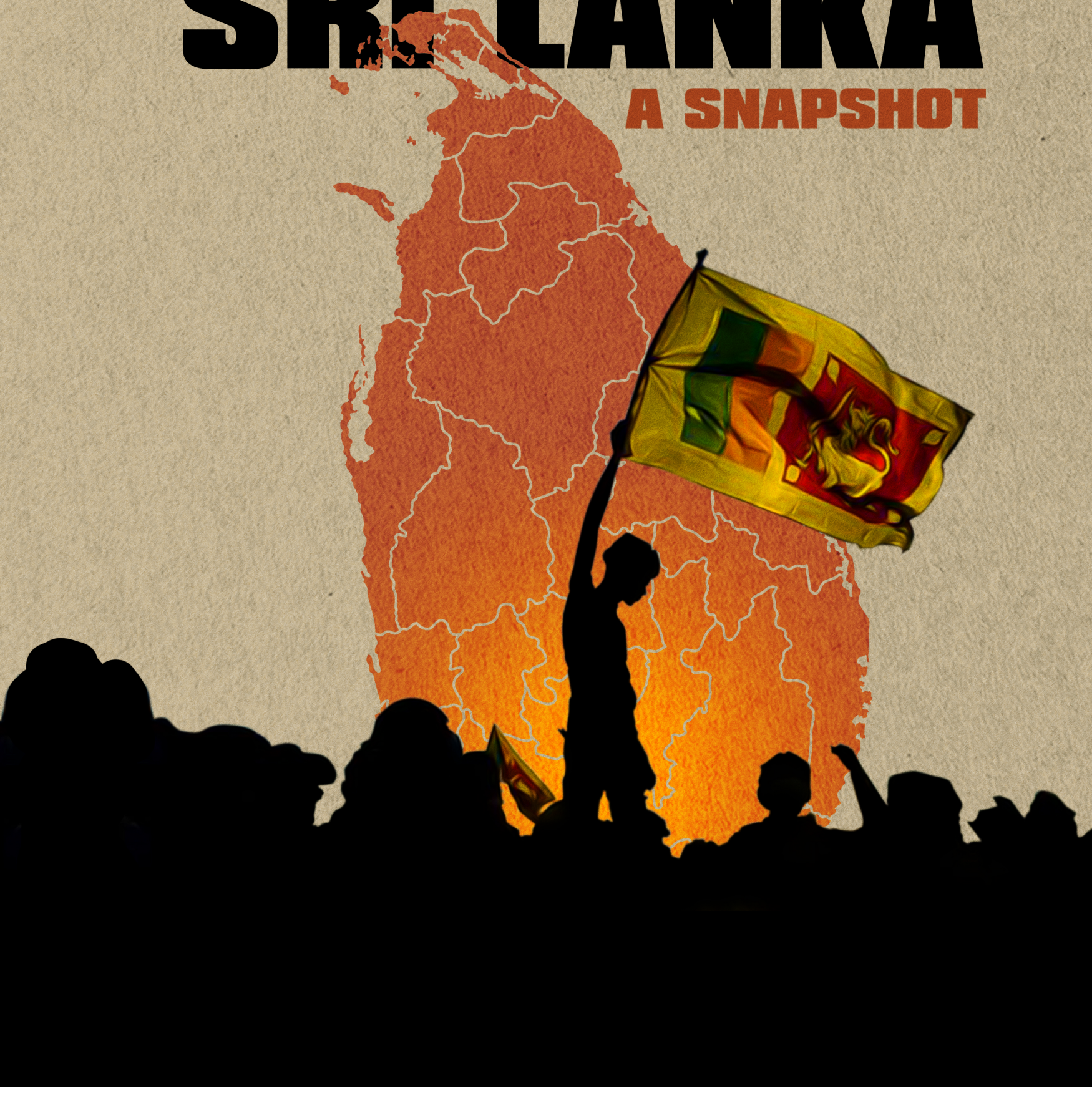


POLITICAL CLIENTELISM IN SRI LANKA

A SNAPSHOT



POLITICAL CLIENTELISM
IN SRI LANKA:
A SNAPSHOT

ONE-TEXT INITIATIVE

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ABBREVIATIONS

Central Environmental Authority (CEA)

Coast Conservation Department (CCD)

District Development Councils (DDC)

Divisional Development Councils (Div. DCs)

Geological Survey and Mines Bureau (GSMB)

Government Agent (GA)

Governance Diagnostics Assessment (GDA)

Gross Domestic Product (GDP)

International Monetary Fund (IMF)

Janatha Vimukthi Peramuna (JVP)

Lanka Rupees (LKR)

Liberation Tigers of Tamil Eelam (LTTE)

Member of Parliament (MP)

National Building Research Organisation (NBRO)

One-Text Initiative (OTI)

Panhellenic Socialist Movement (PASOK)

Private Limited (PVT)

Samagi Jana Balawegaya (SJB)

Sri Lanka Freedom Party (SLFP)

Sri Lanka Sama Samaja Party (SSP)

United Nations Development Programme (UNDP)

United National Party (UNP)

United States Dollar (USD)

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The One-Text Initiative (OTI) would like to thank all those who contributed to the success of its ongoing work, developing a shared constitutional vision and inclusive governance, aimed at fostering consensus among political and other stakeholders to develop stable and resilient political structures in which every citizen has ownership and feels included.

Since 2020, as Sri Lanka began to experience signs of economic stress and governments responded with increased centralization, OTI observed broadening governance challenges that encompass economic, political, and social dimensions. In line with this focus, the Clientelism Study Group was established to delve deeply into the governance crisis. This report is part of the ongoing work on governance, and we extend our gratitude to the stakeholders of OTI's long-standing tradition of dialogue tables, where Sri Lanka's major political parties and stakeholders have come together to explore matters concerning democracy and a shared constitutional vision.

This report compiles several case studies on political patronage and clientelism practices within Sri Lanka's socio-political system. One of these studies examines the social ecosystem surrounding the sand mining licensing system in Manampitiya, Polonnaruwa. We thank Professor Mohamed Mahees and his research team, including Mr. Keshar Benaragam, Ms. Tharaka Kaluarachchi, Ms. Nimali Vinishiya, Ms. Sanduni Dulani, and Ms. Aruni Gayesha, for their dedicated work on studying networks of patronage in sand mining. Engaging closely-knit groups with entrenched networks is often challenging, and we appreciate their efforts. We are also grateful to the various public officials who generously shared their data and insights, particularly Mr. Nuwan Raajashilpa, Director of Planning at the Polonnaruwa District Secretariat, and several Grama Niladhari officers of the area. Their support made access to networks and data significantly easier. Professor Mahees, as a sociologist working at the intersection of political and ecological sociology, provided dedicated leadership to this study.

The chapter on Decentralised Budget charts how legislators were assigned executive roles, leading to a compromise of the constitutional principle of separation of powers. This study was conducted by Mr. K. K. Pradeep Ranaweera, Lecturer at the General Sir John Kotelawala Defence University. Many current and former public officials contributed their knowledge generously, including Mr. Sudath Jayasinghe of the Sri Lanka Planning Service, Mr. Rohana Gangadara of the Sri Lanka

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Editorial Team

September 2024

CHAPTER 1

INTRODUCTION

The political and governance crisis in Sri Lanka stems from its lack of a shared constitutional vision. Since independence, the discourse and contestations surrounding constitutional making have often been marked by exclusions rather than inclusions. Communal, familial, corporate, and individual interests have undermined democratic principles such as pluralism, separation of powers, judicial independence, and respect for human rights. In the absence of a unified framework based on constitutional principles, the governance system has been characterised by political patronage, perpetuating communal and other prevailing and emerging fault lines in society. The electoral system, state resource allocation, and governance approaches have been shaped by the vested interests of powerful groups and individuals, leading to a crisis in governance that has resulted in various issues, including violence in the South and the North, increasingly undemocratic practices, human rights violations, and a debt crisis.

The first victims of a governance crisis are the institutions of democracy. Vested interests weaken existing democratic institutions and prevent the establishment of new ones. Weak institutions lead to weak governance, which in turn increases demands for authoritarian rule. This is a crisis in governance that manifests in multiple dimensions: a failure to uphold the rule of law, a lack of genuine democratic representation, and a political system driven by majoritarianism and a winner-takes-all attitude. Additionally, economic mismanagement and issues with fiscal sovereignty lead to ineffective development policies and persistent corruption. The ongoing marginalisation of minority groups, particularly Tamils and Muslims, exacerbates ethnic tensions and undermines the country's pluralistic democratic ideals.

Multiple academic studies have shown how the country's patronage-based political culture is rooted in its colonial past and continues to reproduce itself in the post-independence era. The relatively strong welfare state that Sri Lanka built following independence also meant that large welfare projects and schemes reproduced some of the patronage structures in their design and implementation, while reinforcing intercommunal hierarchies and rampant corruption on both large and petty scales.

At Crossroads: A Snapshot of the 2022 Crisis

The current attention to the governance crisis in Sri Lanka increased with the economic crisis in 2022. In February 2022, two months before the country's declaration of bankruptcy, the One-Text Initiative held a public seminar to discuss how the country's deeply-rooted patronage political culture manifests itself through constitutional, economic, electoral, and social spheres. The discourse surrounding the governance crisis culminated in the IMF's Governance Diagnostics Assessment (GDA) as part of the IMF's technical assistance package. While the GDA addressed serious perils of the state, including widespread corruption and structural weaknesses that lead to unaccountable decision-making in economic management, patronage politics loomed larger than corruption, especially those linked to the absence of a shared constitutional vision.

Patronage is a tool that politicians use to build, sustain, and project power. That power may be used for personal political gain, or it may be used to control government and public policy. The brand of patronage politics in Sri Lanka, particularly that rooted in broad social policy and communal politics, poses a challenge rooted at the constitutional level and is manifested at cultural and social levels. The aim of this report is to broaden the discourse on the governance crisis and shed light on how an ecology of patronage politics has been created in various aspects of governance. We try to achieve this in a few steps. The three content chapters are dedicated to these aspects.

The second chapter presents a structural analysis of the governance crisis in Sri Lanka, developed in the deliberations of the clientelism study group. It identifies the lack of a shared constitutional vision at the root of the crisis and follows its developments as it spreads over the entire political and social system. The analysis shows how pervasive corruption is not a problem extraneous to the other deeply rooted weaknesses of governance, including plural democracy and a shared constitutional vision, which are needed to foster the idea of collective identity for an undivided country.

Approaches to the Governance Crisis

The third chapter presents the key contributions made at the clientelism study group that OTI launched in November 2022. Based on the work that OTI has conducted, the institution focused

on the linkage between the governance crisis entrenched in patronage politics and the constitutional crisis. The first contribution was from Dr. Anura Ekanayake, who has extensive experience in the public sector and corporate sector. Closely linking Sri Lanka's economic crisis to that of Greece, he pointed out the political and economic challenges posed by an entrenched system of clientelism. Referring to studies of the Greek economic crisis, he based his analysis on a framework of game theory developed by Aris Trantidis in the book *Clientelism and Economic Policy*. The book uses an analytical narrative and a comparative approach to examine Greece's economic reforms from 1985 to 2015. It reveals that clientelism—where political actors (patrons) provide selective benefits to their supporters (clients)—led to a strong policy bias, hindering the country's ability to implement significant reforms. The book demonstrates that the clientelist system differs from the typical understanding of interest-group politics and that the conventional view of clientelism as a simple patron-client exchange fails to capture its broader scope and effects. Based on these findings, the author proposes a theory of clientelism and policy-making, addressing crucial issues surrounding economic reform, government autonomy, and party politics. This approach, which focuses on elite struggles, brought a new perspective on the political culture and nature of the state, which the second intervention in the clientelism study group deliberated on.

Concentrating on state formation in Sri Lanka since independence, which traces the roots of the processes that determine the shape of the state from its pre-colonial times, Sunil Bastian, a senior political economist with extensive experience, introduced a framework of state formation that is distinct from the notion of nation-building. Where 'nation-building' focuses on the declared intentions of the ruling elites, the state formation approach provides a broader and dynamic interplay of many stakeholders in competing historical processes. He explored Sri Lankan state formation, emphasising political violence and state repression as systemic features since 1977. Three key factors were considered central to Sri Lanka's challenges: the centralised state and minority relations, electoral politics, and capitalist transition. Communal majoritarianism and capitalism have deepened socio-economic inequalities. Charting the influence of global capitalism and international forces in state formation, this contribution concludes that addressing Sri Lanka's complex problems requires a multifaceted, historically grounded approach rather than simplistic and 'rendered-technical' solutions.

The third contribution to this series came from Dr. Pradeep Peiris, who explored the dynamics of the political party system in Sri Lanka as they provide a key interface of interaction between citizens and state policy. He advanced the argument that political parties largely depend on intricate patronage-based networks to mobilise their electorates. They use informal, flexible, and loosely structured networks at the local level, focusing on engaging voters through local political figures rather than maintaining fixed party bases or membership systems. He emphasised the importance of prominent personalities, both nationally and locally, in shaping electoral support. These individuals leverage their economic, social, and cultural capital to form networks that strengthen their party during elections. He also examines the rise of new coalitions, the SLPP and SJB, which, despite being new, continue the organisational strategies of their predecessors. Peiris discussed how patron-client relationships have reshaped Sri Lanka's socio-economic landscape, where politicians distribute resources under the guise of welfare. This system, driven by personal loyalty and gratitude, often overshadows party ideologies and perpetuates clientelist politics across generations. While clientelism fosters inequality and corruption, it has also provided opportunities for marginalised groups through political patronage. Peiris suggests solutions like enhancing internal democracy in political parties, adopting good practices from other democracies, and strengthening public services. He also emphasises the need for a clear separation of powers to ensure more transparent and accountable governance in Sri Lanka.

The fourth contribution was meant to understand the nomenclature of patronage, clientelism and other related terms. Trying to problematise the approach to consider the governance crisis as a result of a Kleptocracy, Professor Nihal Perera made an insightful contribution. Focusing mainly on the developments since 1977, he looked at the political and economic shift with the rise of the United National Party (UNP) under J.R. Jayewardene. Influenced by neoliberal ideologies, the UNP's policies marked a departure from previous socialist approaches. The shift led to the decline of socialist movements like the Lanka Sama Samaja Party (LSSP) and the diminished influence of the working class, notably after the 1980 labour strike. The Sri Lanka Freedom Party (SLFP) also transformed, evolving into the Podujana Peramuna, abandoning its earlier ideology. Jayewardene's neoliberal reforms introduced industrialisation and welfare policies, some of which persisted despite their left-wing origins. Political processes became more opportunistic and less ideological, as corruption became normalised post-1977, exemplified by figures such as Ronnie de Mel, who frequently switched parties. The political environment shifted away from earlier

ethical standards, and competition between the UNP and SLFP diminished, as internal corruption and party privileges increased. He indicated how a new liberal consensus emerged since 1977, where policy outlooks of the main parties did not deviate highly from one another. Perera critiques the post-1977 form of capitalism, noting that the political class continued to benefit financially, even during labour strikes, leading to a growing disconnect between the government and the people. The introduction of the district-based electoral system in 1978 reinforced this gap, encouraging local-focused politics and the rise of a corrupt elite known as the Kleptocracy. This elite maintained power through mutual support, further entrenching corruption and weakening the connection between the government and the broader populace.

Professor Nirmal Dewasiri explored the relevance of the party system in the emerging era, tracing back to the nature of political legitimacy of leaders. His analysis highlights the deep crisis within Sri Lanka's traditional two-party system. Historically, the Sri Lanka Freedom Party (SLFP) and United National Party (UNP) played a key role in maintaining political stability, but post-1977 both parties experienced significant internal decline. The UNP peaked in 1977 but later struggled with internal issues, while the SLFP saw a brief resurgence with Chandrika Kumaratunga in 1994, though it relied more on personal leadership than ideological strength. This decline has led to the rise of non-party figures like Mahinda Rajapaksa and Sajith Premadasa, who mobilised voter support outside traditional party structures. Dewasiri notes that rural political dynamics are shifting, with rising people's power, making it difficult to quantify the changes but leading to new political players like Dhammika Perera entering the scene. He argues that Sri Lanka's political crisis can be understood through both macro and micro lenses—examining historical trends and voter behaviour. High voter turnout in rural areas reflects deep political engagement, akin to a cultural ritual. The traditional power of wealthy families has been replaced by individuals adept at navigating state machinery, further weakening the old political system. Despite this, political stability has endured due to the strong voter culture, although the traditional party structures are now under threat. Dewasiri concludes that new strategies are needed to navigate the evolving political landscape.

While these talks explored various facets of the governance crisis at a political and sociological level, exploring various cultural and geopolitical nuances, the next intervention of the clientelism study group focused on the role of participatory democracy to enhance the current deficit in

legitimacy and trust in systems of governance. This discussion was based on the recent book by Wijayananda Jayaweera, a veteran communication expert. Vijayananda Jayaweera's book, *Sanvicharaneeya Samayak* (A Deliberative Society), advocates for a transformative shift in both politics and economics towards equity and sustainability. The book is structured into five sections, each addressing different facets of this transformation.

Jayaweera critiques current political systems that prioritise power over justice, advocating for a model of informed and inclusive public participation. He argues that this approach is crucial for building a regenerative circular economy that fosters cooperation and sustainability.

He also challenges traditional economic theories and practices. Jayaweera disputes the notion that economics is a definitive science and criticises the focus on growth rates, questioning the myth of the self-interested “Economic Man.” He uses historical examples, like Chile under Pinochet, to highlight flaws in modern capitalism and neoliberalism. Critiquing conventional measures of development, he argued that growth does not necessarily equate to genuine progress. He examined alternative development viewpoints, including UNDP's sustainable development frameworks.

In an attempt to decouple neoliberalism from development, he advocates for innovative economic models inspired by seminal books by Kate Raworth and Mariana Mazzucato. Raworth’s “donut economy” emphasises living within planetary boundaries while ensuring social equity, and Mazzucato’s “Mission Economy”, highlights the role of government in fostering innovation and growth.

These various views have shaped the discourse on the crisis of governance and highlight that the issue of governance crisis cannot be ‘rendered technical’, conceptualising the state as a static entity where a certain set of clinical solutions can be applied to fix its perils. Instead, a deeply rooted crisis in governance that encompasses cultural, social and political norms calls for broader and deeper deliberation and consensus-building.

Everyday Patronage: A Case Study on Sand Mining

Chapter four examines a case of everyday clientelism in practice. The sand mining industry in Polonnaruwa, Sri Lanka, plays a crucial role in regional construction and development due to the area's abundant riverbanks and water bodies. While the industry supports local employment and

economic growth, it also faces significant challenges in balancing these economic benefits with environmental protection. The sector is characterised by clientelism, with sand mining licences often awarded based on political connections, leading to frequent changes in ownership with shifts in government. This dynamic has fostered a new upper-middle class of sand miners linked to political elites, exacerbating issues of corruption and inequality.

This study illustrates how, in the absence of a better system, a spoils-based system gains legitimacy, performing social roles such as wealth generation and benefit sharing. However, this also poses challenges in transforming the system towards a governance model rooted in transparency and meritocracy.

In response to increased demand from major projects in Colombo, such as the Lotus Tower and Port City, the Geological Survey and Mines Bureau (GSMB) Technical Services was established in 2008 to regulate sand mining. The GSMB aims to promote sustainable practices and control sand prices, although it has faced criticism for mismanagement and political interference. Reports indicate that significant quantities of sand are being extracted and transported, often benefiting politically connected individuals, with much of it directed towards Colombo. Thus, the sand mining industry in Polonnaruwa stands at a critical juncture, needing to address environmental concerns while managing political and economic pressures. Ensuring sustainable development will require effective regulation, transparency, and community engagement to balance economic growth with environmental stewardship.

State-Led Patronage: The Case of the Decentralised Budget

The decentralised budget has its origins in the 1970s, when the left-leaning government distributed funds to be managed under the supervision of a Member of Parliament in response to a rising food crisis. It has gradually promoted a patronage model of politics, where Members of Parliament hold significant influence over resource allocation within the decentralised budgetary framework, with incumbent government members having particularly strong sway. Despite the democratic intentions behind decentralisation, the process reveals concerning patterns related to efficacy and transparency.

Empirical research suggests that decentralised budgeting has had minimal or unforeseen effects on economic development and public decision-making power. This raises doubts about its effectiveness as a tool for grassroots empowerment and equitable development, beyond being a means for image-building by political leaders, who often display large images of themselves patronising these projects using the same public money. There is increasing recognition of the need to reform state mechanisms to enhance the role of public representatives in budgetary decisions and project implementation. However, the influence of party politics complicates efforts to ensure impartial and effective resource allocation. To address these issues, improving transparency, accountability, and public participation in decentralised budgeting is crucial. In practice, however, the decentralised budgets undermine the legislative role of parliamentarians, turning them into project implementers who compete to use public money to increase their chances of re-election.

The Case of Vellanaval Bridge Collapse in Mutur

In early 2024, the 265m long bridge across the Mahaweli River on the Trincomalee Outer Circular Road sank. Unchecked sand mining contributed to the collapse of the Mutur Vellanaval Bridge, revealing key regulatory shortcomings and collusion among private parties and public officials. The institutions involved in this case are the Geological Survey and Mines Bureau (GSMB), the Coast Conservation Department (CCD), and the Central Environmental Authority (CEA). Poor coordination and selective negligence of the law resulted in ineffective enforcement. Legislative loopholes, such as vague definitions in the National Environmental Act and weak oversight in the Mines and Minerals Act, are exploited by actors to continue illegal mining. Additionally, clientelist networks allow individuals to bypass regulations through political patronage, undermining accountability and leading to environmental damage. This case study reveals the real cost of corruption and the challenge of combating clientelist practices. Good governance and ensuring regulatory independence are also crucial to fostering compliance with environmental laws.

Way Forward: Consensus for a Shared Vision

This report is an attempt to explore the deeply rooted nature of the governance crisis and to broaden the discourse surrounding it. Addressing the governance crisis should foster a broad

dialogue and involve all key stakeholders, aimed at reforming constitutional, political, and social systems.

