

Sri Lanka

Self-Rule

Institutional Depth and Policy Scope

Sri Lanka, officially the Democratic Socialist Republic of Sri Lanka and formally known as Ceylon, is an island country in the Northern Indian Ocean off the southeast coast of the Indian Subcontinent. Sri Lanka's area is 65,610 sq km and contains an estimated population of approximately 21,900,000 (CIA 2014). Sri Lanka is divided into 9 *palata* (provinces),¹ 25 *disa* (districts),² 256 *pradeshiya* (sub-districts or divisions), 14,008 Grama Niladhari (community districts), 18 Municipal Councils, 13 Urban councils and 256 Pradesha Sabhai (village councils). The initial districts were based upon British colonial divisions. The *disa* are subdivisions of *palata*. Prior to 1987 the *disa* had authority independent of the *palata*. However, beginning with the 13th amendment to the Constitution and the creation of the Provincial Councils the *disa* came under the authority of the *palata*. We code the *palata* and *disa* level.

¹ From 1989 to 2006 there were only 8 provinces as the North and Eastern provinces, which were previously separate, were merged temporarily.

² At independence there were 21 *disa*. In 1961, the Ampara district was split from the Batticaloa District. In 1978, the Mullaitivu (from the Vavuniya District together with parts of the then Jaffna District, Mannar District and Trincomalee District) and Gampaha (from the Colombo district) districts were created. In 1984, the Kilinochchi District (from the Jaffna District) was created.

Sri Lanka has had three constitutions since independence. The 1948 constitution of the dominion of Ceylon, as it was known at the time, was heavily influenced by the existing British colonial system and laws. During this time period the *palata* had no local government authorities and served largely as statistical regions. The ensuing 1972 and 1978 Constitutions maintained the same subnational structure until the 13th amendment was introduced in 1987. From 1950 through 1986 each *palata* scores 0 on Institutional Depth and Policy Scope.

To resolve the ongoing civil war, the Indo-Lanka Accord was signed on 29 July 1987. The accord required Sri Lankan government to devolve powers to the provinces and, in the interim, to merge the Northern and Eastern provinces into one administrative unit. The accord eventually led to the 13th amendment to the constitution. This amendment devolved extensive authority to each *palata* and created a Provincial Council and chief minister. Additionally, a *palata* governor who is appointed by the central state serves in a governing role (C 1978-A, Art. 154B-C), making this an effective dual executive. The major functions devolved to the Provincial Councils include internal law and order (control of the local police), implementation of *palata* economic plans, education and educational services, housing, agriculture and agrarian services, health, rural development, land use and land development, cooperative development, and local government (Indo-Lanka Accord, List 1; C 1978-A, Schedule Nine). How much of this power has been actually shared by the central government and the effectiveness of the Provincial Councils has been questioned (USAID 2004, Ch. 3; World Bank 2006; SDC 2010). From 1987 through 2010 the *palata* score 2 on Institutional Depth and 3 on Policy Scope, due to competences in economic development, education, as well as local police.

In 1987 the Northern and Eastern *palatas* were merged into the North Eastern *palata*, which had the same authority as the other *palata*. In 1990 the North Eastern Provincial Council attempted to declare independence, resulting in closure of the Provincial Council and imposition of direct rule by the central government (Bigdon 2003). In October 2006 the Supreme Court of Sri Lanka declared this illegal. The North Eastern was subdivided at the beginning of 2007 and the Eastern *Palata* Provincial Council and Chief Minister were reintroduced with elections in May 2008.

The Northern *Palata* was the site of much of the Sri Lankan Civil War between the Liberation Tigers of Tamil Eelam and the Sri Lankan central state. The conflict was finally resolved in 2009 when the Sri Lankan military ended the war. While originally expected to regain its Council and Chief Minister along a similar timeline to the Eastern *Palata*, the Northern *Palata* did not regain its Council and Chief Minister until 2013.

From 1987 until 1989 the North Eastern *Palata* scores 2 on Institutional Depth and 3 in Policy Scope due to the same authority as the other *palata*. From 1990 through 2006 the North Eastern *Palata* scores 1 on Institutional Depth and 0 on Policy Scope. Beginning in 2008 the Eastern *Palata* scores 2 on Institutional Depth and 3 on Policy Scope due to the same authority as the other *palata*. The Northern *Palata* continued to score 1 on Institutional Depth and 0 on Policy Scope from 2008 through 2013 due to continued central governance, and returns to score 2 on Institutional Depth and 3 on Policy Scope from the reintroduction of an independent Provincial Council from 2014-2018.

In 1948 Sri Lanka was subdivided into 21 *disa*, which were administrative outposts of the central government and continued (as they were under colonial Ceylon) to be governed by the

national bicameral legislature. The *disa* were governed by District Secretariats, who were centrally-appointed executives, and their form and function have largely remained unchanged since independence. Due to being deconcentrated governments, the *disa* score 1 on Institutional Depth and 0 on Policy Scope throughout the period.

Fiscal Autonomy

All taxes by any local authority must first be approved by the national parliament (C1978, Art. 148). The 13th amendment granted the Provincial Councils the right of authority regarding tax rates on turnover taxes, wholesale and retail sales, license fees on liquor and gambling, and stamp duties on transfer of property any property (Amended C1978, Schedule 9, Art. 36; Herath 2009, 165). Due to this *palata* score 0 on Fiscal Authority from 1950 through 1986, and 1 on Fiscal Authority from 1987 through 2018.

