Journal of the University of Ruhuna
Volume 13 No 1, June 2025. Pp 72-92
DOI: https://doi.org/10.4038/jur.v13i1.8068
ISSN: 2659-2053

RESEARCH ARTICLE

Exploring Institutional Logics in Participatory Budgeting: A Case Study of a Local Government in Sri Lanka

V. Gunarathna[1], C. Kuruppu[2], H. Silva[3] and A. Fernando[3]

[1]*Faculty of Graduate Studies, University of Sri Jayewardenepura, Sri Lanka*
[2]*USN School of Business, University of South-Eastern Norway, Norway*
[3]*Department of Accounting, University of Sri Jayewardenepura, Sri Lanka*

Abstract: This study explores how Participatory Budgeting (PB) actors employ diverse logics to dominate the PB implementation during political and administrative leadership periods in a Sri Lankan local government context. The study contributes to the limited literature on PB and institutional logics in accounting studies by exploring how political, administrative, and citizen empowerment logics interact in shaping the PB processes and their outcomes. Drawing on the institutional logic theory, this interpretive case study relies on document analysis, informal discussions, and semi-structured interviews with local politicians, administrators, and community members. The finding reveals that political actors use PB as an instrument to develop their political strength by modifying PB practices during political leadership. In contrast, administrators introduce procedural adherence to rules and regulations and tend to marginalise the contribution of citizen participation in administrative leadership. The role of citizens in making final budgetary decisions under both leaderships is scant despite rhetorical discourses on citizens' empowerment. Therefore, the study underscores the need for a balanced approach to ensure citizen empowerment, which combines political inclusiveness, administrative accountability, and transparency, and citizen engagement within a budgeting process to foster democratic participation and participatory decision-making in local government.

Keywords: *Institutional logics, Local government, Participatory Budgeting, Political elites. Sri Lanka.*

Introduction

Localising public services has received growing interest for several reasons, such as fostering participatory democracy, eradicating discrimination based on race, ethnicity, and gender, combating corruption, and promoting social entrepreneurship (van Helden and Uddin, 2016). Participatory Budgeting (PB) is an innovative approach to localising public service as it aims to delegate the power to allocate resources from local government to citizens and social groups (de Sousa Santos, 1998, Sintomer *et al.*, 2008, Célérier and Cuenca Botey, 2015). Importantly, these citizens and social groups have been politically and socially marginalised within the community (Touchton and and Wampler, 2020, Falanga, 2024, Lassou *et al.*, 2024). When the local budget is prepared, these individuals can express their preferences and requirements (Sintomer *et al.*, 2008, Jayasinghe *et al.*, 2020). On the other hand, PB implementation creates an appealing chance, especially in emerging and developing countries, to strengthen their civil societies, characterised by weakly established democratic structures (Ganuza and Baiocchi, 2012, Wampler, 2012). Several studies demonstrate that the implementation of New Public Management (NPM) and New Public Governance (NPG) reforms, as discussed by Aleksandrov and Timoshenko, (2018) and Ganuza and Baiocchi, (2012), has played a crucial role in the establishment of PB in certain local government contexts. In addition, international organisations have promoted PB in their development agendas in emerging and developing countries, as evidenced by van Helden and Uddin, (2016).

*Corresponding author: vijitha@mgt.ruh.ac.lk https://orcid.org/0000-0002-3399-8300

Implementing PB involves formal and informal groups and citizens distributing resources and governing the neighbourhood (Sintomer *et al.*, 2008, Lassou *et al.*, 2024). Therefore, the interactions among actors, such as politicians, civil society, and local administrators, are crucial to successfully implementing PB (Ganuza and Baiocchi, 2012). These interactions promote a participatory approach, which enhances administrative and political reforms to improve administration and boost citizen trust in government (Ganuza and Baiocchi, 2012, Wampler, 2012). However, these interactions often generate conflicts among actors as these key actors use their distinct logics to conceptualise and engage with PB practices, presenting their distinct behaviour within PB (He, 2011). Various international studies have revealed impediments that stem from contradictory underlying logics. For example, power conflicts, symbolic violence, and pursuing individual gain could overshadow PB's positive impact on the democratic process (Kuruppu *et al.*, 2016). Additionally, problems with elite capture and control, corruption, clientelism, citizen proposal manipulation, and the amassing of social, political, and economic capital for re-election could emerge (Kuruppu *et al.*, 2016, Grillos, 2017, Kuruppu *et al.*, 2023). Similarly, when administrators make decisions in a PB process, it is not conducive to citizen and political engagement (He, 2011), as individuals in positions of authority frequently express apprehension regarding the transfer of authority to the general public (Potapchuk, 1991). In addition, several studies have demonstrated that PB practices lead to political and administrative elites consolidating power and control rather than empowering citizens (He, 2011, Grillos, 2017, Kuruppu *et al.*, 2023).

In light of the above discussion, actors in the participatory approach display a variety of competing logics, resulting in contrasting consequences. Therefore, it is essential to consider various views (logics), including those of administrators, politicians, citizens, and socio-economic groups, to understand the diverse logics of implementing PB practices. However, as demonstrated by Bartocci *et al.*, (2023), many international studies focus on PB promises and outcomes based on various theories. A few PB studies focus on the institutional logics in local governments in administratively dominating contexts (He, 2011, Bartocci *et al.*, 2019, Aleksandrov *et al.*, 2020). Even though several PB studies focused on politician-dominant local government contexts (Uddin *et al.*, 2011, Célérier and Cuenca Botey, 2015, Kuruppu *et al.*, 2016, Lassou *et al.*, 2024), underlying logics in the PB process are absent in these studies. Notably, only one accounting researcher focused on institutional logics in PB implementation (Aleksandrov *et al.*, 2020). A few studies explore PB practices in an Urban Council in the Sri Lankan context using Bourdieu's theoretical framework (Kuruppu *et al.*, 2016, Gunarathna *et al.*, 2025). Therefore, a study is required to understand how the actors employ distinct logics in implementing PB in a politically and administratively dominant context. We consider a Sri Lankan local government context a suitable research context to understand the diverse logics in the PB process.

The Sri Lankan local government is a compelling and distinctive context characterised by its wide range of social, cultural, political, economic, and institutional diversity, which is particularly distinctive. Although the central government has made efforts to enhance the local fiscal and administrative infrastructure since 1971, progress has been hindered by the country's corrupt political culture (Samaratunge and and Bennington, 2002). A dominant nationalist ideology powerfully shapes the political landscape of Sri Lanka. This nationalist ideology involves different aspects such as political rhetoric, power dynamics, and social representations, and ensures politicians' re-election (Rampton, 2013). More importantly, favouritism in resource allocation for subordinates among local leaders has persisted since the colonial era (Jayasinghe and Wickramasinghe, 2011). These aspects add to the complexity of governance and pose challenges to achieving social justice. Unfortunately, these dynamic political circumstances in the country have led to unethical political behaviour within the democratic institutions (Samaratunge and and Bennington, 2002), including the local governments in Sri Lanka.