CHAPTER 2

AT CROSSROADS:

A SNAPSHOT OF SRI LANKA'S GOVERNANCE CRISIS

The chart below (Figure 2.1) is a cross-section of the governance crisis in Sri Lanka. It demonstrates how this governance crisis is rooted in a crisis of the Sri Lankan Constitution, specifically referring to the lack of a consensus-based Constitution. The Constitution of a country is a primary source of law concerned with the distribution and exercise of power within the state. It encompasses not merely the power to make legal rules, but also the accountability of those charged with enacting, applying, and enforcing the law. It regulates the relationship between the state and the individual. Thomas Paine once said in his treatise 'The Rights of Man' (1791) that a Constitution is antecedent to a government, and that government is only a creature of the Constitution. The Constitution of a country is not the act of its government but of the people constituting its government.

A fundamental and common characteristic of Sri Lanka's Constitutions introduced since 1948 is that they are products of the country's governments rather than of the people. As a result of this characteristic in the constitution-making process, the essence of modern-day democracy has been removed from Sri Lanka's constitutions. Sri Lanka's constitutions have failed to establish the dominant form of democracy, i.e., liberal democracy (pluralism), and the means of forming a government that ensures human freedoms and the emancipatory goals of the people.

Sri Lanka is a classic example of how it has historically failed to govern the country according to the notion of constitutionalism. Constitutionalism is a form of political thought and action that seeks to prevent tyranny, including the worst outcomes of majority rule, and to guarantee the liberty and rights of individuals. Constitutionalism involves the conduct of politics in accordance with a constitution.

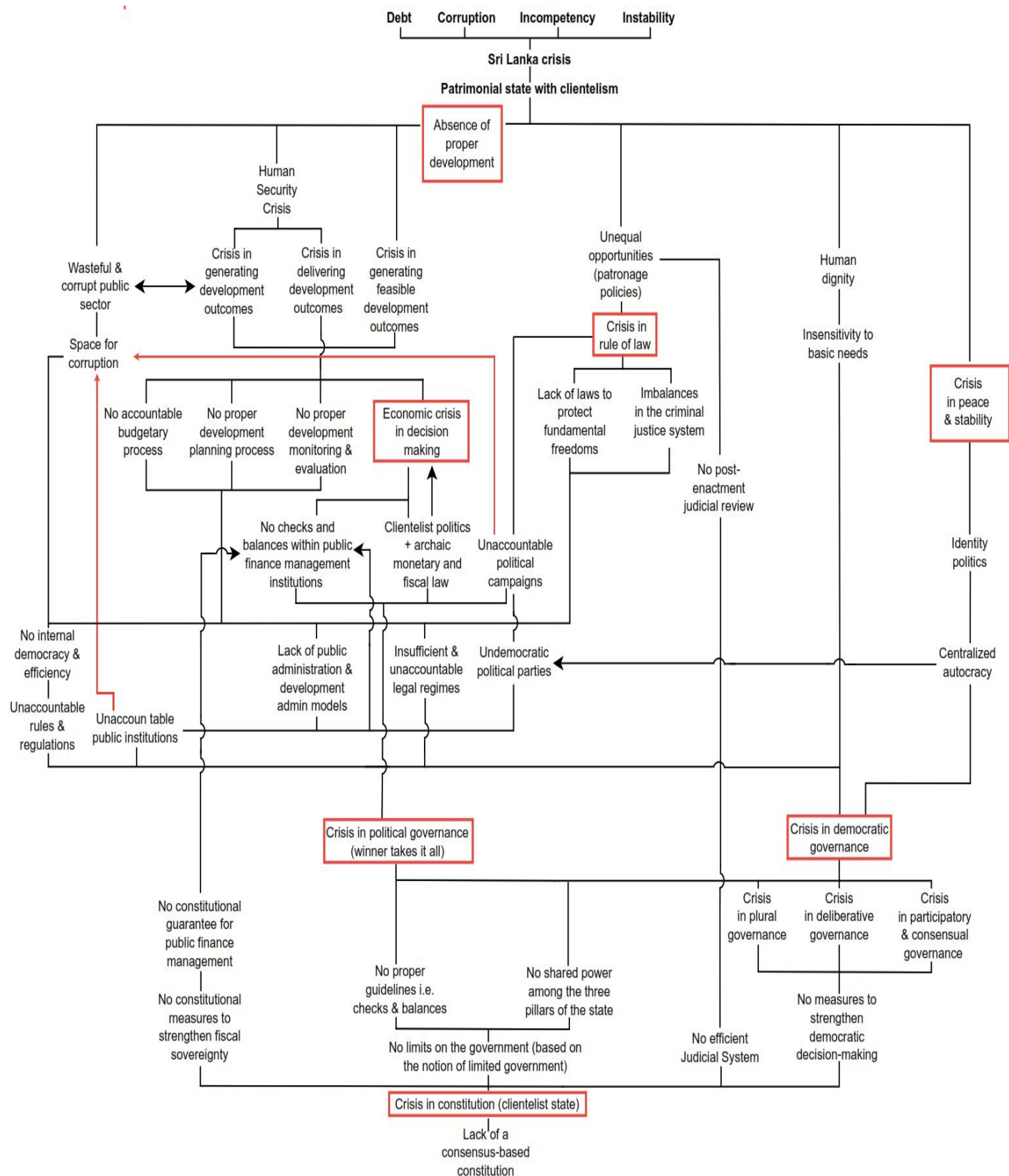


Figure 2.1: A cross section of the governance crisis in Sri Lanka (One-Text Initiative, 2022),

Since independence, Sri Lanka's governance systems and structures have not functioned as a representative government. A representative government is one where the people are the source of political power and sovereignty; the government is institutionally organised through the legislature; the government derives its authority from the people's consent; the rulers implicitly agree to be faithful to the terms of a social contract on which political society is established; and where the people have the right to remove rulers who violate this social contract and trust, either through peaceful means or force. Consequently, Sri Lanka's constitutions have consistently failed to adhere to fundamental principles such as respect for the broad concept of sovereignty, separation of powers among state organs, necessary checks and balances, the broader notion of judicial independence, and the ability to guarantee the full enjoyment of human rights and fiscal sovereignty.

The outcome of this is what we define in this study as "a crisis in the Constitution". This crisis in the constitution has paved the way for a governance crisis, which entails clientelist politics as a defining, entrenched characteristic. The governance crisis in Sri Lanka can be defined through several dimensions.

First, it is represented by a crisis in the rule of law, which involves an inability to govern the country by the rule of law of all persons, institutions, and entities, public and private, including the state. People are accountable to laws that are publicly promulgated, equally enforced, and independently adjudicated, and which are consistent with international human rights principles. The lack of laws to protect fundamental freedoms, including criminal justice for the people, and inefficiency in the judicial system, represent a crisis in constitutional making. The absence of post-enactment judicial review is a lacuna in the rule of law in relation to legislative making through democratic governance. Cumulatively, the crisis in the rule of law leads to a state of impunity within society, and impunity, in turn, undermines the legitimacy of the state.

Second, Sri Lanka's governance crisis is characterised by a crisis in democratic governance. A crisis in democratic governance is the inability to govern a country in accordance with the pluralistic aspirations of the people, in an accountable and transparent manner. The majoritarian state formed through parliament and the powers of the executive presidency is a key factor in this crisis. Under the executive presidential system, democratic institutions established under the

government are often unable to function according to democratic processes and norms, both internally and in their interactions with other institutions, due to the whims and individual visions of the rulers. Separation of powers within the state apparatus and checks and balances over state decision-making have become obsolete and non-functional.

Third, Sri Lanka's governance crisis is marked by a crisis in political governance. A crisis in political governance occurs when rulers neglect their role of governing through democratic representation and by adhering to the principles of moral equality. Moral equality is defined as the equality of laws and policies of the government with regard to each citizen. Majoritarianism and a winner-takes-all political attitude impede the implementation of moral equality. Past Sri Lankan governments have not understood the value of this governing principle. As a result, the country now experiences a deficit in political governance, which in turn creates a serious legitimacy deficit among the governing class.

Fourth, Sri Lanka's governance crisis is evident in the economic crisis, which is identified as an erosion of the state's fiscal sovereignty. This crisis directly stems from the crises in democratic and political governance. Fiscal sovereignty refers to the Constitution empowering parliament to make all policy decisions required to run the state machinery and meet the fundamental needs of the people, individually and collectively. However, Sri Lanka's parliaments have historically demonstrated a lack of vision and capacity to formulate new rules necessary to govern the political and economic processes of the country according to evolving needs. Consequently, Sri Lanka's budgetary planning, fiscal regulations, development administration, and implementation processes have become irrational and obsolete.

Fifth, Sri Lanka's governance crisis is demonstrated by the denial of the citizens' inalienable right to development. All the crises enumerated above have contributed to the current crisis regarding the right to development, severely hampering development outcomes and the people's wellbeing.

Sixth, Sri Lanka's governance crisis is marked by instability within the state and society, generated through a legitimacy deficit. This legitimacy deficit is caused by a debt crisis, rampant corruption, incompetence in decision-making related to development, and communal disharmony as a direct result of majoritarianism and centralised autocracy. All these defects underline Sri Lanka's crisis in constitution-making and in democratic and political governance. These destabilising factors are

long-standing features in Sri Lanka's governance system and have cumulatively continued to sustain Sri Lanka's clientelist state.

The clientelist state evolved gradually through Sri Lanka's governance system since its independence in 1948. Post-independence, Sri Lanka adopted a Keynesian welfare state model. Nevertheless, over the last 75 years, this Keynesian welfare state model has gradually transformed into a clientelist transaction model, due to its political governance system. The idea of welfarism has been present in Sri Lankan politics and the state since its inception, creating space for patron-client relationships in politics. A majoritarian, winner-takes-all attitude prevailed in democratic and political governance. Today, Sri Lanka's governance model is represented by a state bureaucracy dedicated to a rent-seeking class, providing its patronage and privileges through licences and tenders.

An interesting comparison can be made between this political and development trajectory of Sri Lanka and what occurred in the Global North in the 20th century. Political parties representing the ideological right and left in the Global North once entered an unwritten political consensus to adopt and implement the Keynesian welfare state model. Nevertheless, these parties gradually transformed the model into a more productive one by reducing the existing contradictions between capital and labour and by managing the growth of capitalism through democratic means. Subsequently, a new welfare model was built upon this productive model. In contrast, Sri Lanka has descended into a less progressive welfare model that has consistently encouraged clientelism.

A crisis of governance therefore underpins Sri Lanka's economic crisis. In the absence of dismantling the prevailing clientelist state, other efforts to address the economic crisis at the macroeconomic level are argued to be unsustainable and ineffective.

2.1. The Perils of Winner-Takes-All Politics

Sri Lanka grapples with issues of political governance resulting from winner-takes-all politics. In such systems, the ruling party or coalition seizes control of power, often sidelining dissenting voices and neglecting checks and balances crucial for a healthy democracy. Winner-takes-all politics refers to a system where the victor in an election claims the entirety of power, leaving little room for meaningful opposition or power-sharing arrangements. This phenomenon undermines

the principles of democratic governance, as it concentrates power in the hands of a single entity, often leading to abuses of power, corruption, and the erosion of civil liberties. Winner-takes-all politics have been entrenched in Sri Lanka's political landscape, perpetuating a cycle of authoritarianism and exclusion since its independence under various governments.

A hallmark of democratic governance is the presence of checks and balances among the three pillars of the state: the executive, legislative, and judicial branches. However, in the case of Sri Lanka, winner-takes-all politics have eroded these checks and balances, leading to the concentration of power in the executive branch. This imbalance allows the ruling party to wield unchecked authority, undermining the independence of the judiciary and weakening legislative oversight.

Clientelism is deeply entrenched in Sri Lanka's political culture, with politicians leveraging state resources and positions for the benefit of their supporters, thereby consolidating their power base while excluding dissenting voices. This practice further entrenches winner-takes-all politics, as patronage networks perpetuate a cycle of dependency and exclusion. The combination of winner-takes-all politics and clientelism has profound implications for governance in Sri Lanka. The lack of checks and balances enables ruling parties to entrench their power, stifle dissent, and perpetuate a culture of impunity. Clientelism also reinforces social divisions and inequality, as resources are allocated based on political loyalty rather than merit or need. This undermines trust in public institutions and fosters a sense of disenfranchisement among marginalised communities.

To address the crisis of political governance in Sri Lanka, several reforms are necessary. First, there must be a concerted effort to strengthen checks and balances among the three pillars of the state, ensuring the independence of the judiciary and enhancing legislative oversight. Additionally, measures should be taken to combat clientelism, such as promoting transparency and accountability in political processes and fostering a culture of civic engagement and participation.

2.2. Clientelism and Crisis in Democratic Governance

Sri Lanka has faced persistent challenges to democratic governance since independence. One significant factor contributing to this crisis is clientelism in the governing structure. This phenomenon is deeply entrenched within its political landscape. It has an impact on pluralism,

deliberation, participation, and consensus-building within the political sphere. This can be seen in three aspects of the governance namely; (i) crisis in plural governance, (ii) crisis in deliberative governance, and (iii) crisis in participatory and consensual governance.

2.2.1. Crisis in plural governance

Plural governance emphasises the recognition and accommodation of diverse interests and identities within the political system. However, clientelism in Sri Lanka exacerbates political inequalities by privileging patron-client relationships over broader societal interests. The dominance of clientelistic networks perpetuates a system of exclusivity, where access to resources and opportunities is contingent upon loyalty to political patrons. This has undermined the representation of marginalised groups and stifles the pluralistic nature of democratic governance.

Delving into the literature, Jayasuriya (2018) highlights the role of ethnic patronage politics in Sri Lanka, particularly within the plantation sector. This analysis underscores how clientelism perpetuates ethnic divisions and marginalises certain communities, thereby eroding the principles of plural governance. The marginalisation of Tamils and Muslims in the decision-making process and governance levels in Sri Lanka is deeply rooted in the country's complex historical and socio-political dynamics. Since independence, Sri Lanka's polity has grappled with ethnic tensions and struggles for power between its majority Sinhalese population and minority Tamil and Muslim communities. This historical context has laid the groundwork for systemic discrimination and exclusion by Tamils and Muslims within the country's democratic framework.

The marginalisation of Tamils in Sri Lanka can be traced back to the Sinhala-dominated policies implemented in the years following independence in 1948. The Sinhala Only Act of 1956, which made Sinhala the sole official language of the country, marginalised Tamil-speaking communities, who predominantly resided in the Northern and Eastern provinces. This policy effectively excluded Tamils from many government institutions and public services, limiting their access to education, employment, and opportunities for political representation.

Successive governments pursued policies that favoured Sinhala Buddhist nationalism, further exacerbating ethnic tensions and marginalising Tamil voices in the decision-making process. Land colonisation projects in Tamil-majority areas and the suppression of Tamil political dissent intensified feelings of alienation and discrimination among the Tamil population. The culmination

of these policies and actions ultimately led to the eruption of armed conflict between the Sri Lankan government and Tamil separatist groups, such as the Liberation Tigers of Tamil Eelam (LTTE), resulting in decades of violence and instability.

Similarly, Muslims in Sri Lanka have also faced systemic discrimination and exclusion from political power structures. Despite being a significant minority group, Muslims have often found themselves marginalised within the country's political landscape, overshadowed by the dominant Sinhala Buddhist narrative. Muslims have faced discrimination in areas such as employment, education, and access to government services. Additionally, incidents of anti-Muslim violence, including riots and attacks on Muslim-owned businesses and places of worship, have further underscored the vulnerability of the Muslim community in Sri Lanka.

The marginalisation of Tamils and Muslims in the decision-making process and governance levels reflects broader issues of ethnic polarisation and majoritarianism in Sri Lankan politics. The dominance of Sinhala-Buddhist nationalism has perpetuated a narrative of exclusion, relegating minority communities to the margins of political power. Despite occasional attempts at reconciliation and minority representation, structural barriers and institutional biases continue to impede the full participation of Tamils and Muslims in the democratic process.

Efforts to address the marginalisation of Tamils and Muslims in Sri Lanka require comprehensive reforms aimed at promoting inclusivity, diversity, and representation within the country's political institutions. This necessitates dismantling discriminatory policies and practices, fostering dialogue and reconciliation between different ethnic and religious groups, and ensuring that the voices and concerns of marginalised communities are actively heard and integrated into the decision-making process. Only through genuine efforts to address these deep-seated issues can Sri Lanka move towards a more inclusive and equitable democratic governance framework that truly represents the interests of all its citizens.

2.2.2. Crisis in deliberative governance

Deliberative governance emphasises the importance of reasoned discourse, public deliberation, and informed decision-making in the policy-making process. However, clientelism has undermined deliberative democracy by prioritising short-term electoral gains over substantive

debates on critical issues. Politicians often resort to populist rhetoric and distributive handouts to secure support, sidelining meaningful deliberation on policy matters.

Drawing on De Mel's (2020) analysis of populist politics in Sri Lanka, it is evident how clientelism undermines deliberative democracy by diverting attention away from substantive policy debates. The prevalence of clientelistic practices hampers citizens' ability to engage meaningfully in the democratic process, eroding public trust in institutions and diminishing the quality of governance.

The ongoing economic reform process in the country exemplifies the absence of deliberative governance, characterised by a lack of informed decision-making and public discourse in the policy formulation process. There is a heightened need for transparency and accountability in decision-making processes to restore public trust and confidence. However, the Sri Lankan government's response to the financial crisis has often been characterised by opacity and a lack of accountability. Critical decisions, such as those related to monetary policy and debt management, have been made with limited public consultation or parliamentary oversight, undermining the principles of deliberative governance.

The urgency of addressing immediate economic challenges has sometimes led to the adoption of short-term, ad hoc policies rather than comprehensive, evidence-based solutions. Deliberative governance requires policymakers to engage in robust deliberation, considering a wide range of perspectives and expert opinions before implementing policies. However, the reactive nature of policy responses to the financial crisis has hindered meaningful deliberation, potentially exacerbating the underlying economic issues.

Deliberative governance depends on the active engagement and participation of citizens in the decision-making process. However, the erosion of public trust in government institutions, exacerbated by the financial crisis, has undermined the effectiveness of deliberative processes. Scepticism about the government's ability to address economic challenges and concerns about corruption and mismanagement have led to disillusionment among citizens, reducing their willingness to engage in constructive dialogue and deliberation.

Therefore, it can be noted that the absence of deliberative governance in Sri Lanka has been a long standing issue, characterised by a lack of meaningful public participation, transparency, and

accountability in decision-making processes. Due to centralised power structures, decision-making is often concentrated in the hands of a few political elites. Key decisions are frequently made behind closed doors, without adequate input from civil society organisations, independent experts, or affected communities. Further, limited civic participation, media restrictions, and a weak institutional framework have further eroded transparency while inhibiting deliberative governance.

2.2.3. Crisis in participatory and consensual governance

Participatory and consensual governance emphasises the active involvement of citizens in decision-making processes and the cultivation of consensus among diverse stakeholders. However, clientelism in Sri Lanka undermines these principles by fostering a culture of dependency and patron-client relationships. Many citizens, especially those from marginalised communities, are coerced or incentivised to support political parties in exchange for material benefits or protection, constraining their ability to participate autonomously in democratic processes.

Perera's (2019) study on clientelism and citizen participation in Sri Lanka provides valuable insights into how clientelistic practices impede genuine participatory governance. The findings underscore the need for reforms to empower citizens and enhance the inclusivity of decision-making processes.

The absence of participatory and consensual governance in Sri Lanka can be attributed in part to the prevalence of clientelism within the governance structure. Clientelism has fostered a culture of dependency among citizens, particularly those from marginalised communities, who rely on political patrons for access to resources, services, and opportunities. This dependency undermines the autonomy and agency of citizens, constraining their ability to engage independently in participatory governance processes. Rather than actively participating in decision-making, individuals may feel compelled to align with political patrons in exchange for material benefits, perpetuating a cycle of clientelistic dependence.

Clientelism often prioritises the interests of loyal supporters over the broader welfare of society, leading to the exclusion of marginalised groups from participatory governance processes. These include ethnic minorities and low-income populations who may face barriers to accessing political patronage networks, further intensifying their marginalisation and limiting their ability to

participate in decision-making. This challenges the principles of inclusivity and equity that underpin participatory governance.

Clientelism erodes trust in democratic institutions and undermines social solidarity by fostering competition and divisiveness among citizens vying for political favours. Rather than fostering consensus and cooperation, clientelistic practices incentivise individuals to prioritise their own interests over collective welfare, fragmenting society along patron-client lines. This erosion of trust and solidarity weakens the foundations of consensual governance, making it difficult to build consensus around shared values and priorities.

Furthermore, these practices often involve the capture of state resources by political elites, who use public funds and institutions to reward loyal supporters and consolidate their power. This diversion of resources away from public goods and services undermines the government's ability to deliver essential services and address the needs of the broader population. As a result, participatory governance mechanisms, such as public budgeting and decision-making processes, may be distorted or co-opted to serve the interests of political patrons rather than the public interest.

2.3. Economic Crisis in Decision-Making

In the realm of economic governance, the interplay between decision-making processes and societal influences is intricate and often pivotal in shaping outcomes. Among the myriad factors that exert influence, clientelism stands out as a significant force. Defined as the exchange of goods, services, or benefits for political support, clientelism has long been intertwined with economic decision-making, often with profound consequences. As Sri Lanka grapples with its economic crisis, the role of clientelism in shaping policy responses and exacerbating underlying vulnerabilities comes sharply into focus. This section explores the intricate relationship between clientelism and economic crises, shedding light on how the former impacts decision-making processes, thereby shaping the trajectory and severity of the latter.

One of the most conspicuous consequences of the absence of an accountable budgetary process in Sri Lanka is the misallocation and misuse of public funds. In a clientelist system, where political elites prioritise the distribution of resources to secure political support rather than adhere to sound fiscal management principles, budgetary allocations often reflect short-term political expediency

rather than long-term development goals. This results in the inefficient use of resources, hindering investment in critical infrastructure, social services, and economic development projects. Moreover, the lack of transparency and accountability in budgetary processes fosters corruption and rent-seeking behaviour, further eroding public trust in governance institutions.

The absence of a proper development planning process perpetuates a cycle of ad-hoc policymaking and undermines the coherent allocation of resources towards strategic development objectives. This is evident in the field of infrastructure development, where Sri Lanka has failed to develop its infrastructure systematically. Ad-hoc decisions on infrastructure projects, such as roads, ports, and airports, have been made without comprehensive long-term planning. For instance, there have been instances of sudden changes in project priorities or locations without clear justifications or alignment with broader development goals. This lack of coherent planning has resulted in inefficiencies, delays, and suboptimal utilisation of resources.

