023

Revenue Source	Percentage
Assessment rates and tax	5.14%
Rent	10.60%
Fees for Services	6.17%
Warrant cost and Fines	0.90%
Other revenue	17.4%
Grants	57.50%
Licence	2.66%

Note. This table presents the revenue breakdown for the Municipal Council of Ratnapura for the year 2023. Source: Annual Report 2023, Municipal Council Ratnapura.

Local government institutions receive most of their financial support from higher governments. However, it was clear that these revenues are not sufficient and that problems arise in providing services when these revenues cannot be properly collected. During discussions with accountants of the local government institutions under study, one of the officials stated that the grants provided by the central government have been constantly cut. He stated,

"As per the provisions of the Presidential Secretary's Circular No. PS/SB/10/2022 dated 2022.08.15 and Circular PS/SB/11/2022, the National Budget Provisions No. 03/2022 dated 2022.04.26 issued by the Secretary to the Treasury have stated that since increasing the revenue of the state is a priority, public expenditure should be used only for the most essential services."

Due to this strict control, the institution had to abandon the planned projects. Since the Ratnapura district is prone to frequent floods, the local government institutions have had to bear significant annual costs for the short-term and long-term damages caused by them, and this has led to constant financial crises. However, a community-based society leader pointed out that wealthy gem businessmen in the local government area donate their personal wealth for this purpose during natural disasters and religious festivals. This showed a constant pattern

of external aid. It was possible to identify that no local government institution has paid attention to the existing local natural resources and generated income from them. The study also revealed that institutional human resources are functioning very slowly. It was clear that recruitments have not been made in a manner that suits regional diversity, especially when recruiting staff for local government activities. The study revealed that although local government institutions have made special arrangements for their activities, they are unable to use those arrangements properly due to the lack of necessary financial and resource capacities.

In addition, the study also sheds light on the democratic practices of local government institutions. It was identified that there are gaps in democracy that have emerged due to the misuse of political power, the creation of unnecessary bureaucratic regimes, disregard for public needs and ineffective implementation. Through situations such as the economy being largely based on the gem industry, local governments of the area in some way provide support for the emergence of social class inequality in society indirectly and the subjugation of non-dominant groups due to the dominance and power created through it. The regular participation of members of the Gem Business Association in advisory committees in development projects provides an example of this. The insufficient role of civil society is the cause of this arrested democratization.

CONCLUSIONS

This study identified that although there are legal provisions for the functions and services of local government institutions, they have been subject to challenging situations in their enforcement. It was implied that there are internal inefficiencies in managing the roles and responsibilities of local government institutions. An institution-centered system is implemented rather than the desired citizen-centered governance. The lack of local autonomy has affected the provision of effective services and the fulfillment of local public needs. This situation has led to the displacement of citizens into political partisan dependencies. The local government system is facing a crisis of creating institutional space for citizens within its limited area. This is because the trust in local governance has been eroded as various sectors have independently mobilized and acted for their own interests. To face these challenges, policy solutions must be found to progressively strengthen institutional frameworks. An institutional mechanism should be created to empower citizen engagement. To deepen the structure of local governance, it is essential to implement projects and programs that bring the community as close as possible. For that, state policy-based solutions should be utilized. Measures should be taken to establish mobile community services, and a new quota system should be introduced to involve local intellectual communities in the governance process. In doing so, it is important to design a systematic mechanism that enables local government institutions to engage these people by recognizing their skills, competencies, and counselling capabilities. Therefore, to deepen the services and roles of local government institutions from policy frameworks to practical implementation, it is essential to undertake necessary institutional policy reforms. Through those execution, local government institutions naturally evolve into the institutional framework of the democratic structure at the boundary of the state.

ACKNOWLEDGEMENTS

I would like to express my deepest appreciation to Professor Osantha N.Thalpawila, my supervisor, whose unwavering guidance and intellectual mentorship have been pivotal in shaping this research process.