A few studies have explored the dynamic and diverse political, social, and institutional interactions in management accounting practices in Sri Lanka. For instance, these studies highlight how accounting practices can reinforce power imbalances and exert control rather than genuinely empower citizens. (Wickramasinghe and Hopper, 2005, Jayasinghe and Wickramasinghe, 2011, Kuruppu *et al.*, 2016). In such a background, it is crucial to comprehend how the implementation of PB is influenced by numerous actors with diverse and contradictory logics, which generate and perpetuate their behaviours and actions. In addition, the PB implementation in the Sri Lankan context experienced periods of leadership changes due to amendments made to the Local Government Election Act between mid-2016 and early 2018. During this period, the administrators are responsible for overseeing the implementation of the PB. This further adds a layer of complexity to our understanding of how these actors implement PB in this compelling and distinctive context. To better comprehend the underlying logic and unintended outcomes of PB implementation in these administrative and political circumstances, this study aimed to contribute by filling this research gap in exploring how PB actors employ diverse logics to dominate in implementing PB during political and administrative leadership periods in a Sri Lankan local government.

This paper's remaining sections are divided into four parts. The second part summarises institutional logic theory by relating it to the PB process. In what follows, we will discuss the methodology used to collect and analyse data. The findings are discussed, and final remarks and suggestions for further study are offered in the fourth part.

Participatory Budgeting in Local Government

PB has received significant attention in recent years in various local government contexts (Célérier and Cuenca Botey, 2015, Bartocci *et al.*, 2019, Touchton and and Wampler, 2020, Kuruppu *et al.*, 2023, Sinervo *et al.*, 2024). Particularly, PB involves citizens in decision-making for public projects that affect them (Sintomer *et al.*, 2008, Falanga, 2024, Lassou *et al.*, 2024). This approach empowers citizens to have a voice in local government activities, particularly in distributing public funds (Sintomer *et al.*, 2008, Bartocci *et al.*, 2019). Further, Ganuza and Baiocchi, (2012) argue that PB can improve democratic practices, advance social justice, and secure public accountability, particularly in developing countries. Nevertheless, the outcomes of PB can be significantly influenced by the institutional and political contexts in which it is implemented. For example, power dominance and personal political benefits in Sri Lanka (Kuruppu *et al.*, 2016), distorted citizen projects in Indonesia (Grillos, 2017), elite capture and control in Ukraine (Kuruppu *et al.*, 2023), political instruments for re-election to the council in Brazil (Célérier and Cuenca Botey, 2015) and the implementation of political agendas via symbolic citizen engagement in Uganda (Uddin *et al.*, 2011). In addition, an Estonian study emphasises the problematic implementation of PB due to financial limitations, political conflicts, and regulatory requirements (Krenjova and Raudla, 2013).

In light of the presented studies above, the adoption of PB has been influenced by the objectives of influential actors and certain contextual circumstances. In this view, the conduct and deeds of actors in PB implementation are essential, particularly in sociopolitical and institutional contexts. Influential actors have used various reasons to defend their deceptive PB tactics, which ultimately favour a group of specific individuals (Uddin *et al.*, 2011, Kuruppu *et al.*, 2023, Lassou *et al.*, 2024). As such, the application of PB has taken many shapes due to diverse local conditions and circumstances (Lassou *et al.*, 2024). Notably, the sociopolitical context in which PB is implemented significantly influences its outcomes (Sinervo *et al.*, 2024). Many discussions have examined the factors that contribute to the adoption and implementation of PB (Aleksandrov and Timoshenko, 2018, Aleksandrov *et al.*, 2020, Sinervo *et al.*, 2024), for example, the design and unintended consequences(Uddin *et al.*, 2011, Grillos, 2017, Jayasinghe *et al.*, 2020, Kuruppu *et al.*, 2023), the different perspectives and motivations of actors involved in the PB process, and the institutional and political influences at play. These circumstances may significantly impact the implementation of the PB, particularly in the local government of Sri Lanka.

Mapping Institutional Logics with Participatory Budgeting

Institutional logic refers to the "socially constructed and historically ingrained patterns of material practices, assumptions, values, beliefs, and rules that shape how individuals sustain their livelihoods, structure their time and space, and imbue their social reality with meaning" (Thornton and Ocasio, 1999). These logics function as frameworks influencing individuals' cognition and behaviour, including their decision-making processes, persuasive language to inspire others to act, and even their self-perception (Thornton *et al.*, 2012). Moreover, scholars have contended that institutional logics arise in many institutional contexts, becoming deeply ingrained in individuals and organisations and enduring and repeating through cultural assumptions and power dynamics (Friedland and Alford, 1991, Thornton and Ocasio, 1999, Greenwood *et al.*, 2010).

In recent decades, the public budgeting and management accounting field has increasingly focused on institutional logics (He, 2011, Damayanthi and Gooneratne, 2017, Bartocci *et al.*, 2019, Aleksandrov *et al.*, 2020). This focus arises from its capacity to clarify the dynamics of accounting processes under various logics within the context of public budgeting (Modell et al., 2017). In that respect, institutional logics have emerged as the leading theoretical framework through which research on the drivers of the actualisation of budgetary reforms at local government levels is conducted. A few of the studies in the PB literature use the institutional logics theoretical framework (Aleksandrov *et al.*, (2020);Bartocci *et al.*, (2019);He, (2011). According to He, (2011), distractive logic around administration, political reform, and citizen empowerment constitutes PB. Each of these logics brings another perspective on PB, and all of them, put together, provide a framework for the possible nuances of PB-related endeavours. Another study by Bartocci *et al.*, (2019) introduces political, managerial, and citizen development logic into implementing PB in local governments. Similarly, Aleksandrov *et al.*, (2020) investigate the tension between traditional public administrative and new public management logics. They also depict how proactive acts by PB have changed the logic for public administrators. Depending on the various actors involved in the PB process, this study concentrates on the interactions and rationales associated with key participants in the PB process, including politicians, administrators, citizens, and social groupings, at the local government level.