For example, agriculture, a crucial sector for Sri Lanka's economy, has often been subject to ad-hoc policy interventions. Subsidies, price controls, and input support programmes have been implemented without a coherent strategy to promote sustainable agricultural development and address challenges such as land degradation, water scarcity, and climate change. As a result, the sector has faced productivity constraints and struggles to realise its full potential for contributing to economic growth and food security. Similarly, ad-hoc changes to tax policies have been made to address short-term revenue needs or political pressures, without comprehensive analysis or consultation.

In a clientelist environment, development plans are often subordinated to political considerations, leading to fragmented and piecemeal initiatives that fail to address underlying structural challenges. Consequently, essential sectors such as education, healthcare, and infrastructure suffer from chronic underinvestment, impeding the country's capacity to achieve sustainable growth and improve the quality of life for its citizens.

The lack of robust monitoring and evaluation mechanisms exacerbates the repercussions of ineffective budgetary and planning processes. Without systematic oversight and accountability mechanisms, it becomes difficult to assess the impact of government policies and programmes accurately. This opacity not only facilitates the diversion of public funds for political gain but also

hampers the identification of inefficiencies and areas in need of intervention. Consequently, the cycle of underperformance and maladministration persists, perpetuating a vicious cycle of economic stagnation and social inequality. Over the last few decades, Sri Lanka's annual budget has shown a significant disparity between expenditure and income.

2.4. Crisis in Rule of Law

As part of the ongoing governance crisis, the rule of law represents a key area of concern. Sri Lanka's governing system has systemic issues that undermine the principles of justice, accountability, and transparency. The crisis in the rule of law in Sri Lanka has manifested in various forms, including political interference in the judiciary, erosion of institutional independence, impunity for human rights violations, and a lack of access to justice for marginalised communities. These challenges have not only weakened the foundations of democracy but have also hindered efforts to promote effective governance mechanisms.

The absence of laws to protect fundamental freedoms, imbalances in the criminal justice system, lack of post-enactment judicial review, and inefficiencies in the judicial system collectively contribute to the perpetuation of clientelism practices in Sri Lanka. The lack of robust legal safeguards for fundamental freedoms, such as freedom of expression, assembly, and association, creates an environment where individuals are vulnerable to political coercion and manipulation. Without legal protections, citizens may hesitate to challenge the status quo or hold government officials accountable, fearing reprisals or legal repercussions. Imbalances in the criminal justice system, where certain groups or individuals enjoy preferential treatment or immunity from prosecution, undermine the rule of law and foster a culture of impunity. This selective application of justice reinforces perceptions of inequality and injustice, further eroding public trust in the legal system.

The absence of post-enactment judicial review means that laws enacted by the government may go unchecked for compliance with constitutional principles or international human rights standards. This lack of oversight allows for the enactment of laws that may infringe upon fundamental freedoms or perpetuate clientelism practices without effective legal recourse. Furthermore, inefficiencies in the judicial system, including case backlogs, delays in adjudication, and corruption, undermine the delivery of justice and hinder efforts to address grievances related

to clientelism and political patronage. As a result, clientelist practices persist, as individuals and groups leverage their political connections and influence to secure favours, resources, or protection from legal accountability, perpetuating a cycle of corruption and impunity.

2.5. Crisis in Peace and Stability

Following the end of the ethnic conflict, Sri Lanka has embarked upon several initiatives to ensure peace, stability, and reconciliation. However, 15 years after the war ended, the country has not achieved a positive peace. Rapid social polarisation, which perpetuates divisions, fuels grievances, and hinders progress towards genuine reconciliation and sustainable peace, remains a key challenge. The ongoing economic crisis further complicates the prospect of lasting peace in Sri Lanka.

The nexus of identity politics and centralised autocracy in Sri Lanka has posed significant challenges to peace and stability, perpetuating the prevalence of clientelism practices in the country. Identity politics, fuelled by historical grievances and ethnic tensions, have been manipulated by political elites to mobilise support along ethnic, religious, or regional lines. This manipulation often exacerbates divisions within society, fostering an environment where individuals are more susceptible to patronage networks and clientelism.

Centralised autocracy, characterised by the concentration of power in the hands of a few, further compounds these challenges by limiting political pluralism, stifling dissent, and perpetuating a culture of impunity among ruling elites. The combination of identity politics and centralised autocracy creates fertile ground for clientelism to thrive, as political leaders exploit identity-based grievances to consolidate power and distribute favours to loyal supporters. In turn, clientelism perpetuates social inequalities, undermines institutions, and erodes trust in the government, exacerbating tensions and instability within society. The continuation of identity politics and centralised autocracy thus reinforces the cycle of clientelism in Sri Lanka, perpetuating a system where political elites prioritise personal gain and loyalty over the broader interests of the nation, ultimately undermining peace and stability.

2.6. Absence of Inclusive Development

The absence of proper development planning in Sri Lanka has significantly impeded the nation's progress towards economic prosperity and social cohesion, creating a governance crisis that is exacerbated by pervasive clientelism. The failure to implement coherent development strategies has fostered an environment where clientelism thrives, leading to a cycle of corruption, inequality, and institutional decay.

Clientelism incentivises political leaders to prioritise loyalty over competence when appointing officials, resulting in a public sector characterised by inefficiency and corruption. Political appointees may lack the necessary qualifications or experience, leading to the mismanagement of resources and wasteful spending. This perpetuates a culture of corruption within the public sector, where officials engage in patronage networks to secure positions or promotions, further eroding public trust in government institutions.

Clientelism undermines efforts to achieve development outcomes by diverting resources away from projects that would benefit the broader population towards those that serve the interests of political elites and their supporters. Development projects are often prioritised based on political expediency rather than actual need or feasibility, leading to inefficiencies and suboptimal outcomes. This misallocation of resources exacerbates socio-economic challenges and perpetuates existing inequalities.

Patronage-driven policies create unequal opportunities by favouring individuals or groups with political connections, aggravating existing socio-economic disparities. Policies that prioritise political loyalty over merit stifle innovation and talent within key sectors, leading to a system where access to resources, opportunities, and services is determined by political allegiance rather than merit or need. Qualified individuals may be overlooked in favour of those with political connections, resulting in a lack of diversity and expertise in decision-making processes. Consequently, marginalised communities are further excluded, deepening societal divisions and fostering resentment towards the political establishment.

This unequal distribution of opportunities fuels the continuation of clientelism, as political leaders rely on patronage networks to maintain their grip on power. The combined effects of misallocated

resources, inefficiencies in public sector appointments, and exclusionary policies limit the effectiveness of development initiatives and perpetuate a cycle of underperformance. As a result, the need for clientelism to maintain political control remains entrenched, reinforcing the governance crisis and impeding progress towards sustainable development.

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CHAPTER 3

CLIENTELISM TALKS

3.1. “Clientelist Origins of the Economic Crisis” - Anura Ekanayake

Anura Ekanayake addresses the pressing economic crisis in Sri Lanka, which has been a frequent topic of discussion. He poses critical questions about the origins of this crisis: Why did it occur? Was it an unprecedented or sudden development? Did political leaders foresee such a situation? These inquiries highlight the complexity of the crisis, which is deeply rooted in a prolonged debt issue. The economic dimensions of this crisis are intertwined with numerous political and social challenges.

Sri Lanka's current economic predicament can largely be attributed to a long-standing debt crisis. The country has operated as a debt-based economy for most of the past 74 years, with only a brief period of exception. The core issues driving this crisis are twofold: government expenditure consistently exceeds revenue, and imports surpass exports. Consequently, the economy has been heavily reliant on credit. Until around 2007, this reliance on debt was manageable due to Sri Lanka's classification as a lower-middle-income country, which allowed it to secure loans at low interest rates with long repayment periods. However, by 2007, these favourable loan conditions ended, necessitating two key measures to address the financial deficit: borrowing from the public and external parties. As a result, the Sri Lankan government began accessing the international financial market through bonds.

The situation became more complex following the end of the civil war in 2009. At that time, borrowing was somewhat justified due to the need for post-war resources and potential savings from reduced war expenses. Nevertheless, the borrowing trend continued unabated. By the end of the Rajapaksa government, international bond debt had reached approximately five billion dollars, and it surged to twelve billion dollars by the time of the Yahapalanaya government (2015-2019). Despite numerous warnings and discussions among concerned citizens, no significant measures were taken to address the escalating debt.

The COVID-19 pandemic further exacerbated the crisis, intensifying existing fiscal problems. Economists typically argue that addressing a high budget deficit and negative trade balance is

important, yet the underlying factors and series of events are often overlooked. A comparison with Greece's economic crisis, as detailed in a book by a Greek professor, reveals striking similarities between Greece's and Sri Lanka's economic processes, despite Greece's crisis occurring over a shorter period. Both countries experienced economic, political, and social collapses due to unsustainable debt levels and ineffective governance.

In Greece, the economic crisis was marked by the inability to repay debt, coupled with a history of political instability. After World War II, Greece transitioned from a parliamentary system to a dictatorial regime and then back to a parliamentary system by 1985. The two main political parties in Greece, PASOK and New Democracy, exhibited characteristics similar to Sri Lanka's Sri Lanka Freedom Party (SLFP) and United National Party (UNP). Both Greek parties, like their Sri Lankan counterparts, faced corruption and inefficiency issues, with the political landscape becoming increasingly indistinguishable and plagued by high levels of bribery and bureaucracy.

Both Greece and Sri Lanka have developed clientelist political systems, leading to widespread corruption and inefficiency. In Greece, this system contributed to a large bureaucracy with minimal economic contribution. Similarly, Sri Lanka's political environment fostered a network of clientelism, where political support was often exchanged for personal gain. This system obstructed meaningful economic reforms, as necessary changes risked alienating powerful political supporters.

The reliance on debt and the expansion of the public sector without corresponding productivity gains worsened the economic situation in both countries. Public spending escalated, leading to increased budget deficits and higher imports. Governments in both Greece and Sri Lanka responded by minting money and maintaining high budget deficits to satisfy their client base. This behaviour resulted in "rent seeking," where income was earned without contributing to productivity, including commissions from government projects and the creation of non-productive jobs.

Addressing the root causes of this problem is essential. Entrenched clientelist networks have made it difficult for political leaders to implement constructive actions. Even as economic and political systems teeter on the brink of collapse, satisfying the client base remains a priority, often at the expense of effective reforms. Currently, the Sri Lankan government is increasing taxes to address

the budget deficit, with a particular emphasis on indirect taxes. This approach places additional pressure on ordinary citizens while attempting to appease the political client base. The persistence of these issues across different political regimes raises questions about the possibility of escaping this cycle.

To tackle such a profound crisis, it is crucial to thoroughly identify the problem. The theoretical analysis provided by the Greek professor, utilising game theory, offers insight into why governments may delay necessary reforms. According to this analysis, a government is more likely to pursue reforms if the political disadvantage from not implementing them outweighs the potential disadvantages of carrying out the reforms. In cases where clientelist systems are deeply entrenched, governments may only focus on reforms when faced with severe constraints, such as market sanctions that limit their ability to secure loans or open letters of credit.

In conclusion, the speech emphasises that both Greece and Sri Lanka face similar challenges rooted in debt, clientelism, and ineffective governance. Understanding these parallels and the systemic issues at play is crucial for finding viable solutions and achieving sustainable economic and political reforms.

3.2. “Reflections on State Formation” - Sunil Bastian

Sunil Bastian’s framework for understanding Sri Lankan state formation and its current challenges presents a comprehensive analysis of the country’s socio-political landscape. His work, which began with an examination of political violence and state repression, reveals that these phenomena are systemic features of Sri Lankan society rather than anomalies.

Bastian critiques traditional state analysis for its essentialist view of the state as a static and self-contained entity. He argues that such views are inadequate for understanding the complexities of political violence and repression in Sri Lanka. Instead, he suggests that states should be seen as products of historical processes, subject to continuous change and potential disappearance under certain conditions.

While acknowledging that states acquire a degree of autonomy once formed, Bastian highlights that this autonomy challenges reductionist explanations, such as those found in early Marxist thought. Modern scholarship now emphasises the state's autonomous power and its role in controlling territory and managing state-society relations.

State formation involves the establishment of state identity, institutions, and public policies. It requires balancing coercion and consent: when consent prevails, the state enjoys legitimacy and a strong hegemonic foundation; when coercion dominates, state security is prioritised over societal security, indicating a weaker hegemonic structure.

State formation occurs within an international context, influenced by global capitalism and intergovernmental organisations. Shifts in global capitalism reshape states and their interrelationships, affecting their strength and stability. Bastian notes that smaller states, like Sri Lanka, are particularly impacted by global transformations, which limit their capacity to influence global changes.

Bastian identifies three critical factors in Sri Lankan state formation:

1. Centralised state and minority relations: The centralised state inherited from British colonial rule has faced significant challenges in unifying diverse ethnic and religious groups. Efforts to centralise power around Sinhala identity have led to demands for

autonomy by Tamil communities in the Northern and Eastern Provinces. The military consolidation of territory in 2009 reinforced a Sinhala nationalist state but failed to achieve legitimacy in a multi-ethnic society. The current focus must also consider other minority groups, such as Muslims and Hill Country Tamils.

2. Electoral politics and state formation: Electoral politics in Sri Lanka has historically reinforced regional and ethnic political spaces rather than fostering a unified national space. The political system, marked by ethnic dominance and power-based deal-making, has hindered the formation of a cohesive state. Legal reforms alone are insufficient to address the challenges of this fractured political landscape.
3. State-majority relations and capitalist transition: The relationship between the state and the Sinhala majority during capitalist transition is crucial. Capitalist development involves transforming institutions to make markets the primary mechanism for resource allocation, which requires ideological legitimisation. In Sri Lanka, capitalist transition has been shaped by political and historical dynamics, producing unequal socio-economic impacts. The divide among the Sinhala majority along class lines and the intersecting effects of Sinhala nationalism and capitalist development contribute to opposition and resistance.

Sri Lanka therefore faces a crisis rooted in its failure to meet the demands of global financial capital, compounded by socio-economic inequalities exacerbated by armed conflict and liberal economic policies. Bastian argues that rather than relying on outdated paradigms of safety nets and state repression, there is a need to rethink social policy in the context of economic growth and global capitalism.

Bastian concludes that there is no singular solution to Sri Lanka's complex challenges. Effective resolution requires a nuanced understanding grounded in historical context, moving beyond simplistic explanations. Addressing the multifaceted nature of the crisis demands a shift in the debate to account for the intricate dynamics at play.

3.3. “Catch-All Parties and the Socio-Political Paradigm of a Patrimonial State” - Pradeep Peiris

Pradeep Peiris' examination of Sri Lanka's socio-political landscape reveals the pervasive impact of clientelism on the country's political and socio-economic structure. Clientelism—where political leaders offer favours in exchange for support—has deeply infiltrated Sri Lanka, shaping a patrimonial state where a small elite benefits.

The key argument centres on the reliance of political parties on intricate patronage-based networks to mobilise their electorates. These parties use informal, flexible, and loosely structured networks at the local level, focusing on engaging voters through local political figures rather than maintaining fixed party bases or membership systems. Emphasising the role of prominent personalities, both nationally and locally, these individuals leverage their economic, social, and cultural capital to strengthen their party during elections.

He also examines the rise of new coalitions, such as the SLPP and SJB, which, despite their newness, continue the organisational strategies of their predecessors. Framing the state formation process in terms of elite struggles, Peiris describes how local elites initially embraced socialist principles of equality and social justice, exploiting the welfare orientation of local communities. However, patronage politics soon took hold, beginning with small practices like distributing alcohol or food during political campaigns, eventually escalating to large-scale patronage, such as land grants or permits, particularly since independence. This form of patronage has since reached new heights.

Peiris highlighted how patron-client relationships have reshaped Sri Lanka's socio-economic fabric. Politicians often distribute necessities to underprivileged communities, but this practice often masks a deeper system of gifting and distributing national wealth under the guise of welfare. He also elaborated on ingrained cultural practices of gratitude and personal loyalty with the prevailing patronage politics. Describing the ideological stances and political legitimacy, Peiris showed how political allegiance is often more focused on individual connections rather than party ideologies or policies. This personal loyalty helps sustain clientelist relationships and can secure votes for specific parties across generations.

While clientelism has significant drawbacks, including perpetuating inequality and fostering corruption, it has also led to some positive outcomes. For instance, certain marginalised castes

have risen from underprivileged backgrounds due to political leaders offering jobs and opportunities as a means of gaining political support.

Peiris proposed several solutions to address the issues stemming from clientelism within the framework of democracy:

1. **Enhancing internal democracy:** This involves improving election campaign financing, accountability, and inclusiveness within political parties. By strengthening intra-party democracy, the processes of candidate selection, leadership, and policy formulation can become more transparent and equitable.

2. **Adopting good practices:** The Council of Europe Code of Good Practice for Political Parties, outlined by the Venice Commission, provides several practices that could be adapted for Sri Lanka. These include clearly communicating membership criteria and ensuring non-discrimination; defining party structure and procedures in party statutes; establishing transparent procedures for leadership and candidate appointments; creating democratic and transparent party programs; and organising party funding in an accountable manner with oversight mechanisms.

3. **Strengthening public services:** Ensuring the independence of public services is crucial. The shift towards a politically controlled bureaucracy since the introduction of the Republican Constitutions in 1972 and 1978 has undermined professionalism. Reforms should focus on creating a more impartial and effective public service.

4. **Separation of powers:** Establishing a clear separation between the executive and Parliament can prevent the concentration of power and foster checks and balances, contributing to a more transparent and accountable governance structure.

Addressing clientelism is essential to understanding and resolving Sri Lanka's socio-economic challenges. By confronting these issues and fostering a more transparent, accountable, and equitable system, Sri Lanka can work towards a more inclusive and prosperous future for all its citizens.

3.4. “The Capitalist Transformation and the Kleptocracy” - Nihal Perera

Nihal Perera's examination of Sri Lankan politics reveals significant transformations, particularly from the post-independence period to the era following 1977. His analysis highlights the profound shifts in political dynamics and economic policies that have shaped the contemporary landscape of the island nation.

Initially, the political landscape of Sri Lanka was characterised by adherence to British colonial economic and administrative systems. During the early post-independence era, under leaders such as D.S. Senanayake, there was an effort to maintain the existing system without substantial modifications. The plantation economy persisted largely unchanged, and there was minimal economic reform. The Sri Lanka Freedom Party (SLFP), advocating a moderate approach, sought to address these issues but faced limitations in implementing significant changes.

By 1977, the SLFP's approach had reached its limits, paving the way for a new political era. The pivotal year of 1977 saw a significant departure from previous policies with the rise of the United National Party (UNP), led by J.R. Jayewardene. This period marked a radical shift from conservative restrictions towards a more radical economic and political strategy influenced by neoliberal ideologies promoted by international figures such as Ronald Reagan and Margaret Thatcher. Although Sri Lankan neoliberal policies predated global adoption, Jayewardene's reforms were notably distinct from traditional approaches.

The UNP's new direction had a profound impact on the political landscape of Sri Lanka. Prior to 1977, the Sri Lanka Sama Samaja Party (LSSP) had been instrumental in advocating for the interests of low-income earners and the oppressed, incorporating their concerns into the political agenda. However, the onset of the UNP's neoliberal policies diminished the influence of such socialist movements, leading to the LSSP's effective collapse by 1980. The UNP's policies included a push towards industrialisation, representing a significant departure from previous policies. This era also witnessed a decline in the political influence of the working class, particularly following a major strike in 1980, which weakened the labour movement's capacity to exert pressure on the government.

The transition period also saw the end of traditional liberal and radical political currents in Sri Lanka. The SLFP, once a major political force, eventually transformed into the Podujana Peramuna, signalling the end of its earlier political ideology. The nature of political processes became more complex and less defined by clear ideological lines. Perera argues that these political transformations necessitated a new vocabulary to understand the evolving political landscape. The established frameworks and terms proved inadequate for analysing the current situation.

The neoliberal policies implemented post-1977 included certain welfare measures, which, despite their origins in left-wing political movements, persisted in the new regime. These policies reflected a lingering influence of earlier political ideologies even after the collapse of the leftist movements.

Before 1977, political parties in Sri Lanka operated with fixed policies and engaged in ideological debates. Corruption was less entrenched, and practices like accepting commissions were viewed unfavourably. For example, Anil Munasinghe's refusal of a commission in 1977 reflected a higher standard of integrity. However, post-1977, corruption became increasingly normalised. Figures like Ronnie de Mel, known for frequently switching political parties, exemplified the shift towards a more opportunistic political environment. The competition between parties such as the UNP and SLFP diminished, as internal party privileges and corruption became more pronounced, reflecting a broader decline in political ethics.

Perera notes that the form of capitalism emerging in Sri Lanka post-1977 diverged significantly from Karl Marx's definition. While traditional capitalism involves the exploitation of labour, the political class in Sri Lanka continued to benefit financially regardless of labour strikes or economic reforms. This led to a widening gap between the government and the people. The introduction of the district-based electoral system in 1978 further exacerbated this disconnect, as it allowed leaders to focus on local issues rather than national concerns. The system facilitated the rise of a "Kleptocracy" a corrupt elite that maintained power through mutual support and corruption, reinforcing the disconnect between the government and the populace.

The role of government advisors underwent significant change post-1977. Previously, senior officials provided expert advice and support to ministers. In the new political context, however, advisors were increasingly tasked with justifying political decisions to the public. This shift reflected a broader consolidation of power within an elite class that prioritised personal gain over

effective governance. The focus on defending political decisions rather than offering expert guidance marked a departure from earlier practices, highlighting the evolving nature of government advisory roles.

In conclusion, Perera's analysis of Sri Lankan politics post-1977 reveals a dramatic transformation characterised by the rise of neoliberal policies, increased corruption, and a growing disconnect between the government and the populace. The period saw the decline of traditional political ideologies and the emergence of new forms of governance and political behaviour. The complexities of this transformation necessitate a rethinking of political vocabulary and frameworks to fully understand the current state of Sri Lankan politics.

3.5. “Post-Two Party system and Voter Behaviour in Sri Lanka” - Nirmal Ranjith Dewasiri

Nirmal Ranjith Dewasiri's analysis highlights a deep-seated crisis within Sri Lanka's traditional two-party system, revealing how the political landscape has evolved since independence. Despite various crises, including the 1971 insurgency and the 1987-1989 unrest, Sri Lanka's political stability has largely depended on its party system. Historically, political parties in Sri Lanka have been instrumental in maintaining political equilibrium by securing and redirecting public loyalty.

