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Fiscal Devolution and Good Governance: A Study on the Provincial Councils System in Sri Lanka

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Democratic republic of Sri Lanka is a country that has a democratic and unilateral governing system. In 1987, nine Provincial Councils (PCs) were introduced under the unilateral ruling system and its ambition was devolution of power among provinces its main purpose was to satisfy armed groups who were struggling for a separate country on north and east areas and grant the political power and constitutional order. So PCs system was three decades old a lot of experiences have been achieved in the present. The aspect of the Good Governance was to join the all groups for the decision making process. But it can be easy for strengthening the PCs units rather than central governments. The main objective of this research is to analyze whether fiscal devolution of the provincial level has been succeed in terms of good governance. Both primary and secondary data were used in the study. Primary data was collected through questionnaire survey. Out of nine, two PCs were selected as cases and mixed method was used to analyze the data. The study finds that, the central government dominates the public expenditure scene accounting for as much as 88% of total government expenditure and the public revenue scene accounting for as much as 94% of total government revenue. In addition to that accountability of the politician are very low. In conclusion Fiscal devolution mechanism failed for good governance in provincial levels in Sri Lanka.

Key Words: *Good Governance, Fiscal devolution, Provincial Councils, Expenditure, Revenue.*

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