Political Logic

As stated by Bartocci *et al.*, (2019) and He, (2011), political logic states that citizens are to be involved in democratizing democracy to strengthen new political systems by fostering social justice. Hence, equal distribution of resources for community benefit is created (Cabannes and Lipietz, 2018). Furthermore, Bartocci *et al.*, (2019) show that political logic is the main foundation of citizen participation and is considered a fundamental pillar and a source of renovation for governmental institutions. Supported by PB, active citizens have a significant say in how resources are allocated and in the production of social policy, besides supervising public spending (Sintomer *et al.*, 2008). Empowerment of poor groups and individuals for active participation of citizens thus results in more transparency, equality, accountability in decision-making, and a reduction in corruption (Moynihan, 2007, He, 2011, Célérier and Cuenca Botey, 2015). In this view, PB's political logic weakens elected officials' function in allocating public funds at the local level, which is a fundamental principle of representative democracy. However, several studies demonstrate that politicians have significantly impeded the PB decision-making process regarding allocating resources in specific contexts (Uddin *et al.*, 2011, Kuruppu *et al.*, 2023, Lassou *et al.*, 2024). Moreover, politicians often prioritize and implement their PB proposals, limiting citizen engagement and promoting undemocratic behaviour (Uddin *et al.*, 2011, Grillos, 2017, Kuruppu *et al.*, 2023). As demonstrated by Polzer *et al.*, (2016), newly established logics generally coexists with existing ones instead of replacing them, so allowing the existing logics to maintain their influence and importance. In this view, actors, i.e., politicians, employ different logics throughout the PB process to promote their agendas based on their ingrained beliefs and behaviours and the specific circumstances in which the PB functions.

Administrative Logic

The administrative logic focuses on administrators' use of PB and modernising administrative procedures, including citizens' active participation in expressing their preferences and ideas (He, 2011). In particular, this logic helps to increase public trust in local administration and improve its efficiency and effectiveness (Ganuza and Baiocchi, 2012). The interactions between local officials and the people they serve are crucial (Pateman, 2012) because PB's administrative logic is formulated to enhance citizen participation in governance by granting them influence in the local decision-making process(He, 2011). In this view, these interactions emphasise the need to acknowledge and utilise citizens' knowledge and perspectives to improve the public service standard through the involvement of citizens in the budget preparation process. With such an approach, administrators will make well-informed decisions on resource allocation and other issues (Bartocci *et al.*, 2019). Administrators have adopted the PB approach from procedure-oriented to performance-oriented techniques in certain contexts (Fung, 2006). In developing and emerging countries, when power is concentrated in the hands of administrators, they exert control over the decision-making process, diminishing the influence of other logics. For example, He, (2011) demonstrates that the administrator’s logic dominated the implementation of a PB experiment in China, which placed constraints on the actual empowerment of citizens. Notably, administrators believe citizens lack the knowledge and skills to assess budget proposals. In Russia, Aleksandrov *et al.*, (2020) explore that local politicians have strongly criticised the budget implementation due to the administrators' limited and inconsistent understanding of the purposes of local government. In this view, the decision-making process of the PB is mainly influenced by the subjective ideology (logic) of the actors involved. Administrators tend to judge based on the bureaucratic dominating features rather than employing participatory aspects. Therefore, administrative logic may lack consistency in the decision-making process regarding resource allocation in administrative and socio-political settings that are not well-institutionalised (i.e., our case study).

Citizen Empowerment Logic

Citizen empowerment logic is another important logic in PB implementation. The alignment of political and citizen empowerment logic is apparent, yet they exhibit notable differences. Citizen empowerment logic prioritises the needs and involvement of citizens (He, 2011). This logic regards citizen involvement as a means of uniting individuals, promoting societal cohesion, and diminishing feelings of isolation and discontent (Bartocci *et al.*, 2019). In addition, this logic emphasises that citizen involvement in the budgeting process is regarded as a political right of individuals to decide the allocation of funds in their communities (He, 2011). In this view, citizens can participate in in-person deliberation and influence concerns of local government policy. In such a background, the conventional political logic of representative democracy may be challenged by the various logics that PB promote to empower local communities and increase organisational performance (Bartocci *et al.*, 2019). However, several studies demonstrate that citizens are either not actively participating in the PB process or do not participate enough for different reasons (Uddin *et al.*, 2011, Aleksandrov *et al.*, 2020, Kuruppu *et al.*, 2023). For example, in emerging and developing countries like Sri Lanka and Indonesia, politicians or their supporters have significantly influenced the PB proposal identification, selection, and implementation (Kuruppu *et al.*, 2016, Grillos, 2017). In this view, citizens may perceive that their involvement will have minimal impact when politicians have significant power in decision-making. Therefore, implementing a participatory approach such as PB may further undermine citizen participation in poorly institutionalised administrative and sociopolitical contexts.

In conclusion, PB logics, including administrative, citizen empowerment, and political logics, will function well in local contexts of fruitful interactions among diverse actors, with local administrators, civil society, and politicians playing critical roles (Ganuza and Baiocchi, 2012). In this view, in poorly institutionalised administrative and political contexts (i.e., our case study), PB incites conflicts among politicians, administrators, and citizens as they endeavour to identify, select, and implement PB proposals that align with their cognitive capabilities and behaviours to provide the highest service to their constituents. These conflicts arise from differences in decision-making processes, persuasive language to motivate others to take action, personal perceptions, cultural assumptions, and power dynamics. Analysing how actors modify, change, and reproduce PB logics to ensure their existence in the field would enhance the existing research on institutional logics.

Methodology

This study employed an interpretive case study approach, drawing data from document analysis, informal discussions, and semi-structured interviews. Initially, we examined rules and regulations concerning local government reforms and documents related to PB implementation within the context of the Sri Lankan local government. A detailed analysis is presented in the empirical and discussion sections. Through examining legislation and documents, we developed an overview of PB implementation in Sri Lankan local government, specifically focusing on the Pradeshiya Sabha in Sri Lanka. This local government entity is called the “Southern Pradeshiya Sabha” (SPS) for confidentiality. This preliminary analysis also provided a foundational understanding of the PB process before conducting interviews with key stakeholders.

Following the document analysis, 24 semi-structured interviews were conducted in the Sinhala language during 2017 and 2024, organised in two rounds (Table 1). The first data collection phase occurred in 2017 and 2018, when administrators oversaw the PB process. The second phase occurred from 2022 to 2024, with politicians overseeing the PB process.

Table 1. Number of interviews conducted.