Post-1977, the Sri Lanka Freedom Party (SLFP) experienced a significant decline due to internal crises and the rise of the Sri Lanka People's Party. Similarly, the United National Party (UNP) saw a severe decline after the 1956 nationalist wave but managed a resurgence with a one-third parliamentary majority in 1977. However, recent years have brought about profound disorganisation within Sri Lankan political parties. The UNP, which had reached its peak during the 1982 presidential election, struggled with internal collapse, particularly evident by the 1994 election. This collapse was not due to a planned recovery but rather a result of internal strife within the SLFP. This trend reflects a broader issue of decreasing voter attraction, indicating a weakening of traditional electoral strongholds.

As traditional party mechanisms have weakened, non-party figures have gained prominence. The SLFP, for instance, saw a brief resurgence with Chandrika Kumaratunga's 1994 presidential win, but this was more a reaction to the authoritarian regime of the 1980s rather than a revival of ideological strength. Figures like Mahinda Rajapaksa and Sajith Premadasa have leveraged voter support outside the traditional party framework, exemplifying the increasing influence of individual leaders. Rajapaksa's ability to attract SLFP voter loyalty and Premadasa's formation of the Samagi Jana Balawegaya (SJB) underscore the shift from traditional party allegiance to personal leadership.

There is a notable shift in political dynamics, particularly in rural areas where there is a rise in people's power. Although quantifying this rise is challenging, it has led individuals like Dhammika Perera and Dilith Jayaweera to enter politics, seeking to influence the evolving landscape. The decline of the traditional two-party system and the end of the longstanding political party structure contribute to this shift. Unlike the stable, formally organised parties seen in Europe and America, Sri Lanka's political parties have evolved uniquely, influencing the current crisis.

To analyse this crisis, Dewasiri suggests two approaches:

- 1) Macro approach: This involves studying the historical development of the crisis to devise strategies for overcoming it.
- 2) Micro approach: This focuses on common people, their political behaviour, and decision-making processes. Sri Lanka has historically had high voter turnout, averaging around 80%, reflecting the deep integration of voting into rural life, akin to a religious ritual.

Three distinct social groups emerged in the political context since 1931:

1. Local officials: Dominant in colonial administration, they held significant political power through control over land and labour. Figures like DS Senanayake and the Bandaranaike family were key players.
2. Marxist left: Marxist ideologies gained traction by addressing social divisions and unrest. The Ceylon Sama Samaja Party, for instance, found support among marginalised communities.
3. Independent candidates: The 1947 general election saw over a hundred independent candidates, with 21 winning seats, showcasing political plurality.

Over time, traditional political dominance waned, and the number of independent candidates decreased significantly. The rise of the SLFP in 1951 marked a shift towards more modern political formations. By 1956, the UNP and SLFP had evolved into modern political parties, focusing on choosing candidates who could directly impact lives. The loyalty to political parties became akin to a religious bond, though it fluctuated over time. The UNP and SLFP gradually absorbed political loyalties previously held by the Lanka Sama Samaja Party.

Historically, political power in Sri Lanka was influenced by wealthy families using their resources to gain political loyalty. Post-independence, the focus shifted to individuals who could effectively manage state machinery, transferring political power from traditional elites to those adept at navigating government institutions.

Sri Lanka's political stability, despite numerous crises, is largely attributed to the influential role of political parties in maintaining and redirecting popular loyalty. Major parties like the UNP and SLFP have experienced fluctuations in dominance. Recent years, especially since 2015, have seen

pronounced disorganisation within these parties, weakening their grip on voters and allowing for the rise of influential non-party forces. Leaders such as Sajith Premadasa and Mahinda Rajapaksa have redirected voter support towards new political entities, further diminishing traditional party dominance. The high voter turnout and deeply ingrained voting culture in rural Sri Lanka have historically maintained political engagement and stability. Despite the current crisis in the political party system, this cultural aspect ensures continued political involvement. The historical resilience and voter culture suggest that political stability can be preserved through adaptive strategies and a nuanced understanding of evolving voter dynamics.

3.6. “Participatory Democracy for a Deliberative Democracy” - Vijayananda Jayaweera

Vijayananda Jayaweera’s book in Sinhala, *Sanvicharaneeya Samayak* (A Deliberative Society) advocates for a transformative shift in both politics and economics, aiming to replace traditional power dynamics and exploitative economic models with frameworks that emphasise equity and sustainability. The text is divided into five parts, each addressing different aspects of this transformation and proposing a new approach to achieving justice and long-term stability.

In the first section, “A New Vision for Politics,” Jayaweera critiques the current political landscape, which he believes is overly focused on power acquisition rather than justice. He argues that a new political regime should prioritise informed and inclusive public participation. This approach, according to Jayaweera, is essential for building a regenerative circular economy that transcends conventional power struggles and exploitation. By fostering broad societal engagement, this new system aims to promote cooperation and sustainability.

The second part, “Ignorance of the Economy,” challenges traditional economic theories and practices. Jayaweera asserts that economics is not a definitive science but a field open to various interpretations. He questions conventional measures of progress and development, arguing that the focus on growth rates is misleading. Jayaweera critiques the myth of the “Economic Man,” who is driven solely by self-interest, and exposes the flaws in modern capitalism and neoliberalism. He uses historical examples, such as the economic policies under Pinochet in Chile, to illustrate both the successes and failures of these systems.

In the third section, “An Alternative to Development,” Jayaweera explores what development truly means and critiques the traditional emphasis on growth rates. He argues that genuine development should be assessed differently and examines alternative viewpoints, including those from UNDP programmes focused on sustainable development. Jayaweera emphasises that growth does not necessarily equate to development, using various examples to highlight the shortcomings of current development discourse.

The fourth part, “A New Economic Vision,” introduces innovative economic models proposed by economists Kate Raworth and Mariana Mazzucato. Raworth’s “donut economy” is highlighted as a model that emphasises living within planetary boundaries while ensuring social equity.

Mazzucato's work is also discussed, particularly her argument that government intervention, contrary to neoliberal beliefs, plays a crucial role in fostering innovation and economic growth. Jayaweera points out that many technological advancements, including the internet and touch screens, were initially developed through government-funded research.

The final section, "Minimising Disparities," addresses how to tackle societal inequalities. Jayaweera discusses the concept of a Basic Income, which has garnered support from various ideological perspectives, including some neoliberals. He also examines the potential benefits of a shorter workweek, suggesting that reducing working hours might improve quality of life and encourage greater personal and community engagement. The book concludes with a reflection on the need for a new constitutional framework that ensures political and economic equality.

In summary, Jayaweera's book calls for a radical rethinking of political and economic systems to create a more equitable and sustainable society. He critiques the current state of representative democracy and the limitations of conventional voting systems, proposing a lottery-based approach to political representation. This system, Jayaweera argues, could better reflect political equality and reduce the influence of elite groups. He also critiques the privatisation of essential services, advocating for public provision to prevent increasing inequalities. The book presents a comprehensive critique of existing systems and proposes innovative solutions for achieving a just and inclusive society.

CHAPTER 4

PATRON-CLIENT RELATION IN SAND MINING IN SRI LANKA: A CASE STUDY OF POLONNARUWA¹



Figure 4.1: Sand mining raft in Mahaweli river, Manampitiya

4.1. Introduction: The Sand Mining Industry in Polonnaruwa District

The sand mining industry in Polonnaruwa district, situated in the North Central Province of Sri Lanka, plays a significant role in the region's construction and developmental landscape. The district has extensive riverbanks and inland water bodies, providing a strong source of sand for various construction projects. With its economic significance, the industry contributes to local growth by generating employment opportunities and supporting livelihoods for those engaged in extraction, transportation, and related activities. This industry requires a dynamic regulatory landscape that seeks to balance economic benefits with environmental protection. Compliance with these regulations poses both challenges and opportunities for industry stakeholders. While

¹ This study was conducted by a team of researchers led by Professor Mohamed Mahees, Department of Sociology, University of Colombo.

loyalty ensures responsible resource utilisation and minimises environmental impact, it may also necessitate innovative approaches to the extraction and processing of sand mining.

However, it is observable that the sand mining industry in Polonnaruwa district is heavily intertwined with patron-client relationships, creating a distinctive dynamic in the region. The issuance of licences for sand mining has become a matter of clientelism, with licences being predominantly granted to individuals closely connected to politicians. Clientelism, a broad concept intersecting politics, administration, economy, and society, is studied by various disciplines due to its multifaceted nature. This connection has led to a continuing cycle where licence ownership frequently changes hands with each transition of government. Consequently, the nature of the sand mining industry in this area is significantly influenced by the political affiliations and relationships maintained by the licence owners.

Moreover, the sand mining industry in Polonnaruwa has created a new upper-middle class derived from clientelist politics. In "Nobodies to Somebodies" (2002), Kumari Jayawardana discusses how the unique economic dynamics of sand mining in Polonnaruwa have given rise to a new petty elite class. Clientelism is prevalent in this sector, with political connections being crucial for obtaining and retaining licences. The close relationship between licence holders and politicians makes the industry vulnerable to shifts in political power, as ownership often changes with the political alliances of those holding the licences.

According to National Building Research Organisation (NBRO) sources, from 2008 onwards, many development projects began in the capital city of Colombo and its suburban areas. Construction projects such as the Lotus Tower, Port City, Colombo South Harbour, five-star hotels, and the rehabilitation of the road network in the Colombo District all required sand. As a result, Geological Survey and Mines Bureau (GSMB) Technical Services (PVT) Ltd was established in 2008, under the supervision of the Geological Survey and Mines Bureau and various government organisations such as the Central Environment Authority, Wildlife, and Forest Departments. The District Secretariat was the leading monitor of GSMB, as the agent of government. The main purpose of establishing GSMB at Manampitiya was to maintain high quality of sand mining with maximum sustainable development, considering sand demands, flood vulnerability, and people's livelihoods.

The secondary purpose of GSMB was to have control over the sand price and have the sand market under state supervision. As revealed in the Morning Newspaper (16.06.2020), sand resources in Polonnaruwa have been plundered by politicians through the state mechanism. Around 800 cubic metres of sand are reported as having been removed from Manampitiya per day, and around 2,000 tippers have been registered with the company formed under the former government. “But out of the 2,000 tippers, only around 300 tippers are getting sand, and those tippers are connected to key politicians.” It was further revealed that three-quarters of sand was thought to have been transported to Colombo.

The extraction of sand, while economically vital, raises environmental concerns. Balancing economic interests with environmental preservation is a key consideration, necessitating the implementation of sustainable sand mining practices and adherence to regulatory frameworks. The industry faces the task of harmonising community interests with its operational needs, emphasising the importance of positive community engagement for the sustainable development of the sector. As Polonnaruwa's construction sector continues to grow, the sand mining industry stands at the intersection of economic opportunity and environmental responsibility, requiring careful management to ensure long-term sustainability.

This unique aspect of the sand mining industry in Polonnaruwa not only raises questions about the fairness and transparency of the licensing process but also emphasises the need for a comprehensive examination of clientelism practices. Understanding the complex web of patron-client relationships is essential to unravel the complexities that govern the industry. Investigating clientelism in licence issuance is essential for uncovering potential biases and ensuring a fair and transparent allocation process. Understanding the impact of political connections on regulatory procedures is also crucial for promoting accountability and ethical practices in governance structures.

This chapter aims to examine these dynamics, providing insights into the impact of political relationships on the sand mining sector in Polonnaruwa and offering valuable information for policy development and intervention. The main objective is to examine the correlation between sand mining licences and socio-political clientelism and explore how the sand mining process influences social relationships and power structures at the grassroots level.

This is an exploratory study examining the interaction between the general public and the sand mining industry through the lens of clientelism. The quantitative data was collected through 50 questionnaires that were completed by members of the public who are directly and indirectly connected to the sand mining industry. Purposive sampling was used for this purpose. Ten in-depth interviews were carried out to collect qualitative data, aimed at exploring the hidden social and power relationships that function in the sand mining industry. A snowball sampling technique was used for the in-depth interview study. The Polonnaruwa (Manampitiya) areas adjacent to the Mahaweli River were the study areas, and mine owners, labourers, tipper owners, tipper drivers, local politicians, sand vendors, brokers, and indirect beneficiaries of the industry were the participants of the data collection process. The data was analysed quantitatively and qualitatively.

4.2. Literature Review: Patron-Client Relations

The patron-client relationship is a mutually obligatory arrangement between an individual who has authority, social status, wealth, or some other personal resource (the patron) and another person who benefits from his or her support or influence (the client). In the patron-client relationship, the patron provides job opportunities, investment capital, and “insurance” against catastrophic financial failure by absorbing losses in the case of an emergency or calamity. The patron is also a “gatekeeper,” providing access to knowledge, information, or people who would otherwise be out of reach of the client (Tino, 2008). Clientelism is a broad concept “at the crossroads of politics and administration, economy and society” (Roniger 2015). Reflecting on its multifaceted nature, the study of clientelism has been a common domain for anthropologists, historians, sociologists, and political scientists (Scott 1977c). Given this variety, the concept means “different things to different people” (Medina and Stokes 2002).

According to Gunnar Myrdal’s (1968) ‘Soft State Theory,’ a state passes laws but does not put them into practice not only because of loopholes but because nobody in the soft state accepts the rule of law. The softness of the state encourages corruption in terms of the mismanagement of natural resources (Mahees, 2012). When it comes to environmental degradation, it is important to contextualise political ecology in terms of this crisis. Political ecology examines the political dynamics surrounding the material world and unequal power relations in constituting a politicised environment (Bryant, 1992). It is power that determines the nature of environmental discourse and

collective actions in environmentalism (Foucault, 1980). For example, the patron-client political relationship has a severe impact on illegal construction, land reclamation, land grabbing, and the discharge of waste in environmentally sensitive areas such as rivers, wetlands, forests, coastal belts, and landslide-prone areas of Sri Lanka.

Athukorala and Navaratne (2008) highlight the complex challenges, structural aspects of the industry, environmental consequences, and the gender-specific dimensions of livelihood struggles posed by river sand mining in Sri Lanka. There is a profound impact of unregulated and illicit sand mining on local communities, with powerful groups leveraging political patronage. The perceived inaction by authorities exacerbates the issues faced by affected communities, emphasising the urgent need for a comprehensive understanding of the sand mining landscape.

The challenges faced by affected communities, the influence of powerful groups with political connections, and the gendered nuances of livelihood struggles offer a rich foundation for contextualising the complexities of the sand mining industry. Building upon these existing insights, the present chapter aims to provide a focused exploration of the specific dynamics of patron-client relationships in the issuance of sand mining licences in the Polonnaruwa district, thereby making a meaningful contribution to the evolving literature on this critical issue.

4.3. Sand Mining Industry in Manampitiya

Sand workers have less land than the population at large, although they can be landowners and combine sand mining with their own farming and daily labour in agriculture and elsewhere. Sand workers earn about the same amount as other low-skilled labourers; however, a major benefit is more regular income compared to other forms of low-skilled labour, such as agriculture or construction work.

The sample distribution of individuals in the sand mining industry in Manampitiya reveals a diverse workforce with multiple roles. Most respondents (23) are labourers, reflecting the heavy reliance on manual labour in sand extraction. Additionally, there are 10 drivers, 5 vehicle owners, and 3 mine owners. These mine owners often have political affiliations, acting as intermediaries between political figures and the community. The sample illustrates a dynamic employment

structure within the sector, encompassing labour, transportation, and ownership, which will be further explored in the qualitative section of this chapter.

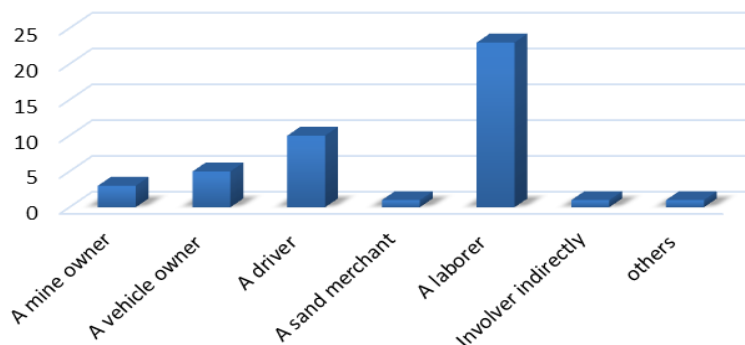


Figure 4.2: Employment structure of the sample of individuals engaged in the sand mining industry in Manampitiya.

The above distribution (in Figure 4.2) highlights the intricate network of occupations within the local sand mining sector, with labourers, drivers, and various levels of ownership contributing to the industry's functionality. This distribution serves as a foundational insight for further analysis into the socio-economic dynamics and power structures within the sector.

The income distribution pattern among the sample of individuals engaged in the sand mining industry in Manampitiya (see Figure 4.3) reveals a degree of differentiation. A notable proportion of individuals in the sand mining sector in Manampitiya receive relatively higher incomes, potentially indicating the economic significance of the industry in the local context. The majority of respondents fall within the income range of Sri Lankan Rupees (LKR) 50,001 to 75,000, with 17 individuals reporting earnings in this bracket. This suggests that a sizable portion of the sample experiences moderate financial prosperity from their involvement in the sand mining sector. Thirteen individuals reported incomes in the range of LKR 75,001 to 100,000, indicating a considerable proportion earning higher incomes. Additionally, twelve individuals reported earnings above LKR 100,000. (However, caution should be exercised regarding a potential lack of precision in determining real income levels, as respondents may not consistently or accurately disclose their financial information, impacting the reliability of income-related findings.) Further analysis could explore the factors contributing to varying income levels and their implications for the wellbeing of individuals engaged in the industry.

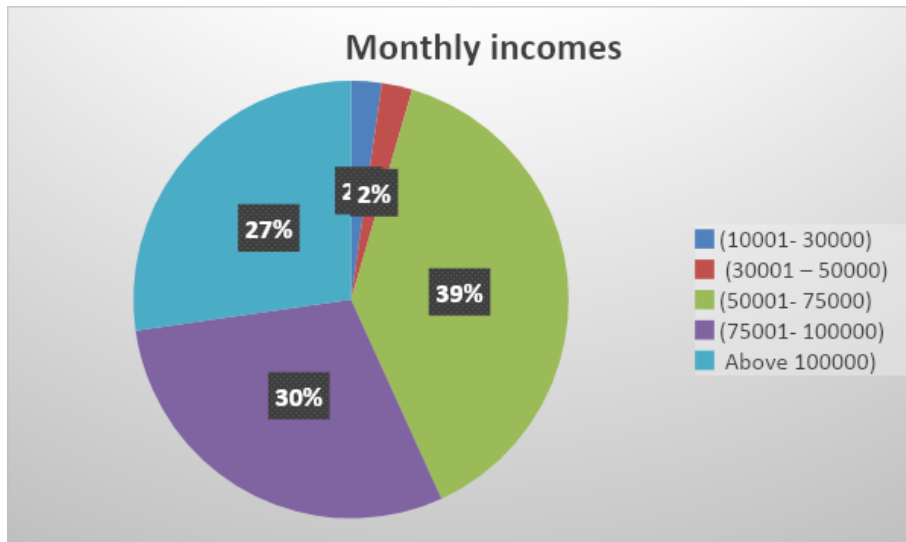


Figure 4.3: Monthly income of the sample of individuals engaged in the sand mining industry in Manampitiya.

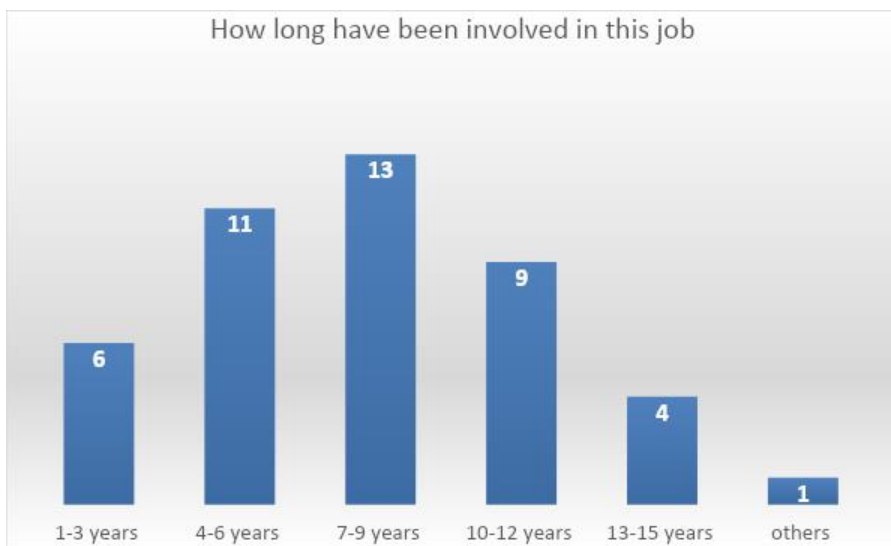


Figure 4.4: Tenure in the sand mining industry of the sample of individuals engaged in the sand mining industry in Manampitiya.

The distribution of responses (see Figure 4.4) based on the duration of involvement in the sand mining industry in Manampitiya provides insights into the varied tenure within the sector. The majority, comprising 13 individuals, reported a duration of 7-9 years, suggesting a substantial proportion with a moderately long-standing engagement in sand mining activities. Additionally, 11 respondents indicated a tenure of 4-6 years, showcasing a significant segment of the sample

with mid-term involvement. Furthermore, 6 individuals reported a duration of 1-3 years, highlighting a notable proportion of relatively newer entrants to the industry. The distribution also included nine individuals with a 10-12 year tenure and four individuals with 13-15 years of experience.

4.4. Sand Mining and Livelihoods

Sand mining, both vital and contentious, plays a significant role in local economies while presenting challenges that can impact the sustenance of those involved. This section focuses on the connection between sand mining activities and the livelihoods of individuals. The aim is to understand how the economic and social aspects of those engaged in the sand mining industry are shaped.