From 1990 through 2007 the North Eastern *palata* lacked a Provincial Council and was governed directly by the center. During this period the North Eastern scores 0 on Fiscal Authority. Beginning in 2008, with subdivision from the Northern *palata* and the reintroduction of its Provincial Council, the Eastern *palata* returns to score 1 on Fiscal Authority. The Northern *palata* continues to score 0 until 2013, when its Provincial Council is reintroduced and it reverts to the standard *palata* score. The *disa* have no powers of taxation and score 0 on Fiscal Authority throughout the period.

Borrowing Autonomy

Borrowing authority in Sri Lanka has remained centralized. *Palata* are allowed to maintain a provincial fund and raise loans, which somewhat offset limits on revenue generation via taxation (Herath 2009, 166). However, the actual authority to raise funds is highly controlled by the central government, as clarified in the Eleventh Amendment (Amended C1978, Schedule 9, Art. 35). We interpret this as *palata* having the ability to borrow, but under limited circumstances and subject to central government scrutiny. Due to this, *palata* score 0 on Borrowing Authority from 1950 to 1986, and 1 on Fiscal Authority from 1987 through 2018.

From 1990 through 2007 the North Eastern *palata* lacked a Provincial Council and was governed directly by the center. During this period the North Eastern scores 0 on Borrowing Authority. Beginning in 2008, with subdivision from the Northern *palata* and the reintroduction of its Provincial Council, the Eastern *palata* returns to score 1 on Borrowing Authority. The Northern *palata* continues to score 0 until 2013, when its Provincial Council is reintroduced and it reverts to the standard *palata* score. The *disa* have no powers of taxation and score 0 on Borrowing Authority throughout the period.

Representation

The 1948 Constitution did not establish *palata* executive or legislative branches. This continued under the original 1978 Constitution until the 13th amendment was passed in 1987. From 1950 through 1986 the *disa* and *palata* score 0 on Assembly and 0 on Executive.

The 13th amendment created the Provincial Councils and distinct executive power at the provincial level was vested in a Board of Ministers, which was headed by a Chief Minister. Additionally, there are Provincial Governors, who are appointed by the President (Amended C1978, Art.154B-C). The Governor's powers include appointment of the Chief Minister, dissolution of the Provincial Council, assent to bills, and action in emergency situations such as breakdown of administrative machinery and financial instability. The day-to-day functioning of the provincial government is the responsibility of the Chief Minister. From 1987 to 2018 the *palata* score 2 on Assembly, due to the presence of directly elected Provincial Councils, and 1 on Executive, due to the dual presence of the Governor and Chief Minister.

From 1987 through 2006 the North Eastern *Palata* had no Provincial Council and scores 0 on both Assembly and Executive. Beginning in 2008 the Eastern *Palata* regains its Provincial Council and Chief Minister and scores 2 on Assembly and 1 on Executive. While initially delayed relative to its Eastern counterpart because of continued civil conflict, beginning in 2014 the Northern *Palata* regains its Provincial Council and Chief Minister and scores 2 on Assembly and 1 on Executive.

The 1948 Constitution established centrally appointed executives for the *disa*, known as a Government Agent or District Secretariat; there were no provisions for legislatures at the *disa* level. Following the 13th amendment District Secretaries continue to be appointed by the central state to govern the *disas* and there are still no *disa* assemblies. *Disa* score 0 on Assembly and 0 on Executive throughout the period.

Shared Rule

Law Making

The 1948 Constitution created a bicameral parliament, consisting of a Senate and House of Representatives. The Senate consisted of 30 members, 15 selected by the House of Representatives and 15 selected by the Governor-General of Ceylon. From 1948 through 1959 the House of Representatives consisted of 101 members who were directly elected by the constituents of their population-based electoral districts. This number was increased to 157 in 1960.

The 1972 Constitution eliminated the Senate and created a unicameral legislature known as the National State Assembly. Once again the electoral districts were based upon population. The 1978 Constitution renamed the legislature, now called the Parliament of Sri Lanka, with members directly elected from multi-member districts within *palata* divisions (C1978, Sect. 96).

Palata representatives are never designated by the regional governments nor serve as the unit of representation in the national legislature. There are no separate provisions for the law making authority of distinct units within Sri Lanka. All subnational units score 0 on multilateral and bilateral Law Making throughout the period.

Executive Control

No routinized meetings, bilateral or multilateral, between central and regional governments have existed in Sri Lanka since independence. All subnational units score 0 on multilateral and bilateral Executive Control throughout the period.

Fiscal Control

The central government has never been required to consult with subnational governments concerning the distribution of national tax revenues. All national tax policy has been under the authority of the central government (C1978, Art. 148). All subnational units score 0 on multilateral and bilateral Fiscal Control throughout the period.

Borrowing Control

The central government has never been required to consult with subnational governments concerning national borrowing. All borrowing policy has been under the authority of the central government. All subnational units score 0 on multilateral and bilateral Borrowing Control throughout the period.

Constitutional Reform

The 1948 Constitution made no reference to the amendment process. In subsequent constitutions, a Bill for the amendment of any provision of the Constitution or for the repeal

and replacement of the Constitution requires passage by at least two-thirds of the total members of Parliament (including those not present) and must be endorsed by the President or the Speaker of Parliament (C1972; C1978, Art. 83). All subnational units score 0 on multilateral and bilateral Constitutional Reform throughout the period.

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Self-rule in Sri Lanka

			Institutional depth	Policy scope	Fiscal autonomy	Borrowing autonomy	Representation		Self-rule
							Assembly	Executive	
Palata	I	1987-2018	2	3	1	1	2	1	10
North Eastern Palata	I	1990-2007	1	0	0	0	0	0	1
Northern Palata	I	2008-2013	1	0	0	0	0	0	1
Disa	II	1950-2018	1	0	0	0	0	0	1