Position	No. of Interviews
Deputy Chairman	3
Former Secretory	1
Elected Councillor 1	1
Elected Councillor 2	2
Elected Councillor 3	1
Elected Councillor 4	1
District Deputy Commissioner	1
Audit Superintendent	1
Investigation officer	1
Community Development Officer	1
Management Assistant-Budgeting 1	2
Management Assistant-Budgeting 2	1
Development Officer-Contract	1
Technical Officer	1
Management Assistant - Supply	1
Chief Clark	1
Development Officer - Industry	1
Development Officer 1	1
Internal Auditor	1
Development Officer 2	1
Total	**24**

Interviewees included elected officials, such as the deputy chairman, ruling party politicians, and opposition party politicians, and administrators, including the District Deputy Commissioner, the Secretary, an investigation officer, community development officers, and other officials involved in budget preparation. Purposive sampling was used to select information-rich respondents due to their in-depth knowledge of PB adoption and implementation in this SPS. Most interviews, lasting between 30 and 90 minutes, were electronically recorded and transcribed. Some interviews were conducted by phone, while others were in person. Interview questions explored various aspects of PB, such as proposal identification and selection, participants (local politicians, administrative officers, residents, and social groups), project implementation, citizen engagement, and perceptions of PB. This data provided valuable insights into the challenges affecting the PB process and the roles of key actors. Furthermore, the informal discussions and document evidence corroborated the data collected from the semi-structured interviews. Informal discussions were held with two relatives and three friends within the SPS area. These discussions were crucial to comprehending the case in this politically sensitive field. Documents, including annual budget reports, council minutes, and audit reports, corroborated further the interview data. On the other hand, this data triangulation helped maintain the findings' validity and reliability. In addition, as this study conducted the interviews in a politically dominant context, the confidentiality of the interview data and the respondents' identities were highly considered.

Our data analysis centred on identifying significant events, behaviours, ideas, and trends, organising findings into two primary themes: diverse logics in political leadership and administrative leadership. Initial coding was developed to extract these themes from interview transcripts, focusing on patterns associated with three institutional logics: political, administrative, and citizen empowerment logics, which are interwoven within each theme. To achieve this, we conducted a comprehensive, systematic examination of the data, meticulously reviewing it multiple times to identify specific behavioural patterns demonstrated by local actors regarding these diverse logics (Braun and and Clarke, 2006). Subsequently, we clustered the data representing our selected themes and connected them with evidence from literature on institutional logics, preserving a comprehensive understanding through narrative. Key narratives capturing interviewees' perspectives were identified and analysed in the context of these institutional logics. These narratives were then included in the empirical section, with supplementary explanations to provide a cohesive understanding of the PB process through the lens of institutional logics theory. As we developed these narratives, we explored how different actors' logics influenced PB-related activities across these two leadership periods. Additionally, to mitigate the potential issue of over-reliance on data from a limited group of respondents, we prioritised capturing diverse perspectives by including insights from as many informants as possible. When perspectives overlapped, we emphasised narratives from informants whose viewpoints had not yet been incorporated.

Results

Research Context: Local Government in Sri Lanka

The Sri Lankan local government comprises three types of local authorities established under specific legislations: 24 Municipal Councils (Municipal Council Ordinance No. 29 of 1947), 41 Urban Councils (Urban Councils Ordinance No. 61 of 1939), and 276 Pradeshiya Sabhas (Pradeshiya Sabha Act No.

15 of 1987). Municipal Councils are set up in large urban areas, while Urban Councils are established in smaller urban areas and towns, functioning similarly to Municipal Councils but on a smaller scale. Pradeshiya Sabhas are primarily located in rural areas and cover various locales, including villages and small towns. These different local administrations reflect Sri Lanka's diverse population and are designed to meet the distinct needs of both urban and rural regions. Each local authority operates with a political and administrative structure. The political structure comprises a democratically elected council, a Chairman, a Vice-Chairman, and elected members. The Chairman is the chief executive officer, while the Secretary is the chief administrative officer. The Chairman also functions as the chief accounting officer, preparing the annual budget. This administrative structure has led to challenges in financial autonomy and political accountability in Sri Lankan local government contexts (Slater, 1997).

The three types of local government in Sri Lanka provide services based on the characteristics of their respective geographical areas, which vary due to socio-political and economic development factors. As stipulated by each local authority's legislation, they regulate, manage, and oversee all aspects of public health, public utility services, and public roads. Their primary duty is to protect and improve residents' well-being, convenience, welfare, and amenities within their jurisdictions. Specifically, Pradeshiya Sabha, According to Pradeshiya Sabha Act No. 15 of 1987, is empowered to carry out various tasks, including the construction and maintenance of roads, drains, culverts, and bridges; the upkeep of public buildings, markets, and fairs; the management of sanitation and waste disposal; the provision of rural water supply; the establishment and maintenance of parks, recreational facilities, and libraries; and the operation of nursery schools and dispensaries. However, many local authorities face challenges in maintaining efficient operations due to limited financial resources, widespread corruption, ambitious politicians, and intrusive lawmakers, which undermine the responsibilities and effectiveness of local administrations (DeVotta, 2010).

This study investigated the budget preparation process in a Pradeshiya Sabha to explore the diverse logics of actors within this political and administrative context as they address local concerns and promote local development through PB implementation. The SPS covers a larger geographical area than urban and municipal councils, encompassing several villages and smaller towns across approximately 40 km². It is divided into 29 Grama Niladhari divisions and had a population of around 70,000 in 2022. The council's 2023 budget was Rs. 270 million, with 58% going to recurring expenses and the rest to capital projects. Annual central government funds and occasional capital gifts from parliamentarians and provincial council members were expected to provide 59% of the council's revenue. The remaining 41% came from local service fees, shop and market space rentals, and property rates from over 120 properties. Due to its proximity to a municipal area, many individuals have settled in the SPS region for employment and business opportunities. Most of the population comprises Sinhala Buddhists, and the area hosts numerous Buddhist temples, including one of particular significance to Buddhist pilgrims. Many residents actively engage in Buddhist cultural traditions, collaboratively planning and hosting community events. Despite limited financial resources, the SPS prioritises improving infrastructure, waste management, and public health services to address rural communities' needs and challenges. This local council plays a crucial role in fostering local economic development by supporting small businesses, enhancing market infrastructure, and facilitating access to resources and services. We were motivated to study PB implementation in SPS due to its unique and diverse context, which offers valuable insights into the various logics involved in the PB process. Another factor in selecting this case was the availability of accessible secondary and primary data, providing a comprehensive view of the PB phenomenon. To respect the privacy of the council and involved parties, we have chosen to maintain their anonymity, given the politically sensitive nature of our findings.