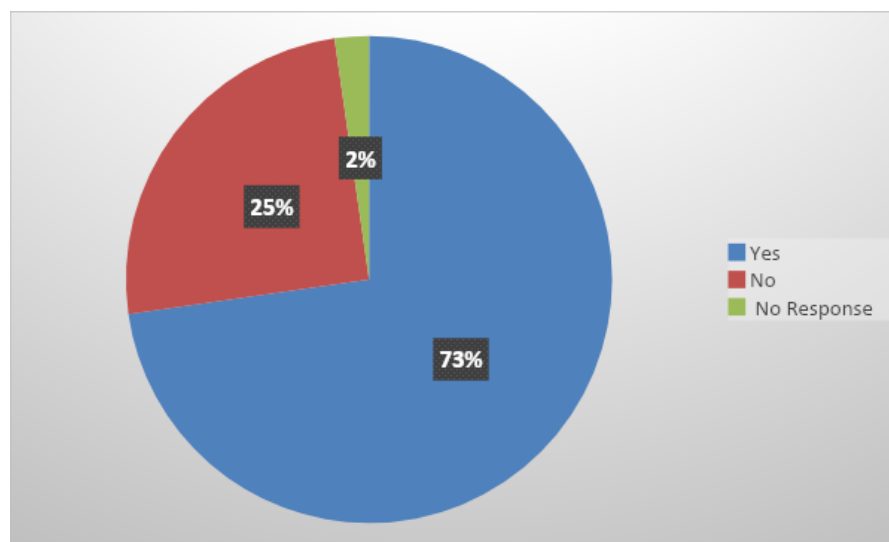


Figure 4.5: Sand mining as the primary source of livelihood.

The distribution of responses (see Figure 4.5) to the question regarding the primary source of livelihood among individuals engaged in sand mining in Manampitiya reveals that a majority of 32 respondents acknowledged sand mining as their main livelihood. Conversely, 11 respondents indicated that sand mining does not constitute their primary source of livelihood. One respondent chose not to provide a response. This distribution underscores the diversity of economic reliance on sand mining among the surveyed sample. For the questionnaire survey, labourers, drivers, and

a few sand mine owners were selected on a random basis, depending on their availability and willingness to participate in the study.

4.5. Process of Obtaining Sand Mining Licences

The process of obtaining a sand mining licence is a critical component of the sand mining industry. It involves several steps that individuals must follow to secure the necessary permissions for their activities. In this section, we examine the details of this licensing process, the regulatory framework, and potential obstacles individuals encounter while navigating the formalities related to authorising sand mining operations.

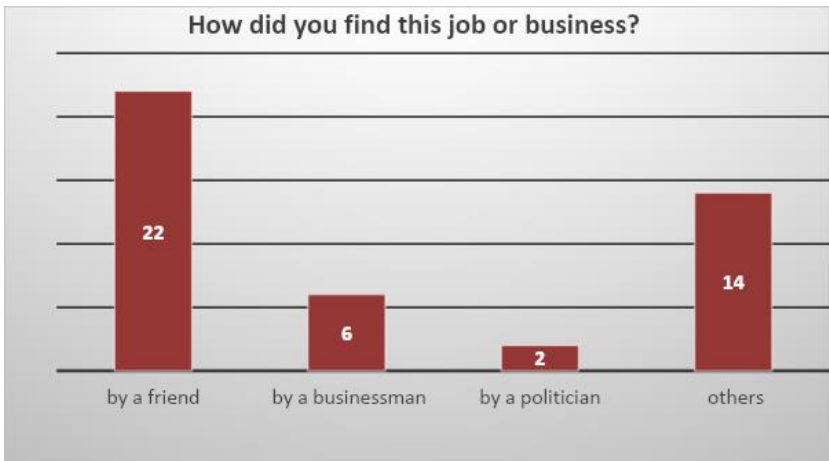


Figure 4.6: Ways in which individuals in the sand mining industry become aware of employment opportunities.

The distribution of responses (see Figure 4.6) to a survey question regarding how individuals in the sand mining industry in Manampitiya became aware of their employment or business opportunity highlights the diverse pathways to employment within the sector. A majority of 22 respondents attributed their awareness of a job opportunity in the sand mining industry to personal networks, particularly through friends. Six individuals mentioned finding employment through businessmen in the construction field, indicating a role played by private entities in job creation. Significantly, two respondents reported hearing about their job through political connections, underscoring the influence of political networks in the sand mining industry. Furthermore, 14 individuals cited alternative sources, emphasising a variety of avenues beyond personal connections, businessmen, or politicians.

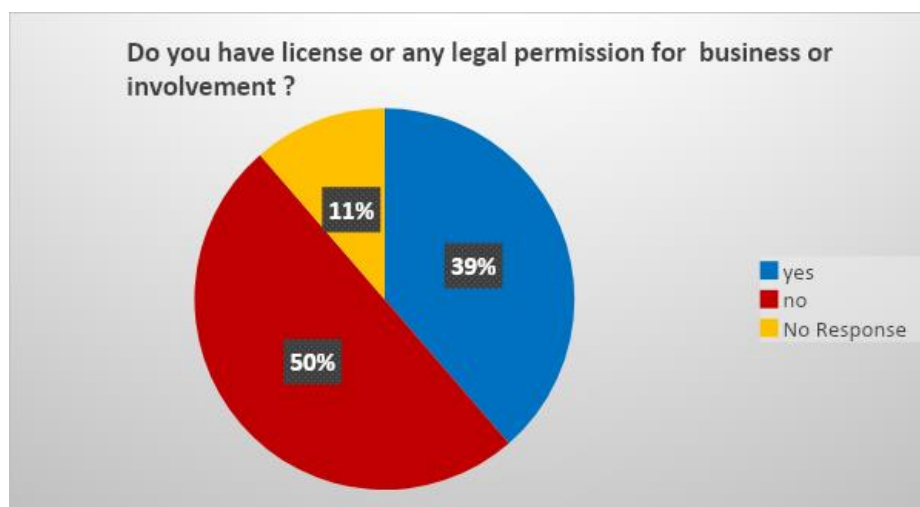


Figure 4.7: State of ownership of licence or any other legal permission for business or involvement in sand mining.

On the issue of ownership of a licence or any other legal permission for business or involvement in sand mining (see Figure 4.7), 17 respondents confirmed possessing the official licence. However, a larger group of 22 respondents denied having such legal documentation, suggesting a significant proportion operating without formal approval. Additionally, five respondents chose not to provide a response. In the process of obtaining licences and selling mine ownership, many informal procedures involving nepotism and favouritism were reported by some interviewees. Occasionally, these transactions occurred as underhand dealings.

Meanwhile, the distribution of responses (see Figure 4.7) concerning respondents' awareness of the process of obtaining licences in the sand mining industry in Manampitiya revealed a significant lack of clarity or knowledge among the surveyed individuals. Only three respondents claimed awareness of the steps involved in obtaining licensing, indicating a limited understanding of the regulatory procedures. A majority of ten respondents admitted to being unaware of the licensing process, suggesting that a significant portion lacked insight into the formalities surrounding authorisation for sand mining activities. Furthermore, a substantial 31 respondents chose not to provide a response, highlighting a prevalent lack of engagement or familiarity with the regulatory aspects of licensing in the industry. The latter group could potentially be among the clientelist faction which enjoys state patronage to carry out illegal businesses. The overall low level of awareness regarding licensing underscores the need for a comprehensive examination of the

factors contributing to the observed knowledge gaps among individuals involved in sand mining in Manampitiya. In the absence of such an examination, contravention of official authorisation may occur through the complicity of the state.

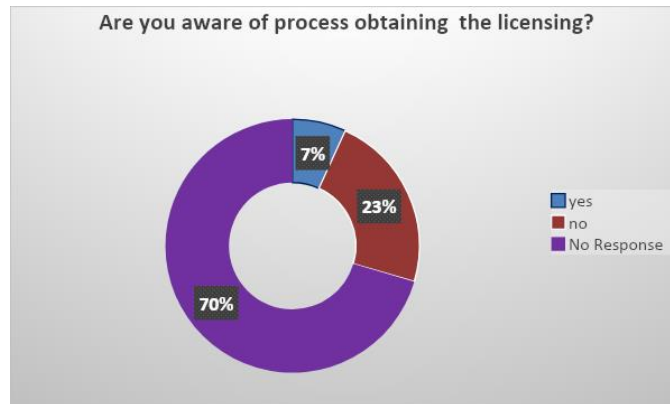


Figure 4.8: Respondents' awareness of the process of obtaining sand mining licences.

Only two respondents (see Figure 4.9) acknowledged receiving help from networks in obtaining a licence, suggesting a minimal presence of support networks in the licensing process. A larger group of 19 respondents indicated not receiving any assistance from networks, implying that the majority navigates the licensing process independently. Furthermore, 23 respondents opted not to provide a response, reflecting a widespread lack of clarity regarding the influence of networks in obtaining licences.

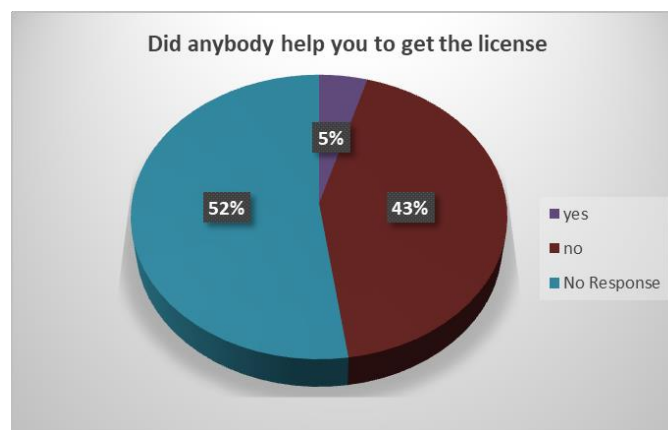


Figure 4.9: Use of networks to obtain a licence.

Only two respondents admitted to encountering challenges in obtaining a licence for sand mining, suggesting a relatively low acknowledgment of specific difficulties in the licensing process (see Figure 4.10). In contrast, a larger group of 16 respondents denied facing any challenges, indicating

that a significant portion of the sampled individuals perceived the licensing procedures as relatively straightforward or unproblematic. Furthermore, a substantial 26 respondents chose not to provide a response, reflecting a prevailing lack of disclosure or detailed information regarding the specific challenges encountered in obtaining licences.

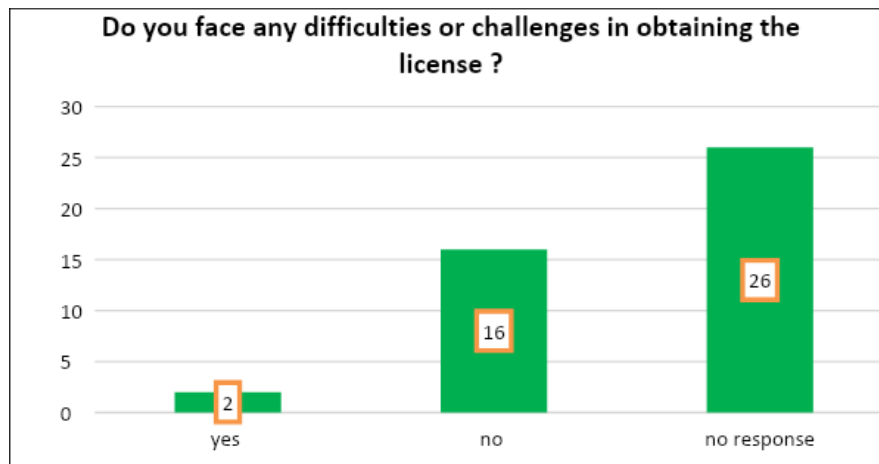


Figure 4.10: Challenges faced in obtaining the licence.

4.6. Connection with the Power Structure

This section summarises the connections among individuals in the sand mining industry in Manampitiya, highlighting the influence of local politicians, political parties, and other powerful figures. These entities play a crucial role in shaping licensing processes, industry practices, and overall power dynamics. The responses reveal the complex interplay between those involved in sand mining and the broader power structures that affect their operations and livelihoods.

Five respondents indicated the presence of connections between their sand mining business and local politicians, suggesting a form of state patronage (see Figure 4.11). This concept will be explored further in the qualitative section of this chapter. In contrast, 21 respondents reported having no political ties related to their sand mining activities, suggesting that a majority operate independently of political influence. Additionally, 18 respondents declined to answer, reflecting a level of uncertainty or reluctance to disclose potential political affiliations.

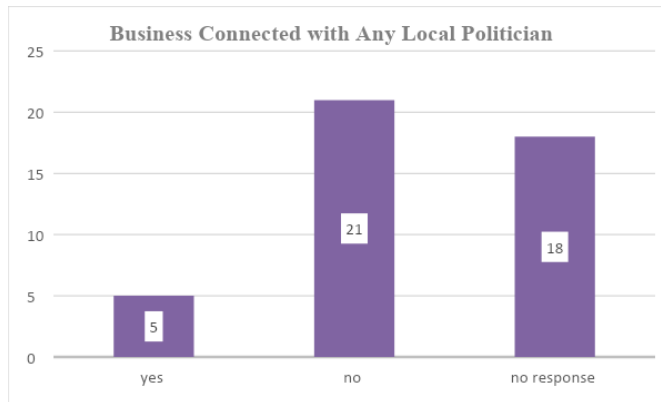


Figure 4.11: Businesses connected with local politicians.

Responses to an inquiry regarding the necessity of working closely with political parties in the context of sand mining-related jobs within the Manampitiya area revealed some distinct dynamics (see Figure 4.12). Four respondents acknowledged the need to closely collaborate with political parties, indicating that a subset within the sand mining industry perceives political involvement as essential for operational success. In contrast, 16 respondents indicated that working closely with political parties was not a necessity, suggesting that a majority operate independently of direct political affiliations. This could also imply that these individuals may not have proper licences but operate without impunity. Additionally, 24 respondents chose not to provide a response, reflecting widespread ambiguity or a hesitancy in disclosing information about political interactions. The responses to the questions regarding connections with local politicians reveal a disparity—some acknowledge ties with local politicians, while many do not see the need for close collaboration with political parties in their sand-related jobs in Manampitiya.

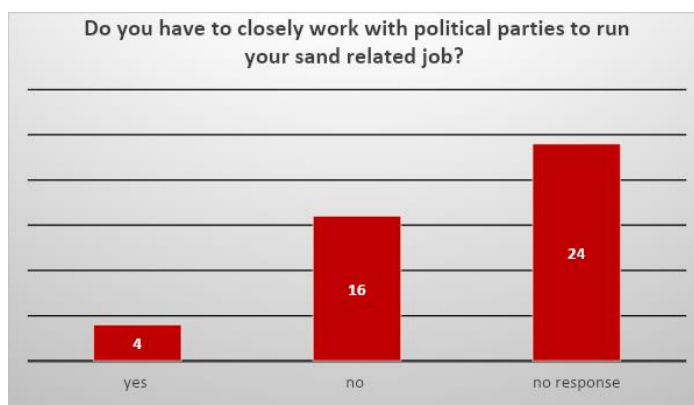


Figure 4.12: Sand mining related jobs and link with political parties.

4.7. People's Opinions on Sand Mining and Political Patronage

Most people in Manampitiya agree that there is a mutual relationship between politicians and individuals involved in the sand business (see Figure 4.13). This aligns with the acknowledgements made by some respondents of having connections with local politicians. Notably, although some view this relationship as a form of mutual assistance, many did not believe it was necessary for those engaged in sand-related jobs to work closely with political parties. This suggests a complex dynamic, where the need for political support is recognised, but there is also a value placed on maintaining independence in daily work. Further investigation is necessary to understand how these connections impact actual operations within the sand mining sector in Manampitiya. However, some qualitative discussions outlined in the latter part of this chapter reveal additional insights into this situation.

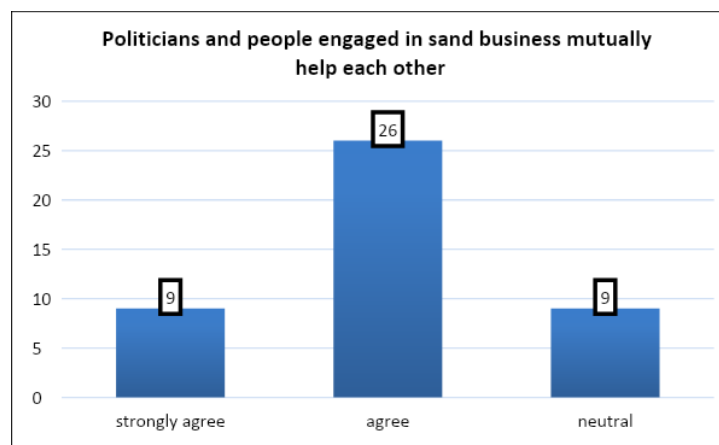


Figure 4.13: Mutual assistance between politicians and people engaged in sand mining-related business.

Meanwhile, responses regarding institutions that assist in obtaining a licence within the sand mining industry in Manampitiya display a diverse pattern (see Figure 4.14). Only one respondent cited the local authority as a facilitating institution. A larger group of nine respondents identified the Divisional Secretariat as instrumental in obtaining licences. Additionally, five respondents exclusively mentioned the Divisional Secretariat, while two respondents associated the Divisional Secretariat with the Mine Bureau. The majority, comprising 27 respondents, provided responses categorised as 'others,' suggesting a range of diverse institutions and sources beyond the specified options that contribute to the licensing process.

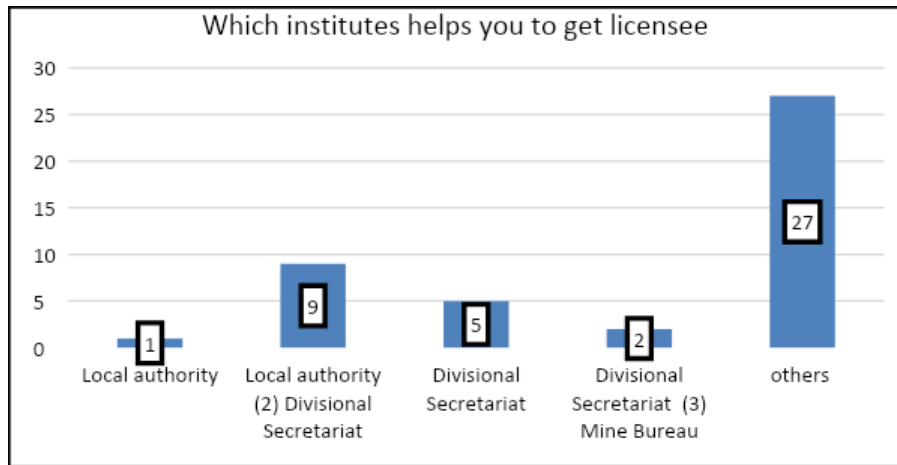


Figure 4.14: Institutions which assist in obtaining a licence.

When examining the connection between sand mining-related businesses and the local community, 12 respondents acknowledged a link, indicating that a subset of operators perceives an interconnection between their activities and the residents. In contrast, four respondents asserted that there was no such connection, suggesting a smaller proportion who view their sand mining operations as somewhat detached from community dynamics.

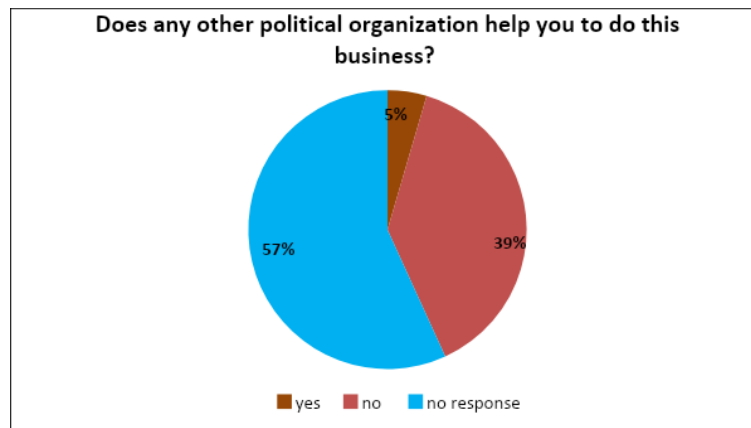


Figure 4.15: Assistance from other political organisations for sand mining businesses.

In response to a question about assistance from political organisations in the sand mining business, a notable pattern emerged (see Figure 4.15). Two respondents (4%), whose incomes were reported as relatively low, acknowledged receiving help from other political organisations, indicating that a small subset of the industry has affiliations beyond individual politicians. In contrast, 17 respondents (39%) reported not receiving assistance from any political organisations, suggesting that the majority operate independently of broader political affiliations. Additionally, 25

respondents (57%) chose not to disclose their interactions with political organisations, reflecting a significant lack of transparency regarding connections beyond individual politicians.

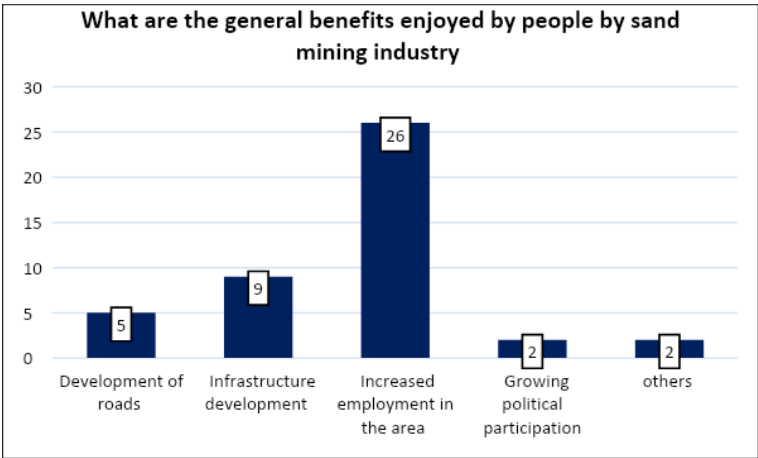


Figure 4.16: General benefits enjoyed by community and people through sand mining industry

A notable proportion of 26 respondents identified increased employment in the area as a significant benefit of the sand mining industry (see Figure 4.16). This suggests that a substantial number of people view sand mining as a key source of local job opportunities. Nine respondents highlighted infrastructure development as a benefit, underscoring the positive impact of the industry on regional development. Five respondents specifically mentioned the development of roads, pointing to the role of sand mining in enhancing transportation infrastructure. However, only two respondents recognised growing political participation as a benefit.