REFERENCES

1. Abeyrathne, U. (2007). Local government institution. Centre for Policy Alternatives.
2. Arato, Andrew and Cohen, Jean. (1992). Civil Society and Political Theory. MIT Press.
3. Besley, T., Pande, R., Rahman, L., & Rao, V. (2004). The Politics of Public Good Provision: Evidence from Indian Local Governments. *Journal of the European Economic Association*, 2(2/3), 416–426. <http://www.jstor.org/stable/40004915>
4. Chandler, J. A. (2001). Local government today. Manchester University Press.
5. Dainis, A.P. (2015). Strengthening Local Government: Issues, Constraints and Proposal for Reform. In Jayadeva Uyangoda. (Eds.), *Local Government and Local Democracy in Sri Lanka; Institutional and Social Dimensions* (pp.73-97). Social Scientists' Association.
6. De Silva, M. U. (2006). History of local government in Sri Lanka. Godage Publishers.
7. Endagama, M. (1997). History of the Gam Sabha system in Sri Lanka. Saraswathi Publishers.

8. Gamlath, S. (2017). Dilemma of Adaptation of Principles of Good Governance in Governance System in Sri Lanka. *The International Journal of Humanities & Social Studies*, 5(8). <https://internationaljournalcorner.com/index.php/theijhss/article/view/125788>
9. Graham, & Phillips. (1998). *Citizen Engagement: Lessons in Participation from Local Government*. The Institute of Public Administration of Canada.
10. Habermas, Jürgen. (1996). *Between Facts and Norms: Contributions to a Discourse Theory of Law and Democracy*. MIT Press.
11. Hettige, S.T. (2003). Local government in the Central Province: Ambagamuwa Pradeshiya Sabha. In S.T. Hettige et al. (Eds.), *Local government and conflict management in Sri Lanka*. Development Studies Institute of the University of Colombo.
12. Hettige, S. (2008). Local democracy: The Sri Lankan experience. In D. N. Gellner & K. Hachchethu (Eds.), *Local democracy in South Asia: Microprocesses of democratization in Nepal and its neighbors* (pp. 416-442). Sage.
13. Kothari, R. (1996). Issues in decentralized governance. In Abdul Aziz, & David D. Arnold (Eds.), *Decentralized governance in Asian courtiers*. Sage.
14. Leitan, G.R. Tressie. (1979). *Local Government and Decentralized Administration in Sri Lanka*. Lake House Investments Ltd.
15. Marshall, T.H. (1950). *Citizenship and Social Class and Other Essays*. Cambridge University Press.
16. Ministry of Local Government and Provincial Councils. (2009). *National Policy on Local Government: The Gazette of the Democratic Socialist Republic of Sri Lanka Extraordinary*. Department of Government Printing. https://www.preventionweb.net/files/28587_localgovernmentpolicy.pdf
17. Municipal Council Ordinance. (1947). Ceylon Government Printing. https://diglib.natlib.lk/bitstream/handle/123456789/31213/250_1947-JANUARY-JUNE_9718_IX_E.pdf?sequence=1&isAllowed
18. Pradeshiya Sabhas Act. No.15 of (1987). Department of Government Printing. https://www.parliament.lk/files/ca/12._Pradeshiya_Sabhas_Act.pdf
19. Pratchett, L. (2004). Local Autonomy, Local Democracy and the 'New Localism'. *Political Studies*, 52(2), 358-375. <https://doi.org/10.1111/j.1467-9248.2004.00484.x>
20. Putnam, R. D., Leonardi, R., & Nonetti, R. Y. (1993). *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton University Press. <https://doi.org/10.2307/j.ctt7s8r7>
21. Report of the Commission on Local Government (Choksy Commission). (1955). Department of Government Press. <https://fslga.lk/report-of-the-commission-on-local-government-1955/>
22. Vijesandiran, S. (2011). *Exclusion of estate residential communities from the Pradeshiya Sabhas' Service delivery system* (unpublished report). Institute of Social Development.
23. Vijesandiran, S. and Ramesh, R. (2016). Local Government Services and Social Margins: The Case of Plantation Community in Sri Lanka. *Journal of Politics and Law*, 9(10), 59-71. <http://dx.doi.org/10.5539/jpl.v9n10p59>
24. Urban Councils Ordinance. (1939). Ceylon Government Printing. <https://citizenslanka.org/wp-content/uploads/2016/02/Urban-Councils-Ordinance-61-of-1939-E.pdf>
25. Uyangoda, J. (2015). Local Government in the Decentralization, Devolution and Local Self – Government Discourses in Sri Lanka Issues. In Jayadeva Uyangoda. (Eds.), *Local Government and Local Democracy in Sri Lanka; Institutional and Social Dimensions* (pp.149-195). Social Scientists' Association.