PB Implementation in SPS

For years, Sri Lankan local governments have struggled to engage communities in social well-being decisions (Local Government Reforms Circular No 3, 2005, Jayasinghe and Wickramasinghe, 2011), leading to accusations of fund mismanagement, corruption, and poor governance, which erodes public trust and transparency in program budgeting (Fowler *et al.*, 2013). In the 1990s, the World Bank emphasised community-driven governance to reduce political favouritism and improve budget accountability, especially in rural areas (Jayasinghe and Wickramasinghe, 2011). Responding to such issues, the central government's 1999 presidential commission led to Circular No. 3 of 2005, extending the budget preparation cycle from April 1st to December 31st and incorporating citizen input, primarily via ward committees. Supported by organisations like the Asia Foundation and USAID, the Ministry of Local Government and Provincial Councils (MLGPC) began promoting PB in 2005, training officials in community engagement for budget preparation (Ministry of Local Governments and Provincial Councils, 2009). The 2009 national policy further encouraged collaboration with civil society and community organisations to support "prosperous village governments" through participatory decision-making (Ministry of Local Governments and Provincial Councils, 2009), followed by an action plan from 2012 to 2014 (Ministry of Local Governments and Provincial Councils, 2011). The Local Authorities Act No. 21 of 2012 formally endorsed PB adoption across local authorities. Despite numerous PB developments in Sri Lanka, most local governments did not adopt PB until a central government circular was mandated in 2012. The SPS was among those that delayed adoption, formally introducing PB in 2013. The necessary knowledge was gained with support from a non-profit organisation that conducted instructional sessions on local budget preparation, engaging community members. Initially, these sessions targeted administrators and politicians in selected local governments in the Southern Province. In 2013, the local government commissioner in Southern Province instructed local governments to develop a four-year development plan, including citizen-proposed capital projects. This directive encouraged PB adoption and the formation of community-based committees to gather citizen proposals.

The PB process within the SPS was initiated by forming a budget committee comprised of elected officials, administrative staff, and representatives from community-based organisations (CBOs). This committee is intended to be representative, ensuring diverse stakeholder engagement and leading the PB activities. However, membership and participation often align with political interests and affiliations, favouring the ruling party. While the committee appears inclusive, it frequently exhibits a bias toward the political priorities of parties, compromising genuine and impartial representation. The PB process in SPS encompasses proposal identification, selection, and implementation stages. Proposals are gathered from citizens, individually or through CBOs, facilitated by PB meetings. These PB meetings at the ward level include local politicians, administrative officials, and selected citizens, including political cronies. Although intended as forums for open discussion and refinement of project proposals, these meetings are often dominated by political leaders and their close associates. This dynamic allows political allies to prioritise their proposals, shaping decision-making favouring their interests. However, over time, PB meetings ceased to be conducted. Instead, administrators employed alternative strategies to encourage citizen participation, including newspaper announcements and maintaining an official registry at the local government office. Despite these efforts, the input received through these channels remained minimal. As in the study of Kuruppu *et al.*, (2023), although officials have participated in awareness sessions on PB preparation, efforts to enhance citizens' understanding of the PB process were insufficient. Consequently, limited clarity and a lack of comprehensive awareness hinder genuine citizen involvement.

In SPS, all PB proposals are included in the budget without prioritisation, a practice maintained for two key reasons: the lack of a dedicated budget allocation for PB proposals and a commitment to honouring citizen input despite financial constraints on implementation. In general, all the local governments in the country encounter financial management challenges (Kuruppu *et al.*, 2016). The draft budget, encompassing these proposals, is then approved with the majority consent of the council members, setting the stage for project implementation in the following year. Once the council approves the budget, decision-making authority shifts predominantly to political leaders, especially the Chairman, who wields significant discretion over project approval and prioritisation. This level of authority enables prioritising projects that consolidate political influence and expand the leaders' support networks, thereby creating a hierarchy that favours proposals from political allies. This discretionary power results in project prioritisation that often aligns with political interests, undermining the inclusiveness of the PB process. As demonstrated by Jayasinghe and Wickramasinghe, (2011), a resource distribution struggle has existed among the local Sri Lankan politicians since the colonial era. In contrast, under administrative leadership, the emphasis on prioritisation shifts toward procedural efficiency and transparency, alongside evaluating community relevance, financial feasibility, and beneficiary impact. This approach ensures project selection reflects broad community needs and meets transparent criteria.

One major aspect of project implementation in SPS is contractor selection through CBOs. For projects costing less than Rs. two million, selection is usually left to CBOs, but contractor selection often happens through informal networks rather than transparent procedures. Political leaders tend to favour allies when selecting contractors, and large projects are sometimes divided into smaller phases to avoid formal tendering processes. This practice reinforces the capacity of the political leader to maintain control over contractor selection and perpetuates a patronage system whereby politically connected individuals are rewarded. Despite these practices, administrative officers remain responsible for project expenditures exceeding approved limits. Changes to project specifications are common, made to accommodate budget pressures, and quality is often sacrificed. Although CBOs may have an oversight responsibility in theory, in practice, this is usually nominal or guided by political direction. Under administrative leadership, however, the same methods of implementing projects are employed; the choice of CBOs is through tendering. Hence, there is a more systematised and open way of managing contractors.

Political Control and Citizen Participation

Political control and citizen participation reflect the influence of political power on shaping citizen involvement within the PB process. The PB framework in SPS was designed to encourage citizen participation while simultaneously consolidating political leaders' control and influence. The principle of inclusive participation led to a budget committee comprising politicians, administrative officers, and CBO representatives. This committee aimed to involve citizens and community groups in decision-making and direct financial resources to marginalised areas. As Cabannes and Lipietz, (2018) highlight, such bodies are crucial for fostering a political culture that prioritises citizen engagement, advances social justice, and ensures fair resource distribution within the community. However, empirical findings reveal that political elites largely dominated this committee, limiting the potential for authentic citizen involvement. Political elites, particularly from the governing party, greatly influenced budget deliberations, with ultimate decisions usually disregarding citizen input. The former Secretary noted, *"We attend budget committee meetings with party leaders but refrain from voicing our perspectives, as local leaders claim to consider citizens' interests and needs. Our role is to implement their decisions".*

PB meetings were held at the ward level and attended by the Chairman, ward-level politicians, administrators, and a limited number of citizens, resulting in minimal participation. Many citizens reported limited understanding of the budgeting process and were unaware of the intended outcomes of these meetings, which hindered their active engagement. A community development officer noted, *"Citizens are invited to these meetings but remain silent due to a lack of familiarity with the PB process. It is mainly political affiliates who present their proposals"*. In the SPS context, political allies often prioritised their proposals, leaving the final project list misaligned with broader community needs. An industry development officer illustrated this by stating, *"Proposals from political allies tend to advance up the list, while community-based proposals without political support frequently get sidelined."*

This practice has raised several concerns about the genuineness of citizens' needs in the final budget and the political interests that could be served. Some PB processes are politically captured and often reduce the contribution of citizens to mere spectators (Uddin *et al.*, 2011, Grillos, 2017). Further, political leaders preferred those projects that helped them in the promotion of self-interest by strengthening their political networks and consolidating grassroots support by using the PB process. This has quickly created a much politicised process where project proposals favoured by political elites were most likely to be accepted. Evidence of how political elites use their positions and networks to further their agendas is highlighted (Uddin *et al.*, 2011, Grillos, 2017, Kuruppu *et al.*, 2023). Proposals that did not have strong political backing were commonly rejected based on the reasoning of limited community impact, insufficient financial resources, or technical infeasibility. In turn, projects proposed by the political elite are always passed unanimously. Again, this can also be explained by earlier findings in which political capture shifted attention from community needs, in which the focus turned to political interests (Jayasinghe and Wickramasinghe, 2011, Kuruppu *et al.*, 2016).