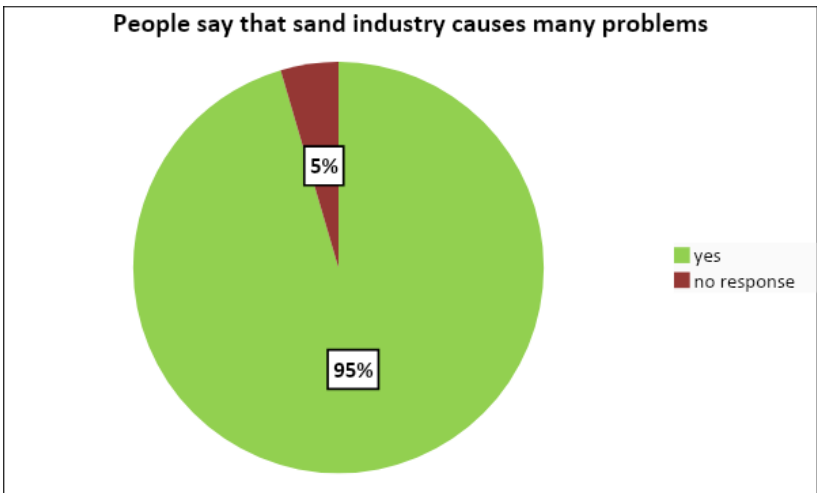


Figure 4.17: Popular concerns over the sand mining industry.

An overwhelming majority of 42 respondents acknowledged and/or accepted popular concerns over the detrimental environmental impact of the sand mining industry (see Figure 4.17).

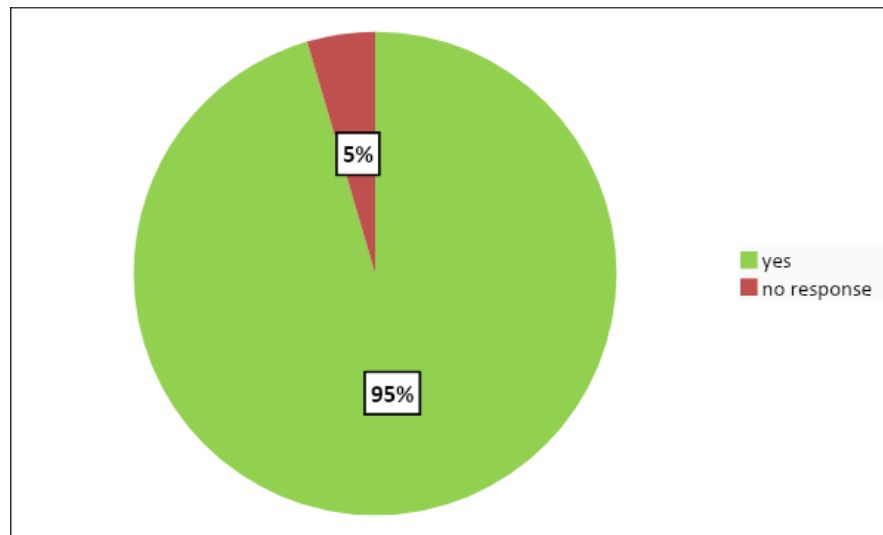


Figure 4.18: Bribery and corruption related to the issuance of sand mining licences.

Figure 4.18 illustrates the responses regarding the presence of bribery and corruption in the issuance of sand mining licences in Manampitiya. An overwhelming majority of 42 respondents admitted to the existence of bribery and corruption in the licensing process. Moreover, almost all respondents held the perception that favouritism plays a role in the issuance of licences for sand mining.

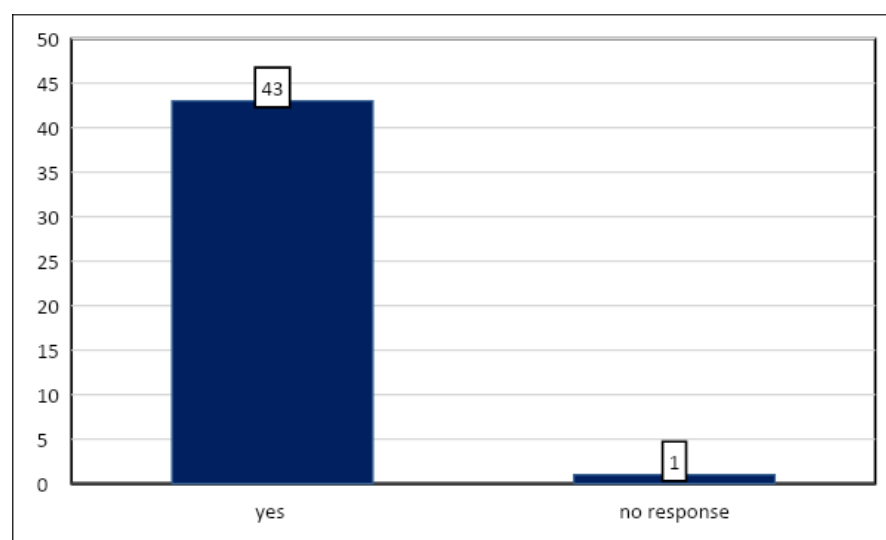


Figure 4.19: Politicians' role in issuing licences for sand mining.

A majority of 43 respondents explicitly acknowledged that politicians exercise significant control over the issuance of licences for sand mining (see Figure 4.19). This aligns with the prevailing perception that political influence plays a dominant role in this aspect of the industry. Only one respondent opted not to provide a response, indicating a minor proportion that either may not fully recognise or choose not to express agreement with this notion.

4.8. Political Ecology of Sand Mining in Polonnaruwa

The political ecology of sand mining examines the complex relationships between the sand mining industry, mine owners, and government or state institutions. Sand, as a natural resource, serves as a point of interaction between politicians and sand businessmen. In Manampitiya, the political economy of sand mining dictates the access, control, and ownership of sand extraction, storage, and transport through state and political power. As such, informal political dynamics can sometimes outweigh formal state mechanisms. This will be discussed further in the qualitative section of this study.

Sand, the world's second most consumed resource after water, is becoming increasingly scarce as global construction drives up demand. In Sri Lanka, the demand for sand has surged, especially following the war, due to new construction and large development projects. The unsustainability of river sand mining in Sri Lanka is influenced by various legal, political, and socio-economic factors (Abeyrathne, 2023). Environmental resources, including sand, are often controlled by societal power structures, making it essential to understand how these power dynamics shape the sand mining industry. This power can be macro or micro, hard or soft, and is frequently expressed through patron-client relationships. The qualitative findings of this study reveal different forms of power related to river sand mining in Polonnaruwa. The conflict between sustainable development and environmental conservation in Sri Lanka is often exacerbated by corrupt political leadership, short-sighted policies, institutional failures, and authoritarian legislative reforms.

According to the Marxist perspective, capitalism views nature as a commodity to be bought and sold in the market. In this context, natural resources are treated as capital and considered private property. Marxists argue that capitalism inherently generates profit by exploiting natural resources, often leading to the destruction of the relationship between humans and nature. They contend that

economic activities under capitalism are fundamentally forms of exploiting natural resources (Gare, 1995; Foster, 2001).

Power is not always vested in institutions (such as the state) but can also emerge from social interactions under various circumstances. In the modern world, power is primarily shaped through processes of socialisation rather than physical coercion. Therefore, it is important to understand politically relevant power relations within a broader socio-economic and cultural context to study contemporary sand mining as a process of clientelism.

Political ecology is a critical theoretical approach for studying the real scenario of sand mining in Sri Lanka. It is a relatively new approach, rooted in political economy and cultural studies, that critically examines the relationships between society and the natural world. It represents a critical exploration of previously unseen environmental crises. Bryant (1992) suggested that the emergence of Third World political ecology as a new research field in the 1980s reflected the pressing need for an analytical approach that integrates environmental and political understanding amidst intensifying environmental problems in the Third World.

In-depth interviews with sand mine owners have highlighted several critical issues related to clientelism in river sand mining in Polonnaruwa. Although river sand mining permits are intended for low-income individuals or Samurdhi or Janasaviya beneficiaries, they have been politically manipulated and allocated to party supporters. The original permits were often sold on the secondary market to politically influential individuals. One sand mine owner shared his views on the political influence involved in obtaining a sand mining permit in Manampitiya as follows:

“In the early 1970s and 1980s, people and businesses extracted sand directly from the Mahaweli River using tractors, without any control. The government then introduced new regulations involving the Divisional Secretariat, Wildlife Department, Mahaweli Authority, and Forest Department. Permits were issued to regulate sand extraction. Subsequently, the government began imposing taxes on all state organisations, including payments to the NBRO. In 2008, sand mining permits were granted to individuals involved in brick-making and clay products in Manampitiya. Although these permits were originally proposed for Samurdhi beneficiaries to alleviate poverty, only 50 permits were issued, and not all recipients were Samurdhi beneficiaries. Political supporters of the

ruling party also received permits. These actions were in accordance with a new rule established by the Supreme Court in 2008, which ordered that sand mining permits be given to poor people, yet more than half of the permits went to political supporters.”

According to Spencer (2007), the Third World has experienced significant disorganisation in various aspects of human society and politics, with democracy often playing a supportive role in facilitating violations and corruption in social life. In Sri Lanka, a patron-client political relationship is prevalent, where both rural and urban populations engage in this relationship with politicians for their day-to-day needs (Jayathilaka, 1982). This type of political power relationship, rooted in democratic party politics, is frequently misused, including in the process of river sand mining in Polonnaruwa. Observations suggest that patron-client democracy is closely connected with the sand mining industry. Another respondent stated:

“The ruling party always decides who receives sand mining permits, and changes in government often impact the ownership of these permits in Manampitiya. When a politician becomes president, they significantly influence the sand mining industry; for example, one president increased the number of permits from 48 to 210. Politicians, whether from the ruling party or the Minister of Environment, control these mining permits. They frequently use slogans about developing Polonnaruwa or promoting the livelihoods of its people through sand mining.”

The respondents' statements clearly indicate that the sand mining process in Sri Lanka has become politicised through clientelism within the framework of democracy. This observation is supported by various studies. While some political sociology theorists argue that democracy can reduce environmental degradation, others suggest it may also harm the environment (Li and Reuveny, 2006). Field observations and interviews reveal that patron-client relationships in river sand mining are reinforced by regional development and local political dynamics. Even decentralised budget allocations for local development are intertwined with patron-client democratic politics (see Table 4.1). Many respondents noted that local politicians often oversee development projects, which are closely linked to sand mining.

Item (Rupees/ Millions)	2016	2017	2018	2019	2021	2022
Road construction	14.70	24.50	15.70	8.75	4.23	0.07
Education	11.63	5.29	5.44	6.73	15.23	0.46
Social welfare	26.23	14.04	18.50	24.95	19.8	0.61
Religious activities	26.23	14.04	18.50	24.95	19.80	0.61
Total	77.22	52.20	52.45	53.39	50.30	3.4

*No funds were allocated in 2016 and 2020 and the 2022 data includes only the first quarter

Table 4.1: Decentralised Budgetary Allocation by Polonnaruwa District Secretariat, 2016 -2022.

4.9. GSMB, Clientelism, and Sand Mining

The Mahaweli River is a major source of sand in Sri Lanka, with key locations for river sand mining including Mahiyanganaya, Wilgamuwa, Manampitiya, and Kanthale. These areas supply sand to meet the country's construction demands. Due to disruptions along the riverbanks, sand mining activities have been suspended in many areas. Since the start of this decade, large development projects have been launched in the capital city and its suburbs, including the Lotus Tower, Port City, Colombo South Harbour, five-star hotel projects, and road network rehabilitation in the Colombo District. Due to a lack of significant sand resources within Colombo District, there is a reliance on resources from remote areas such as Mahiyanganaya, Wilgamuwa, Manampitiya, and Kanthale (GSMB, 2023).

Among these locations, Manampitiya has distinguished itself in several aspects and has been managed by Geological Survey and Mines Bureau (GSMB) Technical Services (PVT) Ltd since 2008. This management falls under the supervision of the Geological Survey and Mines Bureau, alongside various government organisations such as the Central Environmental Authority, Wildlife Department, and Forest Department. The primary goal of the project is to mine high-quality sand (with minimal debris) through a sustainable process, addressing any shortfall in sand supply in Colombo and other areas while mitigating potential future flooding. Secondary objectives include contributing to the local and national economy and controlling sand market prices. The Manampitiya project has demonstrated significant micro and macro-economic benefits. In 2022, the project sold 133,076 cubic metres of sand and earned a profit of

approximately 175 million rupees, despite challenges from the economic crisis and the pandemic. The project's stability positively impacts both local livelihoods and the national economy, signalling a potential shift in the political economy of sand mining. Additionally, the project contributed to various government organisations, paying around 121 million rupees to entities such as the Wildlife Authority, Local Development Fund, and for royalties in 2022 alone (GSMB, 2023).

Despite the GSMB's establishment to formalise river sand mining and provide sand at a reasonable price, it has faced significant political influence and malpractice. According to a respondent in an in-depth interview:

“GSMB has consistently provided more opportunities to individuals with political connections, allowing them to extract unlimited amounts of sand. The GSMB allocated sand extraction rights to only three main companies, all of which were associated with the then president of the country. It is clear that nepotism and favouritism were prevalent even within the mechanisms of the GSMB.”

Another respondent believed that the GSMB operates as a politicised mechanism that indirectly supports politically motivated clientelism. According to his statement:

“The manager of GSMB is always appointed by the minister or politician from Polonnaruwa. The current manager is a Muslim because the minister representing that ethnic group was influential in the appointment. GSMB also has considerable influence over the registration of lorries or trucks for transporting sand. Some trucks and orders receive priority based on political connections.”

In another interview, it was revealed that the GSMB also leverages state governance and tax procedures to influence the supply of sand and determine its prices:

“GSMB claims that they must pay various fees or taxes to the Wildlife Department, Forest Department, District Secretariat, and some local authorities. However, the effectiveness of these regulations is questionable when political influence is involved. Sand mine owners with strong connections to politicians can often circumvent state rules and policies. Additionally,

external authorities who inspect sand availability and environmental conditions of the river may also be influenced or bribed.”

4.10. Sand Mining Clientelism through Party Politics

Clientelism can manifest in various forms, such as through family relationships, friendships, regional ties, business connections, or other affiliations. However, clientelism driven by party politics is particularly critical in the context of sand mining in Polonnaruwa. Most sand extraction or mining permits in Manampitiya and other areas of Polonnaruwa are determined by political party relationships. According to the qualitative field data, sand mine owners play a crucial role in bridging the community, politicians, and state institutions as follows (Figure 4.20):

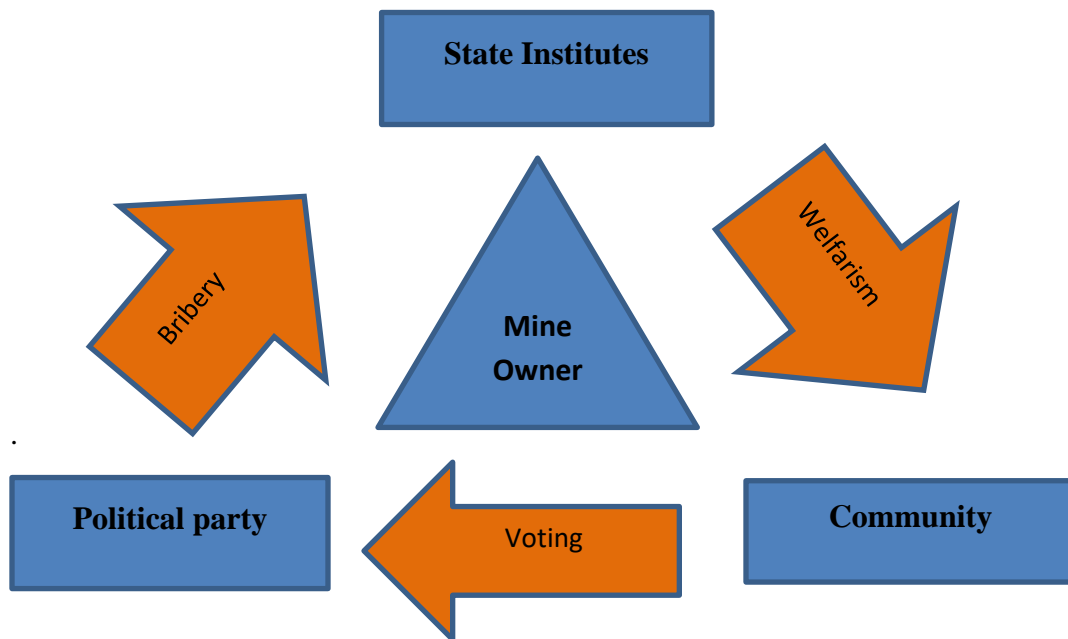


Figure 4.20: The socio-political model of sand mining clientelism.

This figure above clearly illustrates how sand mine owners function as intermediaries among political parties, the community, and state institutions. This concept was further elaborated by a respondent in an interview. She is a sand mine owner involved in the sand industry in Dimbulagala. Her statement is as follows:

“I have been a supporter of the Sri Lanka Freedom Party (SLFP) for a long time and have worked for the betterment of the party. I obtained a permit for a sand mine in Dimbulagala,

where a tributary of the Mahaweli River is located, thanks to my party. In return, I support SLFP leaders in Polonnaruwa and organise meetings in my area. I do my best to secure votes for my party from the villagers. At times, I assist both party leaders and local residents in integrating the party with the community.”

Another respondent, who holds a sand mining permit in Manampitiya, shared his views:

“I am a retired military officer and purchased my permit from a Samurdhi holder, paying 600,000 rupees in an under-the-table transaction. I obtained this permit not only because of the money but also due to my connections with a political party. I am aware that my permit is protected solely by political support, so I always have to support the party. Currently, I am working for a different party because I believe the SLFP will lose its power in the next election. I changed my political allegiance to safeguard my sand mining permit.”

Both of these cases clearly reveal that political patronage through political parties forms the foundation of sand mining clientelism. Sand mining permits are often transferred or sold through political channels and under-the-table financial transactions. Those who own sand mines have become new petty capitalists or local elites, largely due to the sand industry. They frequently pursue other businesses or industries in the area and are often involved in local politics.

4.11. Conclusion

Sand is a crucial and valuable natural resource needed for construction and various development activities. The sand industry, particularly sand mining along the Mahaweli River, has become an integral part of the socio-economic and political landscape. Thousands of people rely on this industry for their livelihoods, making sand mining a vital ecological system for many. It is essential to understand the political economy of sand mining projects.

Despite the establishment of the Geological Survey and Mines Bureau (GSMB) to minimise ecological damage and control the politicisation of sand mining, the GSMB itself has become a politicised entity within the regional power structure. The GSMB operates as a politically influenced governing body for sand mining in Manampitiya. To fully comprehend sand mining in Polonnaruwa, one must explore the discourse of political ecology. This perspective addresses key

questions: Who has real access to sand resources? Who controls these resources? Who owns the sand mines?

Political ecology reveals that political power and party politics intervene between people and the natural resource pool of sand. Consequently, sand resources are controlled and utilised through patron-client relationships. This clientelism is evident in the sand mining industry in Polonnaruwa. Such clientelism is sustained by social banditry, where some of the benefits or profits from the sand mining industry are shared among people and politicians. Sand mine owners cultivate positive relationships between politicians and the community. The communities benefiting from these arrangements often protect the clientelist systems established for the sand mining industry.

The informal systems functioning within and alongside the official state mechanisms are powerful and resilient due to the prevailing political subculture. This non-system and subculture are integral to and supported by the public who benefit from the sand mining industry.

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CHAPTER 5

CLIENTELISM PRACTICES IN SRI LANKA'S DECENTRALISED BUDGET

5.1. Introduction

Sri Lanka, since gaining independence, has boasted commendable records in socio-political development. Sri Lanka's high level of social indicators is a good example of this. Despite these positive social and economic developments, the periphery has become more sluggish. The informal economy operates at the periphery to create livelihoods that sustain the basic and growing needs of people in these areas. Since independence, multiple economic policies and projects have been introduced to overcome these challenges. However, these economic policies have often been seen as arrangements that fail to yield consistent success.

One notable response to the challenges faced in economic management has been the decentralisation of administration and financial resources. This approach gained traction against the backdrop of economic disparities across various regions, compelling governments to explore decentralised solutions to minimise these discrepancies.

The roots of development disparity, consequent to asymmetrical governance, can be traced back to the colonial legacy. This legacy created a tug-of-war between bureaucratic structures and public representatives, fostering a disjointed governance framework in Sri Lanka's early decades. The proliferation of governmental departments and ministries at the district level, operating beyond the purview of central oversight, exemplifies this fragmented governance landscape. In this context, decentralisation of administration was considered a daily solution.

Meanwhile, the enactment of the Local Government Act in 1946 marked a pivotal shift towards vertical authority within local governance, diminishing the role and power of traditional administrative figures like the Government Agent (GA). Subsequent initiatives, such as the introduction of District Development Councils and Rural Development Societies, sought to enhance the role of public representatives while confining the GA to administrative and facilitative functions, in order to alleviate social development disparity in Sri Lanka and address political inequality in decision-making.

However, despite these institutional innovations, a fundamental challenge persisted at the grassroots level: a lack of funding to drive meaningful initiatives. This scarcity of resources posed a significant impediment to effective governance and development efforts at the rural level, perpetuating a cycle of dependency. The dependency established through the model of development has provided an opportunity for rent seekers to exploit the situation of clientelism, a notion established within society as a result of this tendency.

When the structures introduced to address development disparities did not work as expected, the notion of decentralised budgeting was introduced to address the lack of funding for development at the periphery. However, the effectiveness of this novel measure of funding and its associated challenges remains unresolved to this day.

Therefore, it is evident that clientelism in Sri Lanka delves into a complex landscape, exploring its historical roots, institutional manifestations, and socio-economic implications. Through a comprehensive analysis, this chapter aims to illuminate the dynamics of clientelist politics in Sri Lanka and its enduring impact on governance, development, and democracy, particularly in the context of decentralised budgeting introduced as a solution to development disparity in Sri Lanka.

5.2. Purpose of Decentralised Budgeting

Decentralised budgeting in Sri Lanka has undergone a transformative journey, initially conceived to address localised needs such as food production but later expanding to encompass broader areas of economic development. This evolution reflects the nation's quest for grassroots development amidst the challenges of political manipulation.

5.2.1. Inception of District Development Councils and Divisional Development Councils

The introduction of District Development Councils (DDCs) and Divisional Development Councils (Div. DCs) in 1970 marked the beginning of a new era in decentralised decision-making. These councils aimed to empower local communities, including in areas related to food production.

The unveiling of the District Decentralised Budget in 1974 represented a significant advancement towards local autonomy in fiscal matters. This initiative allowed districts to tailor budget

allocations to their specific developmental priorities, including efforts to enhance food production. Nonetheless, centralised control mechanisms continued to restrict the extent of local autonomy.

Constitutional reforms in 1980 replaced District Political Authorities with District Ministers, thereby amplifying political influence at the local level. This shift facilitated direct political engagement in budgetary decisions, including allocations for food production projects. However, it also paved the way for increased political interference and clientelistic practices.