The politicisation of the PB process was further enhanced with the discretion invested in the Chairman in project selection and implementation. This position, given to the Chairman of the Finance Committee, had the enabling authority to favour projects desired by his supporters, thereby having politicians compete in the conduct of particular projects. *"The Chairman has the final say on the priority of projects, so a good relationship with him will see to the funding of our proposals",* said Elected Councillor 2 from the Opposition Party. This discretion often favoured projects that benefited political loyalists over community-driven ones. Project selection was, therefore, generally a factor of the political constituency of the Chairman. This finding confirms previous studies that found political loyalty as one of the major reasons for the selection and actual project implementation (Uddin *et al.*, 2011, Saguin, 2018, Lassou *et al.*, 2024). Other evidence of SPS's highly politicised PB process included manipulating project costs to avoid government tendering processes. Several big projects were split into tiny stages. This is how political elites could directly select project contractors without opening a formal tender process. For example, project values were set just under the threshold, e.g., Rs 1,999,999, just under the Rs 2,000,000 limit that requires tendering, allowing for discretionary contractor selection. As the Deputy Chairman explained, *"If a project is too large, we divide it into phases. This way, we avoid the tender process and can work with trusted contractors".* Such practices facilitated political patronage and reinforced political control over resource allocation. This misconduct undermines the core principles of democratic ideals in citizen participation (Michels, 2011).

During periods of administrative leadership, political influence is minimal in the proposal identification and selection stages. However, political influence becomes evident during project implementation, particularly in selecting CBOs. When administrators open bids, contractors often apply through CBOs, allowing political actors to exert influence indirectly via political networks and continue to operate outside the formal PB process, similar to practices observed during their leadership periods.

Administrative Structure and Efficiency

The administrative logic underpinning the PB process emphasises the creation of an efficient and structured system for budgeting characterised by procedural clarity and adherence to bureaucratic standards (He, 2011, Ganuza and Baiocchi, 2012). In the SPS PB process, the principles of administrative logic, such as neutrality, procedural transparency, and accountability, are frequently compromised during proposal identification, selection, and implementation phases under political leadership. Political elites gradually shift administrative structures throughout these phases to serve their interests, as in other contexts (Kuruppu *et al.*, 2023, Lassou *et al.*, 2024), eroding the semblance of impartiality that an administrative framework might otherwise uphold. In the proposal identification phase, administrative procedures are intended to encourage broad community participation (Ganuza and Baiocchi, 2012). However, political elites in SPS often advocate for proposals that align with their priorities, soliciting support from allies. In this view, this selection narrows the range of proposals considered from the outset, favouring politically connected individuals. The community development officer noted, *"We always explain that everyone has the right to propose a project, but projects backed by political leaders are likely to be approved."* Administrative criteria such as feasibility, viability, and community relevance are applied during formal selection. However, political leaders often override these standards to prioritise projects benefiting their constituencies (see Uddin et al., 2011). Administrators, closely interacting with political leaders, tend to view proposal selection as inherently political, with the former Secretary stating, *"Our role is to ensure proposal selection within the scope of local government regulations".* Similarly, the implementation phase further illustrates this dynamic, as political elites interfere in contractor selection. Administrative rules require competitive bidding and transparent selection, but political leaders circumvent these by dividing large projects to avoid tender thresholds, thus awarding contracts to allies. As the deputy chairman admitted, *"If the projects are too big, we break them down to avoid the tender. That way, we can choose contractors."* In all phases, administrative logic is reduced to procedural compliance. At the same time, substantial decisions are dominated by political actors, transforming administrative standards into a tool for legitimising political priorities.

During periods of administrative leadership, a systematic approach was adopted to organise the budgeting process, ensuring that legislative and structural needs were met. This focus on order and accountability was reflected in establishing a dedicated budget committee composed of administrative officials such as the Secretary, chief clerk, sectional heads, and technical and revenue officers. This committee streamlined the collection of project proposals from multiple sources and selected them for budget inclusion.

A defining feature of this administrative period was the replacement of traditional PB meetings with a more structured approach to collecting project proposals. Acknowledging the low citizen participation under political leadership, administrators established alternative channels for proposal submission. These included newspaper announcements, a registry at the local government office, and direct invitations for proposals from CBOs, welfare societies, and other government officers. Additionally, any individual could submit a project proposal with the endorsement of three neighbours, free from political involvement. These efforts aimed to broaden citizen engagement and strengthen interactions with the public, which had been strained under political leadership. In line with the findings of Pateman, (2012), effective interaction between local administrators and constituents is crucial for enhancing administrative efficiency within a participatory framework. This shift highlights how the administrative focus on procedural efficiency precedes inclusive participation. The former Secretary explained, *"We moved away from public meetings because they were ineffective. Instead, we used more reliable channels to gather proposals and ensure we stayed on schedule".* Despite these efforts to streamline the process, the administrative approach limited the depth of citizen engagement, as in other contexts (Zhang and Yang, 2009, He, 2011). Citizen interest in participation remained low, with citizens feeling distanced from decision-making. As Aleksandrov and Timoshenko, (2018) explored in their study, administrators focused primarily on procedural aspects, such as meeting proposal submission deadlines, and generally did not prioritise fostering a more interactive or inclusive role. The community development officer explained, *"Our responsibility is to ensure the process runs smoothly, but actively encouraging citizen involvement is not within our remit."* This highlights the inherent tension between administrative adherence and the empowerment goals of PB: the structured, criteria-based process left minimal space for genuine citizen contribution.

The emphasis on administrative efficiency was evident in the project selection process, where proposals were assessed against specific criteria, such as community relevance, number of beneficiaries, and financial viability. While this formalised approach aligns with the administrative logic's emphasis on transparency and accountability (Bartocci *et al.*, 2023), it often limits flexibility in prioritising projects that might better address urgent community needs but do not fully align with formal evaluation standards. Financial constraints also influenced project prioritisation, with proposals that exceeded the council's budget moved to a four-year development plan for future implementation. Management Assistant-Budgeting 1 noted*, "We cannot finance all the proposals. They are added to the four-year development plan".* In this view, the administrative focus on efficiency often conflicted with the PB's goal of citizen empowerment. Zhang and Yang, (2009) argue that in an administrative-dominant context, opportunities for citizen participation in local administration are limited. Further, during this period, administrators favoured small-scale infrastructure projects targeting immediate community needs, such as road repairs, drainage systems, and similar public works. Elected councillor 1 explains that *"administrators focus on maintaining the existing system rather than initiating new projects, as they must cease their work once politicians assume their duties."* As He, (2011) demonstrates, administrators typically focus on maintaining the system through short-term infrastructure projects rather than undertaking large-scale initiatives.

The administrative era was also marked by procedural adherence and transparency, as emphasised by Bartocci *et al.*, (2023), the approach to project delivery, with projects frequently contracted to CBOs awarded based on the lowest bid. Although this approach aimed to ensure procedural adherence, interviews indicated that more project allocations to CBOs aligned with political networks. Administrators occasionally held informal contacts with politically connected contractors, undermining the transparency and impartiality expected from an administratively driven process (Waheduzzaman, 2019). Elected Councillor 4 (opposition party) summarised this dynamic: *"Administrators claim impartiality but often accept proposals from politicians in contractor selection. It is an open secret."* However, administrators claim that the proposals with the highest number of signatures have been selected for implementation. As revealed in the interviews, CBOs strategically enhanced their project proposals by including more beneficiary signatures, increasing their chances of approval. Conversely, proposals with fewer beneficiary endorsements received less consideration. In this view, this focus on projects with broad collective benefits over individual needs reinforced the administrative logic of transparency but limited responsiveness to the diverse voices within the community. The former Secretary claimed, *"We favour projects proposed with more signatures. We believe it is a more transparent practice to select the proposal for implementation"*.

Citizen Empowerment and Limitations

The logic of citizen empowerment within the PB process reflects an intention to involve citizens in resource allocation decisions (He, 2011, Bartocci *et al.*, 2019). However, while the process ostensibly promotes active participation, the reality at SPS reveals substantial limitations in citizen empowerment. Across most stages, citizens are relegated to a passive role in budgetary decisions, dominated by the prevailing political and administrative structures. Semi-structured interviews indicate that these established PB frameworks restrict citizen influence, as key decisions remain largely controlled by influential actors, particularly political leaders and administrators, in their respective leadership periods.

Citizens were encouraged to attend PB meetings and submit project proposals, theoretically providing a platform to express their needs and preferences (Sintomer *et al.*, 2008, Lassou *et al.*, 2024). In practice, however, participants often perceived these initiatives as tokenistic (Wampler, 2012) rather than genuinely impactful. As the Deputy Chairman remarked, *"Citizens are encouraged to attend these meetings and submit proposals, but their inputs do not matter. Politicians already know what they want as we live in the village"*. Moreover, political allies challenged citizen empowerment in PB meetings by prioritising proposals aligned with their political leaders' interests rather than reflecting diverse community needs. This dynamic undermined the inclusivity of the PB process, with citizens lacking political connections and feeling marginalised. Development Officer- Contract claimed, *"Political supporters tend to present their proposals prominently, and, unfortunately, they are often selected."* Such a system sidelines proposals from independently affiliated citizens, reinforcing a structure that restricts broader community empowerment. These PB practices undermine the foundational expectations of PB to empower marginalised communities, as observed in other contexts (Uddin *et al.*, 2011, Grillos, 2017, Saguin, 2018).

In contrast, the criteria used by the administrative leadership to evaluate project proposals often failed to address residents' diverse and specific needs. Proposals from contractors via CBOs or groups with substantial community support (i.e. many signatures from citizens for project proposals) typically met the selection criteria, putting smaller groups or individual proposals at a disadvantage. Elected Councillor 2 (Opposition party) noted, *"If a large group does not back a proposal, it does not gain much attention. It is difficult for individuals to impact their own"*. In this view, while aligned with administrative adherence, this practice inadvertently narrowed the range of selected projects, limiting PB's capacity to empower individuals to address unique community needs, as in the study of Zhang and Yang, (2009). The limitations to citizen participation continued into the project implementation phase, where citizen influence remained minimal, as in other local government contexts (Grillos, 2017, Kuruppu *et al.*, 2023). For example, CBOs were nominally responsible for project implementation, yet this role was often symbolic, as projects were contracted to politically selected contractors. This reveals the persistent political influence within the PB process, restricting citizen participation beyond the proposal stage.

Kuruppu *et al.*, (2023) emphasised that citizen education is essential for citizen empowerment and effective PB implementation. However, a key barrier to citizen empowerment within the SPS PB process was the limited access to clear and accessible information and minimal knowledge about how to draft proposals, attend meetings, or advocate for their ideas. For example, administrators and political leaders did not guide the citizens about the PB process, leading to low citizen engagement and empowerment levels. The community development officer noted, *"Citizens are unfamiliar with how the budgeting process works. We cannot implement many citizen proposals, as they provide a list of issues in the area without understanding the scope of local government services and financial constraints"*. This lack of transparency and guidance fostered a sense of passivity among citizens, diminishing their potential role in the PB process. Additionally, administrative practices restricted meaningful citizen involvement, while political elites were reluctant to grant genuine decision-making authority to the community. Critical decisions were often preordained by influential actors seeking to maintain control. This pattern reflects findings from similar PB contexts, where balancing citizen empowerment with the entrenched interests of political and administrative elites has proven challenging (He, 2011, Grillos, 2017). Consequently, the structure emerging in SPS demonstrates persistent obstacles to realising the citizen empowerment and inclusiveness central to PB's democratic ideals.

Discussion

The SPS case demonstrated how different institutional logics, such as the political, administrative, and citizen empowerment logic, shape the configurations with PB practices. Based on the Institutional Logic Theory (Friedland and Alford, 1991, Thornton and Ocasio, 1999), this paper explores how PB actors employ diverse logics to dominate in implementing PB during political and administrative leadership periods. Institutional logic theory focuses on the individual's values, assumptions, and strategies that shape organisational behaviour and decision-making (Greenwood *et al.*, 2010, Thornton *et al.*, 2012). As applied to practice, these logics unpack how the PB practices reflect the larger political and social contexts and how power relations arise within such practices to compete and weaken the democratizing potential of the PB.