The establishment of District Development Councils (DDCs) under the Development Councils Act of 1980, along with subsequent amendments, aimed to streamline decentralised governance. These councils were tasked with coordinating and implementing various development initiatives, including those related to food production and rural development. Nonetheless, their effectiveness varied depending on political will and resource availability.

The integration of decentralised budgeting with the Provincial Council System in 1987 expanded the scope of regional governance. This move sought to align budget allocations with localised priorities, moving beyond the earlier focus on food production. However, it also created opportunities for political patronage and clientelism, as politicians sought to secure electoral support through resource distribution.

Over time, decentralised budgeting became increasingly instrumentalized for political purposes, deviating from its original goal of community-driven development. Politicians often prioritised projects based on their potential to secure electoral favour rather than addressing genuine developmental needs. The lack of public participation further enabled political leaders to make decisions that served their own interests. This shift perpetuated a cycle of dependency and patronage, undermining the effectiveness of decentralised governance.

5.3. The Investment of the Project

At the initiative stage in 1974, the decentralised budget for food production commenced with an initial allocation of 175,000,000 rupees, primarily designated as an emergency fund. With the implementation of reforms in 1978, the allocation increased to 426,900,500 rupees, directed towards capital works of a local nature, reflecting a broader scope of expenditure. However, the actual budget utilisation slightly decreased to 424,291,831 rupees.

Subsequent shifts in the initiative occurred in 1981, when the decentralised budget transitioned into an integrated rural development project, allowing parliamentarians to advocate for specific projects. During this period, the budgetary allocation was estimated at 196,000,030 rupees, although actual expenditure amounted to approximately 221 million rupees (see Table 5.1).

By 1990, the decentralised budget evolved to support the implementation of capital projects at the district level, identified by members of parliament. This shift marked a significant increase in funding allocation, reaching 622 million rupees, reflecting both the broadening scope of projects and the political impetus to engage in developmental activities to influence voter sentiment.

In 2000, further adjustments were made, with the decentralised budget rebranded as Regional Development, encompassing the implementation of capital projects at the district level. The allocation for this year surged to 641 million rupees, signalling a continuous increase in funding.

Since the administration of the government in 2008, the decentralised budget has persisted, maintaining its allocation mechanism. Notably, the highest annual allocation was recorded in 2016, reaching 3.2 billion rupees, highlighting a substantial escalation in funding allocation over the years.

Year	Estimate Amount (Rs)	Actual Amount (Rs)
1974	175,000,000	-
1975	125,000,000	119,585,918
1976	350,000,000	321,275,353
1977	300,000,000	40,402,762
1978	426,900,500	424,291,831
1979	306,000,000 94,100,000	- 50,698,101
1980	420,000,000 167,000,010	- 157,514,670
1981	196,000,030	221,300,419
1982	315,000,000	225,500,197
1983	459,000,000	265,782,136

1984	416,000,000	381,683,381
1985	465,000,000	418,227,460
1986	427,000,000	454,163,239
1987	564,000,000	417,467,871
1988	553,000,000	410,622,895
1989	493,000,000	-
1990	562,500,000	622,710,584
1991	562,500,000	631,286,292
1992	562,500,000	-
1993	72,500,000	27,996,600
1994	562,500,000	-
1995	562,500,000	526,452,038
1996	72,500,000	63,599,737
1997	72,500,000	94,649,257
1998	72,500,000	-
1999	562,500,000	
2000	641,250,000	-
2001	787,800,000	-
2002	101,500,000	-
2003	145,000,000	809,930
2004	1,125,000,000	1,079,747,000
2005	1,125,000,000	1,087,429,000
2006	1,125,000,000	1,132,672,000
2007	1,125,000,000	1,110,691,000
2008	1,125,000,000	1,034,480,000
2009	1,125,000,000	1,079,504,000
2010	1,125,000,000	1,095,016,000
2011	1,125,000,000	1,033,574,000
2012	1,125,000,000	1,015,686,000
2013	1,125,000,000	

2014	1,125,000,000	1,035,789,000
2015	1,125,000,000	-
2016	3,375,000,000	3,206,370,000
2017	2,316,390,000	1,970,790,000
2018	2,500,000,000	
2019	2,250,000,000	
2020	709,100,000	705,392,000
2021	2,250,000,000	1,645,576,000
2022	825,171,000	658,755,000
2023		-

Table 5.1: Decentralised budgetary allocations, 1974-2023.

Despite Sri Lanka's significant expenditure of over 24 billion rupees through the decentralised budgeting process to date, a critical observation reveals a glaring absence of comprehensive assessments regarding the utilisation of these public funds and their subsequent impact. Unfortunately, no single initiative is tasked with conducting thorough evaluations of expenditure or analysing the efficacy of these investments in relation to their identified objectives over time.

This lack of accountability and oversight is particularly concerning, given Sri Lanka's burgeoning debt, which reached a staggering 26 trillion rupees by 2023. While it would be erroneous to attribute this monumental debt solely to the decentralised budgeting process, it is important to recognize that the absence of robust mechanisms for accountability, auditing, and feasibility assessment within the decentralised budgeting framework has exacerbated the challenges of governance and financial management.

In this context, the allocation for decentralised budgeting, representing approximately 0.0923% of Sri Lanka's total debt, underscores the need for heightened scrutiny and prudent management of public finances (see figure 5.1). Without adequate mechanisms to ensure transparency, accountability, and efficiency in the allocation and utilisation of decentralised funds, there is a palpable risk of exacerbating the nation's financial woes and compromising its long-term fiscal stability.

$$\text{Percentage} = (26,000 \text{ Trillion } 24 \text{ billion}) \times 100$$

$$\text{Percentage} = (26,00024) \times 100$$

$$\text{Percentage} = (0.000923) \times 100$$

$$\text{Percentage} \approx 0.0923\%$$

Figure 5.1: Allocation for decentralised budgeting as a percentage of Sri Lanka's total debt.

5.4. Case Studies: Gampaha/Polonnaruwa

As part of the study, the research collected decentralised budget spending data from 2017 to 2019 for the Gampaha and Polonnaruwa districts. The allocation of portions within the budget prominently favoured construction endeavours, with goods and services procurement closely trailing as the second-highest expenditure, showing notable variation in 2017 and 2018 (see table 5.2). This trend highlights a concerning pattern, where decentralised budgetary resources seem to primarily serve logistical requirements for rural-level entities rather than significantly contributing to developmental initiatives.

Road construction, a sector notoriously susceptible to corruption and clientelism in Sri Lanka, emerged as the third most substantial expenditure within the decentralised budget framework, particularly in the Gampaha district. Regrettably, allocations toward crucial developmental pillars such as rural economic enhancement, livelihood improvement, and community upliftment paled in comparison to the aforementioned expenses.

The rationale often put forth by bureaucrats and politicians, along with vested interest groups benefiting from decentralised budgets, hinges on purportedly fulfilling the demands and requests of the populace. However, it remains imperative to scrutinise whether these allocations align with the true scope and objectives of decentralised budgeting.

Gampaha District DB Allocation				
Sectoral Allocations	Year/s			
	2016	2017	2018	2019
Construction	223.41	152.23	136.25	107.48
Goods / Services Purchase	80.80	48.47	61.09	89.60
Rural Water Supply	2.80	1.69	0.05	1.75
Rural Electricity	2.44	1.05	1.37	2.48
Improvement of Rural Access	123.32	76.27	77.44	61.61
Community Development	86.34	29.60	22.15	31.44
Minor Irrigation	15.05	4.78	2.98	1.55
Social Welfare	63.98	42.14	51.43	-
Social Services	2.00	18.68	18.45	-
Community Protection	0.00		1.5	2.67
Rural Economy	7.38	3.36	1.09	2
Economic Infrastructure	-	-	-	9.19
Livelihood Development /vocation	-	4.01	4.86	8.39
Rural Welfare	-	19.26	16.06	
Supply facilities and other equipment	-	-	-	76
Other	0.93	-	-	-
Total	608.45	401.54	394.72	394.16

Table 5.2: Allocation of Gampaha district budget.

A discernible downward trajectory in decentralised budget spending over the years prompts an exploration into whether this trend stems from the country's financial crisis or signals the achievement of predetermined developmental targets at the grassroots level. Clarifying these dynamics requires a more nuanced and scientifically informed approach to budgetary decision-making.

Based on the data above (see Table 5.3), the subsequent data collection phase focused on the Polonnaruwa district. Notably, the bulk of allocations were channelled towards social welfare initiatives, emerging as the primary expenditure theme. Road construction claimed the second-highest allocation, indicating a substantial investment in infrastructural development.

An intriguing observation arises in the allocation hierarchy, where expenditures categorised under religious affairs rank as the fourth highest. Upon closer examination, it becomes evident that these funds were earmarked for the advancement of religious institutions. Concurrently, allocations for agricultural and rural development endeavours were comparatively modest, indicating a shift in budgetary priorities.

Polonnaruwa District DB				
	Year			
Sectoral Allocations	2016	2017	2018	2019
Minor Irrigation	0.46	1.27	2.05	1.37
Roads	14.29	23.85	15.44	8.28
Water Supply	1.6	1.11	1.94	0.65
Electricity	0.71	0.062	1.31	1.03
Education	11.45	5.22	5.34	6.53
Health	0.05	0.34	0.65	0.44
Social Welfare Activities	25.89	13.94	18.31	24.32
Agriculture	-	-	-	-
Professional Training and Communication	-	-	0.91	-
Sports	2.05	0.77	0.95	-
Religious	19.11	4.7	4.61	-
Other	-	-	0.5	-
Operational monitoring cost	0.65	0.59	-	9.07
Total	76.26	51.85	52.01	51.69

Table 5.3: Allocation of Polonnaruwa district budget

5.5 The Investment of the Project

The advent of decentralised budgeting in Sri Lanka was conceived to empower peripheral regions by endowing them with financial resources, enabling them to address developmental needs at the grassroots level. However, this transformative initiative has faced a myriad of formidable challenges. Chief among these are elite capture, where vested interests exert undue influence over resource allocation, and the pervasive issue of corruption, which siphons funds away from their intended developmental purposes.

Moreover, patronage politics has entrenched itself within decentralised budgeting, perpetuating a culture where political favouritism overshadows meritocracy. This, combined with the growth of bureaucracy-centric practices, has engendered inefficiencies and bureaucratic red tape, impeding the swift and effective execution of developmental projects. Decision-making around decentralised budget allocations by parliament members, government officials, and relevant authorities has often been passive, with minimal attention paid to the actual needs and demands of the populace.

Members of Parliament (MPs) appear to prioritise building their voter base over making informed decisions about expenditure. Decentralised allocations are frequently used as a campaigning tool, focusing on welfare spending. A closer examination of expenditures in the Polonnaruwa and Gampaha districts over the past four years reveals a tendency to allocate funds towards projects less likely to undergo scrutiny through social audits.

Both districts exhibit a preference for investing in social infrastructure development, such as housing assistance, support for societies, and aid to schools, as well as religious, cultural, and sports development. MPs prioritise these areas due to various factors, including a focus on initiatives offering direct assistance, concentrating on individual rather than public benefits, limited MP allocations for major projects, and the electoral significance of administrative districts in garnering votes.

In the Polonnaruwa district, the bulk of allocations were channelled towards social welfare initiatives, with road construction claiming the second-highest allocation, indicating substantial investment in infrastructural development. An intriguing observation is the allocation hierarchy, where expenditures categorised under religious affairs rank as the fourth highest. These funds were earmarked for the advancement of religious institutions. Concurrently, allocations for agricultural and rural development endeavours were comparatively modest, indicating a shift in budgetary priorities.

Despite its promise, the decentralisation effort in Sri Lanka finds itself ensnared in a quagmire of obstacles. The lack of accountability further exacerbates these challenges, as the opacity surrounding resource allocation fosters an environment ripe for misuse and misappropriation of state resources. The noble objectives of decentralised budgeting—to enhance economic efficiency, instil public accountability, and foster grassroots empowerment—have been thwarted.

Rectifying these systemic issues demands a concerted effort to fortify transparency, combat corruption, and cultivate a culture of meritocracy within the decentralised budgeting framework. Only through such reforms can the transformative aspirations of decentralisation be truly realised.

5.6. Cost Effectiveness of the Decentralised Budget Allocation

The research next scrutinised Sri Lanka's major investment endeavours, comparing their costs with those incurred through decentralised budget allocations to date. The findings reveal that Sri Lanka stands to gain substantially by reallocating funds from large-scale projects towards implementing several projects of comparable significance. If successive governments could reallocate resources to multiple projects of similar importance, the nation could optimise expenditure and potentially achieve a greater overall developmental impact. As shown in Table 5.4, the decentralised budget could have supported several additional projects if utilised more effectively.

From 1974 to 2023, the total decentralised budget amounts to 2.45 trillion rupees. When comparing this budget with major development projects based on their cost-effectiveness, some projects exhibit a cost-effectiveness ratio of less than 1, while many exceed this ratio. Projects such as Gemidiriya and Mattala Airport have a cost-effectiveness ratio of less than 1, indicating that their costs are lower than the total decentralised budget. Thus, it might have been feasible to fund these projects entirely with the decentralised budget. Conversely, projects with a cost-effectiveness ratio exceeding 1, such as the Southern Highway, Eastern Container Terminal, and Colombo Port City, suggest that the costs of these projects could have been partially covered by the decentralised budget.

This analysis infers that Sri Lanka could undertake several additional large-scale investment ventures if decentralised budget allocations were directed towards development projects rather than being subject to political manipulation for voter influence and clientelism. This shift in focus could lead to significant advancements by prioritising strategic investments over political expediency, thereby fostering sustainable growth and equitable development.

Project	Cost in USD	Project Start Year	Exchange Rate during Project Year	Cost in LKR	DB Total (1974 - 2023) from expected amount	Cost Effectiveness
Gemidiriya	58,110,000.00	2004	96.95	5,633,764,500.00	24,559,278,900.00	0.229394541
Mattala Airport	209,000,000.00	2009	113.2	23,658,800,000.00		0.963334473
Samurdhi Programme	-	1995	-	52,500,000,000.00		2.137684914
Magenguma	-	2004	-	57,000,000,000.00		2.320915049
Southern Highway	741,100,000.00	2003	96.72	71,679,192,000.00		2.918619569
Eastern Container Terminal	600,000,000.00	2015	131.25	78,750,000,000.00		3.206527371
Colombo Port City	1,400,000,000.00	2014	130.75	183,050,000,000.00		7.453394733

Table 5.4: Decentralised budget allocations per project.

5.7. Expert Comments

As part of the research, three bureaucrats from different domains within the governance layer were interviewed to gather their perceptions and opinions on decentralised budget allocation and its operational issues. According to the bureaucrats from the planning domain, their responses indicated that the entire development planning system is flawed. Circulars, which are meant to guide the process, have become mere documents with no real impact. They argue that it is illogical to expect Members of Parliament to submit development proposals when they should be focused on legislative duties. This system turns government officers into mere permission providers rather than strategic planners.

One glaring issue is the lack of proper economic and social audits for decentralised budget spending. An expert stated, “The absence of thorough economic and social audits for decentralised budget spending is the main problem.” For instance, when assessing small-scale projects like a 100-metre irrigation system, authorities only consider immediate expenses and general benefits without evaluating mid- and long-term impacts. Similarly, cooperative societies at the village level, such as *maranadara samithi* (funeral aid societies), are often exploited for political gain. Politicians provide goods and logistics to these societies without assessing their contribution to actual development, which amounts to a misuse of public funds. “Politicians often provide goods or logistics for political mileage without assessing their development impact.”

The root of the problem lies in a fundamental misunderstanding of roles. Politicians prioritise their political agendas over national development, while government officers, like divisional secretaries and district-level administrators, lack clarity on their responsibilities. Decentralised budget spending, particularly on road construction, has become a breeding ground for corruption. Until we prioritise expertise in planning and hold politicians accountable for their legislative duties, decentralised budget spending will perpetuate clientelist practices and hinder genuine progress in our country.

It was clear that the planning section is very aware of the misuse and mismanagement of state resources to provide facilities for politicians to attract voters. However, taking a contrary stance, an official from the Sri Lanka Administrative Service highlighted that the decentralised budget is a commendable initiative, albeit with some minor issues. In his remarks, he reiterated that it effectively addresses the developmental needs of rural areas. Divisional secretaries are diligently working to facilitate development activities at the grassroots level.

The frequent changes in circulars often dictate the course of action. Instead of blaming government officers, any significant issues should be addressed at the drafting level of these circulars. “Circulars are crafted to enable misuse, allowing politicians and government officials to exploit public funds without accountability.” It's undeniable that politicians often exploit available provisions for their own gain. However, if the system itself facilitates such behaviour, it's unfair to solely blame politicians for clientelist practices.

Proportionately, the decentralised budget has significantly contributed to the development of rural communities. To mitigate clientelism, reducing political influence in decision-making processes could be a viable solution. “Decentralised budget spending will continue to fuel a culture of corruption and clientelism in our country.” In addition, feedback from the planning section at the divisional secretariat level indicated that the decentralised budget appears to be yet another politician-focused programme rather than a community development-oriented initiative. Government officials often find themselves constrained, with their role limited to providing approval and suggestions.

In the decentralisation process, directives from the planning section are frequently overlooked, undermining its effectiveness. A broad scope is one condition that needs to be revised to ensure the efficient utilisation of decentralised budgeting. The current system inadvertently encourages the inefficient use of public funds through politicians, both directly and indirectly. To foster responsible use of decentralised budgets, there should be more scientific interventions.

Presently, clientelism operates as a three-point triangle, benefiting politicians, government officers, and voters at the expense of public funds. Breaking this cycle will be challenging without disconnecting the process from politicians. For decentralised budgeting to be meaningful, several steps are necessary:

1. Limiting the scope of projects to focus resources more effectively.
2. Holding government officials accountable for accepting proposals in a rational manner.
3. Empowering officials with greater decision-making authority in proposal acceptance.
4. Reducing the power of politicians and transferring authority to local or provincial levels.
5. Strengthening monitoring and evaluation processes to prevent corruption and ensure benefits reach those in need.

5.8. Conclusion

Members of Parliament wield considerable influence in the allocation of resources within the decentralised budgetary framework. This influence is particularly pronounced among incumbent government members, who often have greater sway over budgetary decisions. Despite the

ostensibly democratic nature of this process, patterns have emerged that raise concerns about its efficacy and transparency.

A predominant trend in decentralised fund allocation is the disproportionate emphasis on infrastructure development, notably road construction. While such investments are crucial for economic growth and connectivity, the overwhelming focus on this sector may come at the expense of other pressing developmental needs.

Another significant allocation destination is the development of religious sites. Although these investments contribute to cultural and community cohesion, their substantial share of funds raises questions about prioritisation, especially given competing developmental priorities.

A notable portion of decentralised funds is also channelled towards distributing goods to rural societies, unions, and companies. While aimed at bolstering local economies and addressing socio-economic disparities, the long-term impact of such distributions remains unclear.

Critically, there is a lack of emphasis on genuine developmental purposes within the decentralised budget framework. This misalignment between stated objectives and actual resource allocation potentially undermines decentralisation's overarching goals. Additionally, the absence of quantifiable metrics to assess the impact on local government service delivery further complicates evaluating the effectiveness of decentralised budgeting.

Empirical research indicates that the decentralised budget has had either insignificant or unforeseen short- and long-term effects on economic development and decision-making power for the populace. This raises fundamental questions about the efficacy of decentralised budgeting as a tool for grassroots empowerment and equitable development.

There is growing recognition of the need for state reform to enhance the role of public representatives in budgetary deliberations, project decision-making, and implementation. However, the pervasive influence of party politics complicates efforts to depoliticise the process and ensure impartial resource allocation.

Addressing these challenges will require efforts to improve transparency, accountability, and public participation in decentralised budgetary decision-making. This will help ensure that resources are effectively utilised to promote inclusive and sustainable development.

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CHAPTER 6

COLLAPSE OF THE VELLANAVAL BRIDGE IN MUTUR: A CASE STUDY

6.1. Introduction

The Mutur Vellanaval Bridge sinking incident highlights significant challenges in the governance of natural resources and the persistence of clientelist practices. This 265-metre bridge, constructed after the end of the civil war, was intended to form part of the outer circular road of Trincomalee. The incident underscores the broader issue of natural resource exploitation and how authorities and private businesses often subvert existing laws and bypass checks and balances aimed at preventing corruption. As discussed in the previous chapter, sand mining permits are frequently granted based on political affiliations, contributing to the rise of a sand and stone mafia deeply intertwined with politics. This mafia creates opportunities for individuals who have heavily invested in political campaigns to recover their expenditures, thus perpetuating a cycle of corruption.

6.2. Sand Mining Landscape

During the final years of the Mahinda Rajapaksa era, the demand for sand in Sri Lanka surged dramatically, leading to a significant increase in illegal sand mining. Many local politicians and their associates were granted permits for sand extraction, turning the licensing process into a corrupt operation. Government officials, including those from the police, Geological Survey, and Mining Bureau, began to exploit this system for personal gain.

Areas such as Ma Oya, Danduru Oya, and the lower valley of the Purave River became hotspots for illegal sand mining near Colombo. Cronies loyal to the Rajapaksa administration conducted operations in these areas, often armed with pistols. The problem spread to regions like Galle, Godaweli, and Yan Oya, and the granting of permissions for sand mining in the Polonnaruwa under Chief Justice Sarath Nanda Silva highlighted the extent of the corruption.

Before proceeding to Mutur Safi Nagar, it is essential to understand the geographical context of the region. The Mahaweli River, originating from the Polonnaruwa Manampitiya Bridge,

meanders through the area and eventually flows into the sea through the expansive branches of a tree (see Figure 6.3). Historically, the river meandered through various paths, but it now follows a more direct course. Consequently, sediment deposits have accumulated in the old river channels. The boundary of Mutur Safi Nagar is characterised by Ehu land, with abundant delta formations.

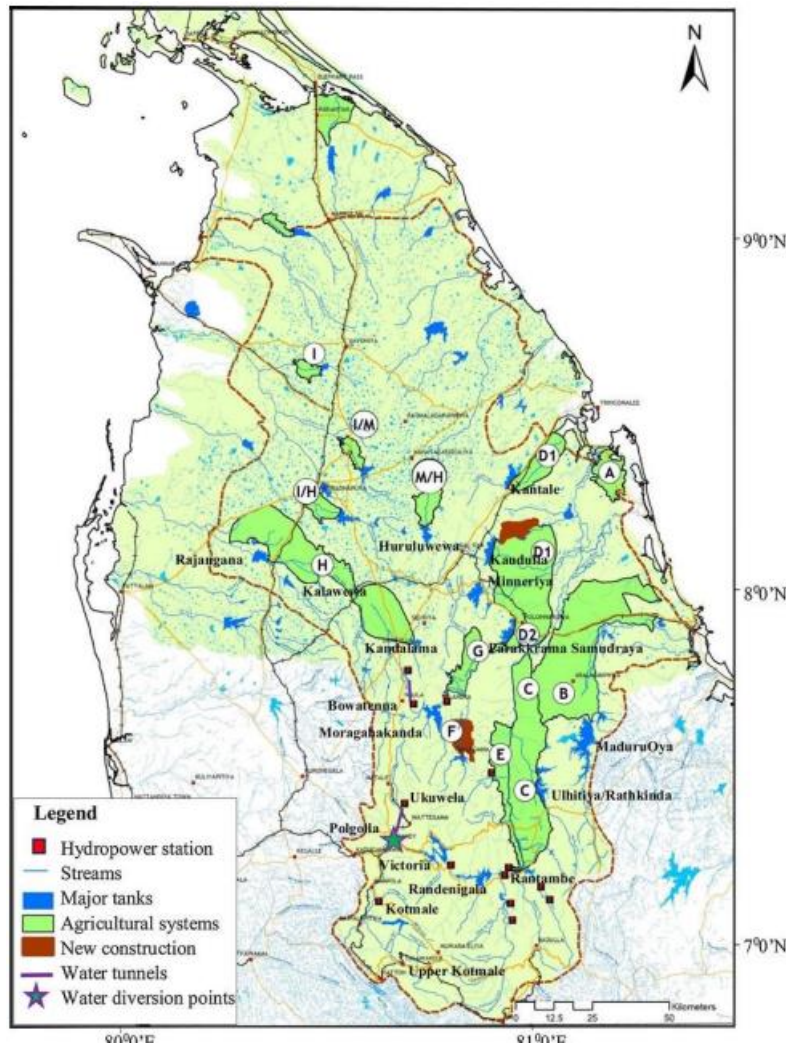


Figure 6.1: Map of Mahaweli river basin

This explains why the 26 km stretch from Sintaru Bridge to Genge, where the river converges with the sea, has become notorious for illicit sand mining. The distance from Vellanaval Bridge to Genge is just 4 km, with the land situated in close proximity to the sea. By the year 2020, over 2,000 artisanal mining licences had been issued for sand extraction within this 26 km area.

According to these licences, each permit allows for the legal extraction of between 10 and 230 cubic metres of sand per month, depending on the specific mining location. Despite these limits, the nature of the sand mafia is to engage in unrestricted sand mining. To facilitate this, sand entrepreneurs often provide additional payments to government officials involved in the licensing process. Although these bribes are relatively minor compared to the substantial profits from sand mining, they are significant in maintaining illicit operations. However, in the context of the bridge incident, the focus extends beyond small-scale mining to include the activities of a single company engaged in large-scale industrial sand extraction.

6.3. Regulatory Collapse

Visalma Constructions, registered at No. 725 Sinhapura Nuwarapara, Trincomalee, under licence number IML/A/N/EP/Clay Sands/2020/3188, applied for a sand mining permit on government land at Vellanaval, near the sunken bridge, within the Sapinagar Gramseva Domain, Mutur Divisional Secretariat, Trincomalee District. On 15 October 2021, the application was reviewed by the then Director General of the Geological Survey and Mines Bureau, D. Sajjana de Silva, who instructed the company to appeal to the Ministry of Environment within 14 days if they disagreed with the decision.

The company submitted its appeal to the Ministry of Environment on 15 October 2021, with a copy sent to the Director General. However, before the Ministry Secretary could review the appeal, the Director General issued a new industrial sand mining licence to another company. On 9 November 2021, Uptown Ventures, registered at No. 40 Dharmarama Road, Ahangama, received its licence under number IML/A/HO/N/15582.

In granting this licence, Director-General D. Sajjana de Silva breached the Mines and Minerals Act by failing to obtain a preliminary environmental report or an environmental impact assessment, which are legally required². Uptown Ventures misled the authorities by submitting a business proposal for cultivating dry chillies on the land, claiming a need for 3,000 acres of government land. This proposal was a facade for their true intention to exploit the U-shaped sand

² K. Sanjeewa, “මුතුර් වෙල්ලනාවල් පාලම ගිලා බැසීම සහ වැලි සෙල්ලම..!,” OneText, 5 July 2024, <https://onetext.org/2024/07/05/10734/>.

deposit adjacent to the site where the Mahaweli River once flowed. The chilli cultivation proposal was evidently a pretext to facilitate sand mining.

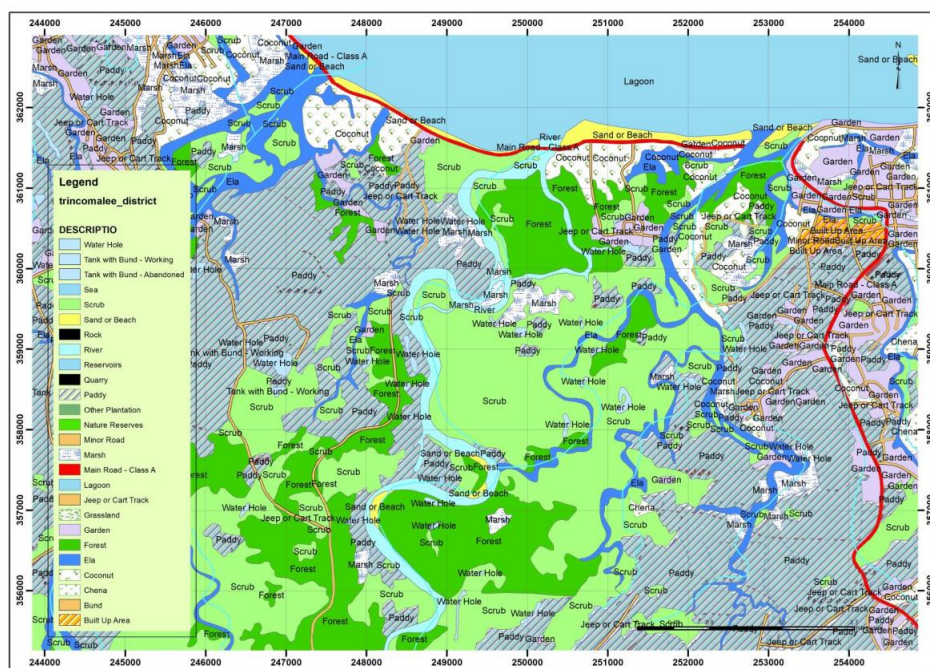


Figure 6.2: Land use pattern in Safi Nagar.

After submitting their proposal, Uptown Ventures was granted 125 acres of residual forest land, reportedly owned by the Divisional Secretary, for chilli cultivation. This allocation appears to have been irregular. Despite the land's adequate space and direct access to water from the Mahaweli River, Uptown Ventures insisted on constructing a canal to divert water from the river to their crops. Consequently, the company applied for an industrial sand mining licence, claiming the need to excavate the canal.

In a regulatory framework where licences are issued and renewed annually, and inspections are conducted by the Geological Survey and Mines Bureau, it is notable that no verification has been made regarding whether Uptown Ventures is indeed cultivating chillies on the designated land. This lack of oversight underscores the persistent issues associated with mafia activities in the sector.

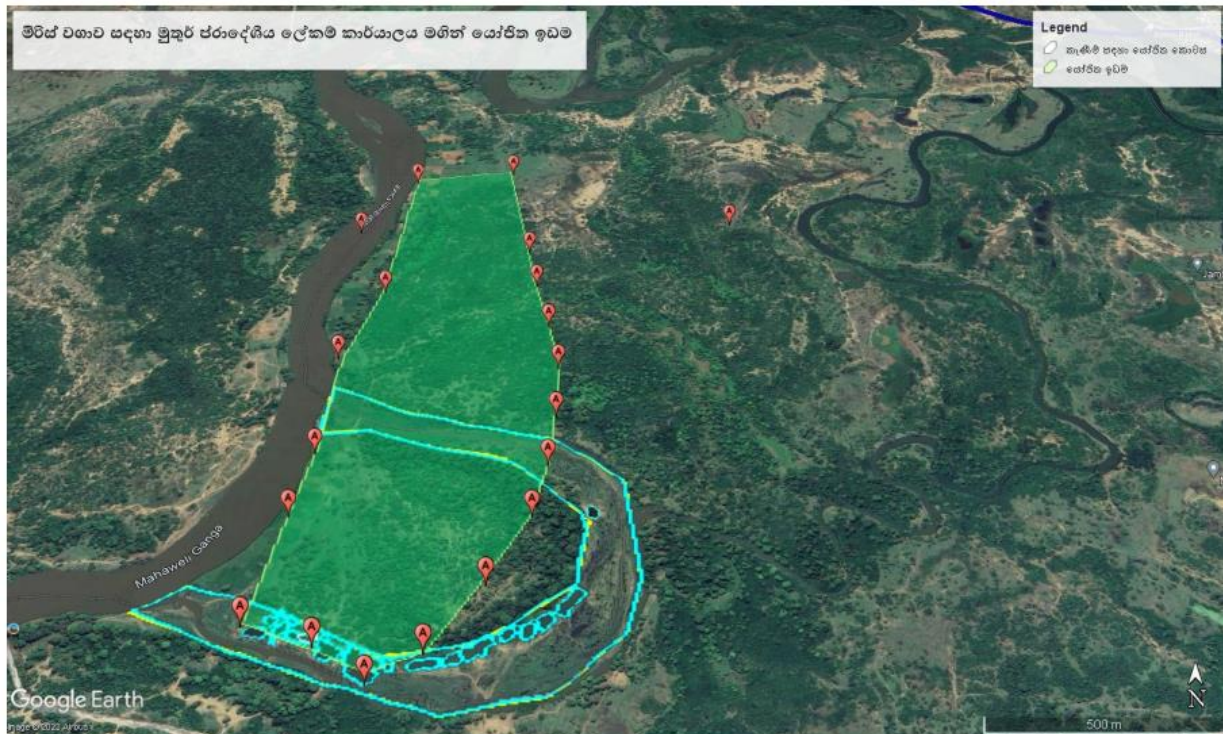


Figure 6.3: Proposed land for Chilli cultivation

Thus, sand mining operations began through numerous tunnels, and a notable development occurred when the individual who claimed ownership of Uptown Ventures became the new President of the Geological Survey and Mining Bureau. This transition was marked by a controversy where Mr. Senarath Hewege Prasad Manjula, the incoming chairman, was reported to have taken over the chair from Engineer Dr. Anura Walpola, the former chairman, amid media scrutiny for potential conflicts of interest.

The incident sparked protests among some Geology and Mining Bureau officials, leading to Mr. Prasad Manjula losing the chairmanship. Concurrently, the Director General of the Geological Survey and Mining Bureau, Sajjana de Silva, faced compulsory retirement due to allegations of issuing illegal sand mining licences and failing to obtain required environmental assessments. The Ministry of Environment issued a charge sheet against him for these infractions.

In response, a faction of the bureau's officers challenged Sajjana de Silva's appointment in the Court of Appeal, arguing it was legally flawed. The Court of Appeal accepted the challenge. However, despite these legal challenges and protests, the ministry has recently reinstated Sajjana

de Silva, now as Senior Director of Mining, promising that no investigations had been conducted into the prior issues.

6.5. Sinking of the Bridge



Figure 6.4: A photo depicting the collapsed bridge.

In light of the recent events, the Geological Survey and Mining Bureau prepared a report on the sand mining site in question, revealing some startling findings. Satellite images reviewed by the department indicated that sand mining had occurred at 18 different sites between 28 February 2022 and 26 March 2022. Subsequently, a field inspection was conducted to verify these findings.

The report uncovered that sand mining activities had obstructed the Ral Cooli Canal, which had been a significant waterway fed by the Mahaweli River in the past. The mining operations had blocked the canal at several points, including the highest point of the drilling line. This blockage resulted in the canal ceasing to flow, as confirmed by the ground inspection on 21 April 2022.

The inspection team, which included the then President of the Mutur Local Council, an excavation engineer, and representatives from the Trincomalee Medical Resource Board, conducted the site visit following local allegations of saltwater intrusion into the Ral Cooli Canal through the lagoon. The inspection aimed to address concerns raised by the community regarding the impact of the sand mining activities on local water resources.

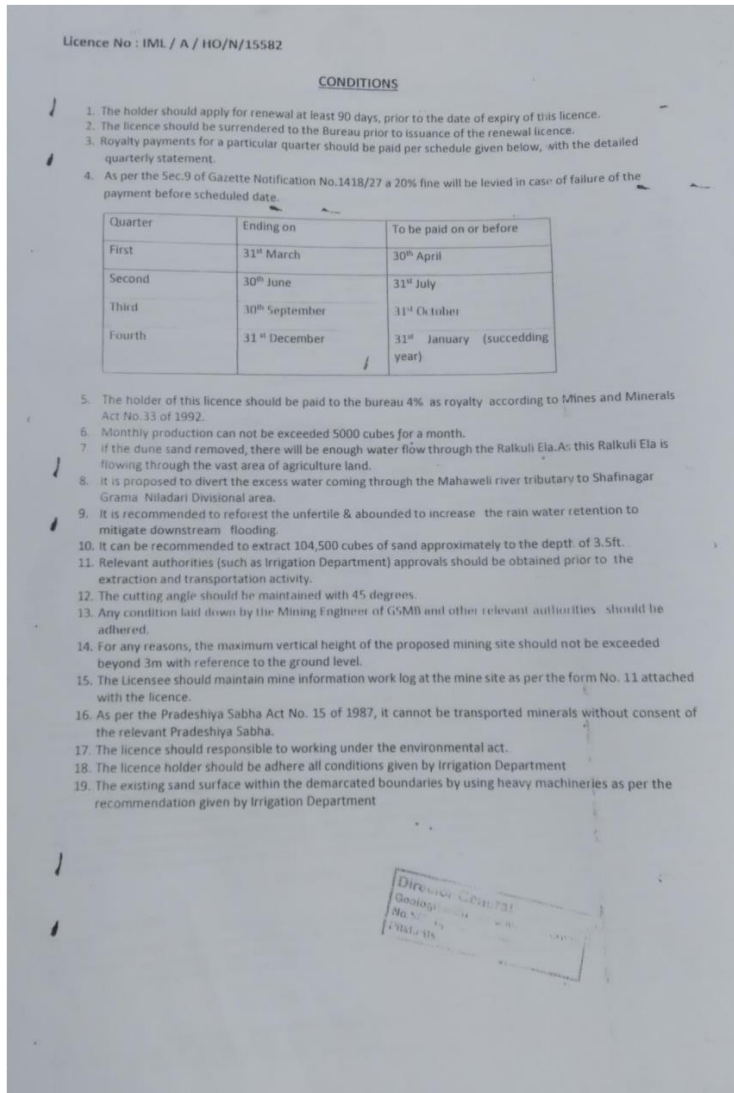


Figure 6.5: An image of a sand mining licence near the bridge

Following the observations, several recommendations were made to address the issues at the sand mining site. The drilling engineer issued four key recommendations, including limiting drilling depth to a maximum of 3 metres and immediately removing barriers obstructing the Ral Cooley Canal. Despite these recommendations, the inspection team did not assess the nearby Vellanaval Bridge, which was found to be affected by the mining activities.

The Vellanaval Bridge, which was part of a series of infrastructure projects built over deltas by the Army Corps of Engineers during the Northern Spring of 2007-2008, was reported to be sinking in 2023. The Geological Survey and Mining Bureau identified the proximity of Uptown Ventures'

sand mining site—just 1 km away from the bridge—as a significant factor in the bridge's deterioration. Sand mining is prohibited within 1 km of a bridge, a regulation that was ignored in this case, leading to the collapse.

Despite these findings, no individuals have been held accountable for the bridge's collapse. Instead, there have been reports of favouritism, such as the reinstatement of officials involved in the regulatory failures. The Bureau of Geology and Mines, responsible for overseeing sand mining operations, has been implicated in the regulatory lapses, including failing to enforce limits and conduct necessary environmental assessments.

This situation highlights a critical need for systemic reforms in Sri Lanka's regulatory framework. The lack of effective oversight and accountability in managing industrial sand mining and its impact on infrastructure underscores the necessity for a more rigorous and transparent approach. Implementing a model similar to Singapore's, known for its stringent anti-corruption measures, could be a crucial step in addressing these issues. Additionally, international bodies like the International Monetary Fund (IMF) have recognized the need for Sri Lanka to intensify efforts to combat fraud and corruption, making regulatory reform an urgent priority.

6.6. Legal Framework Associated with Mutur Bridge

The regulation of sand mining in Sri Lanka is governed by several key legislative acts, each with its own focus and scope. However, the tragic collapse of the Mutur Vellanaval Bridge has exposed significant shortcomings in these regulatory frameworks.

6.6.1. Mines and Minerals Act No. 33 of 1992

This Act is the primary legislation overseeing the mining sector in Sri Lanka, including sand mining. It established the Geological Survey and Mines Bureau (GSMB) to regulate mineral exploration, mining, trading, and transportation. Under this act, entities engaged in sand mining must obtain a licence from the GSMB, which is intended to ensure responsible and sustainable mining practices. However, the Act's enforcement has been inconsistent. The GSMB has struggled with enforcement gaps and potential collusion with mining operators, undermining the Act's effectiveness in preventing environmental damage and safety hazards, as seen in the Mutur Vellanaval Bridge incident.

6.6.2. Coast Conservation Act No. 57 of 1981

Administered by the Coast Conservation Department (CCD), this Act focuses on protecting and managing coastal areas. It regulates sand mining within two kilometres of river systems from the coastline to mitigate adverse effects on coastal ecosystems, such as beach erosion and habitat loss. Despite its intent, the act's effectiveness is limited by its confined jurisdiction and a lack of transparency in the CCD's licensing process. The Mutur Vellanaval Bridge collapse illustrates how regulatory gaps and insufficient oversight can lead to severe infrastructure damage, with sand mining activities continuing unchecked in protected areas.

6.6.3. National Environmental Act No. 47 of 1980

This Act prohibits mechanised sand mining in rivers to protect water bodies from intensive mining activities. Despite this, illegal mechanised sand mining persists, highlighting the act's inadequate enforcement. Factors contributing to this failure include insufficient monitoring, weak penalties for non-compliance, and poor coordination among environmental agencies. The Mutur Vellanaval Bridge collapse underscores the Act's enforcement shortcomings, as unchecked sand mining operations contributed to the bridge's failure.

6.7. Key Regulatory Shortcomings

1. Lack of inter-agency coordination: There is insufficient cooperation among the GSMB, CCD, and Central Environmental Authority (CEA). This lack of coordination often results in conflicting mandates and ineffective enforcement, allowing illegal sand mining to continue.
2. Legislative loopholes: The existing Acts contain loopholes that actors exploit. For example, the National Environmental Act's definition of "mechanised" mining is ambiguous, and the licensing processes under both the Mines and Minerals Act and the Coast Conservation Act lack robust checks and balances.
3. Clientelist practices: Clientelist networks have enabled some individuals and entities to bypass regulatory provisions through patronage and influence. This undermines

accountability and transparency, leading to environmental degradation and public financial losses.

To prevent future incidents like the Mutur Vellanaval Bridge collapse, it is crucial to address these regulatory gaps. Strengthening inter-agency coordination, enhancing transparency and accountability in licensing processes, and closing legislative loopholes are essential steps. Additionally, combating clientelist practices through good governance and ensuring the independence of regulatory bodies are necessary to foster a culture of compliance with environmental laws. These measures will help manage the environmental and social impacts of sand mining, ensuring sustainable development and the protection of public infrastructure in Sri Lanka.

WAY FORWARD

This report explores the deeply entrenched and widespread governance crisis in Sri Lanka and illustrates, through case studies, how it perpetuates itself and undermines democracy. The report argues that a shared constitutional vision that respects pluralism and democratic principles is critical to addressing the governance crisis. Without departing from the ‘winner takes it all’ attitude that defines social, economic, and political relations among communities, groups, and political parties, Sri Lanka will find itself unable to develop a meritocratic state free of corruption.

The country’s political party system has been evolving with time, responding to the shifting ideological landscape and drivers of political legitimacy. New research and the policy discourse needs to reflect these shifts. Dismantling the entrenched patronage political culture requires clear criteria for public resource allocation independent of political influence. This must be achieved through reforms to institutions, to the extent possible. Strong policies and implementation capacity in fighting corruption have a large role to play to this end.

However, as discussed in this report, patronage is not merely a problem that looms larger than corruption. While some of the issues can be addressed by a strong anti-corruption legal regime, issues that pertain to ideological and communal aspects clearly show how broad reforms are required to achieve a shared vision for Sri Lanka.

OTI continues its work on the governance crisis to understand it from different perspectives, especially those of marginalised and vulnerable groups. In this process, OTI engages political and civil society stakeholders to foster a broader dialogue and consensus.

ABOUT US

The One-Text Initiative (OTI), established in 2003, serves as an independent, multi-party political platform committed to fostering inclusive discourse and knowledge on critical political and socio-economic development issues. OTI's primary mission is to build consensus among diverse political stakeholders to find democratic solutions to the country's long-standing ethno-political conflicts and challenges related to post-war reconciliation. By facilitating structured dialogues at the national, provincial, and district levels, OTI aims to promote political and socio-economic stability through respect for diversity and pluralism.

The initiative is uniquely owned and driven by Sri Lankan political stakeholders themselves, encompassing representatives from all major political formations, including ruling and opposition parties, minority groups, and civil society. OTI has created a sustainable political space and developed time-tested processes for inclusive political dialogue, guided by 'Shared Values & Principles' and the Chatham House Rule to ensure confidentiality and openness in discussions. Supported by qualified facilitators, expert inputs, capacity development, and rigorous research, OTI has established itself as the trusted forum where all political actors, regardless of their positions or constituencies, can engage as equals. Through this approach, OTI has become a vital platform for building consensus and promoting a cohesive national policy framework focused on unity, democratic governance, rule of law, human rights, and sustained economic growth in Sri Lanka.

ONE-TEXT INITIATIVE

trust. platform. dialogue. options.



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