Thornton and Ocasio, (1999) draw attention to the logic that configures legitimate power and authority, drives resources, resolves conflict, and sets strategic priorities. For example, in SPS, political elites utilise PB to reinforce their political relationships. Projects are selected based on their alignment with political priorities rather than community needs. This finding is even more apparent in the discretionary powers of the SPS Chairman, where the political logic becomes overwhelming. Centralised decision-making by the Chairman has allowed project selection to align with personal and political interests, with a patronage system subordinating citizens' inputs. At the same time, the administrative logic of PB aims for transparent and standardised processes in which decisions are based on objective criteria. This impartiality is subverted in SPS, with heavy political interference, especially regarding project selection and hiring contractors. Political leaders circumvent tendering requirements by fragmenting projects to award them to loyalists. Several studies in the literature (Uddin *et al.*, 2011, Grillos, 2017, Lassou *et al.*, 2024)demonstrate that political elites frequently co-opt administrative structures to legitimise political priorities, blurring the lines between bureaucratic efficiency and political agenda-setting. Further, this reflects political capture, where PB is used to maintain influence on resource allocation and secure re-election, corroborating Célérier and Cuenca Botey, (2015)and Kuruppu *et al.*, (2016) that political logic not only supplements but reshapes PB to serve political capital rather than citizen empowerment and administrative efficiency. Thus, SPS exemplifies how political logic operates as a mechanism of symbolic participation, reflecting Friedland and Alford, (1991) argument that, in institutionalized settings, dominant logic, i.e., political logic, can subordinate other logic, such as administrative and citizen empowerment logic, sustaining elite capture and control, and eroding PB's democratic integrity.

Administrative structure and efficiency underscore the tension inherent in administrative logic (Ganuza and Baiocchi, 2012), which prioritises transparency and accountability (Bartocci *et al.*, 2023). Under the period of administrative leadership in SPS, PB reflects a more structured approach, with transparent and accountable project selection based on objective criteria, benefiting the broader community. This aligns with the administrative logic's efficiency-driven approach focused on clear, transparent, and accountable public resource distribution (He, 2011, Bartocci *et al.*, 2019). However, administrative logic also risks reducing PB to a procedural exercise rather than advancing democratic engagement or citizen empowerment (Cabannes and Lipietz, 2018). Furthermore, Aleksandrov and Timoshenko, (2018) similarly find that an administrative focus on bureaucratic needs can restrict active citizen involvement in PB, thereby limiting participatory roles. On the other hand, these structured processes and transparency bind the political logic through administrative logic, where influencing power is limited in the PB process during the administrative leadership period. Furthermore, administrative logic seeks procedural efficiency and accountability by creating formal boundaries that impede political actors from demonstrating partiality toward allies by circumventing selection criteria. This reflects Polzer *et al.*, (2016) "layering" concept, where procedural norms gradually reshape political behaviour without removing underlying political objectives. However, outside the PB process, political actors acquire project implementation contracts via the established personal network (Waheduzzaman, 2019, Kuruppu *et al.*, 2023) without political pressure to establish frameworks.

Citizen empowerment remains constrained in both leadership periods, with citizen logic overshadowed by the dominant priorities of political and administrative logics. PB, ideally a grassroots process, would allow community members to shape budget priorities based on local needs (Sintomer *et al.*, 2008, Lassou *et al.*, 2024). In the SPS, however, citizens' participation is mainly confined to the proposal stage, while there is little involvement in the implementation stage. Such limited participation aligns with the findings of Grillos, (2017) and He, (2011)that PB's empowering potential is often weakened, as the political and administrative actors are the dominant ones, reducing participation to a symbolic level. Besides, SPS citizens also lack adequate and accessible information on the processes of PB, causing their disengagement. Minimum guidance on procedural requirements alienates the citizens. This leads to a poor understanding of the PB process, with minimal submissions of proposals. As Kuruppu *et al.*, (2023) note, limited procedural transparency may spur citizen passivity, thus undermining the empowering potential of PB. As with the SPS, the focus on administrative procedures risks inadvertently perpetuating citizen disempowerment by rendering projects ineligible. This relates to the observations of He, (2011) that it is challenging for the logic of citizen empowerment to take root in an environment with deeply entrenched political and administrative structures.

Conclusion

This study addresses the role of PB in the political and administrative sphere, explicitly focusing on the conflicting logics in the PB process in a Sri Lankan local government. This study contributes to the existing knowledge of institutional logics theory in the PB and public administration literature. The accounting literature lacks studies on PB and institutional logic theory, so this study fills this gap. As demonstrated in the literature (He, 2011, Bartocci *et al.*, 2019, Aleksandrov *et al.*, 2020), PB logics have been identified, particularly in administratively dominant contexts in the PB process. Notably, this research aims to improve our comprehension of institutional logics by exploring the influence of various logics shown by key actors on implementing PB during political and administrative leadership. Another theoretical contribution to institutional logics theory includes deepening our comprehension of how the various logics of actors impact accounting practices in a local government context. Significantly, these logics modify or manipulate accounting practices to achieve personal and administrative goals while maintaining the actor's dominance in the field. This study addresses the call for further research contributing to the emergence of various PB logics in different contexts to identify differences in the development of PB.

The findings underscore a balanced approach to ensure citizen empowerment, combining political inclusiveness, administrative accountability, transparency, and citizen engagement within a budgeting process to foster democratic participation and participatory decision-making in local government. In doing so, the policymakers and practitioners enhance awareness of the pluralities of institutional logics shaping the PB process. In recognition of sociopolitical and institutional challenges, policymakers should pursue an enabling environment for democratic engagement in each phase of the PB process that builds strong citizen participation. Further, it would be achievable by advocating for civic education, entrenching transparent and accountable mechanisms, and building citizens' and local community capacities to engage in the PB process effectively. This process will help local governments implement sustainable PB practices through citizen empowerment in Sri Lanka. Particularly, this approach could be effective if the PB practices are to be aligned with local customs and specific socio-cultural conditions.

Further studies should examine how distinct institutional logics within PB influence resource allocation and the achievement of social and economic development goals in a comparative study. This comparative research across different local governments in Sri Lanka would also be beneficial, revealing how political dynamics, cultural values, and economic conditions shape institutional logics within PB. Notably, this comparative study would extend to other countries' local governments to explore the diversity of PB implementation. Additionally, future research on mixed methods to explore the diversity of the PB implementation would be beneficial in gaining a comprehensive understanding of PB.

References

Aleksandrov, E., Bourmistrov, A., & Grossi, G. (2018). Participatory budgeting as a form of dialogic accounting in Russia: Actors' institutional work and reflexivity trap. *Accounting, Auditing & Accountability Journal, 31*(4), 1098-1123. https://doi.org/10.1108/AAAJ-02-2016-2435.

Aleksandrov, E., Bourmistrov, A., & Grossi, G. (2020). Performance budgeting as a "creative distraction" of accountability relations in one Russian municipality. *Journal of Accounting in Emerging Economies, 10*(3), 399-424.

https://doi.org/10.1108/JAEE-08-2019-0164.

Aleksandrov, E., & Timoshenko, K. (2018). Translating participatory budgeting in Russia: the roles of inscriptions and inscriptors. *Journal of Accounting in Emerging Economies, 8*(3), 302-326.https://doi.org/10.1108/JAEE-10-2016-0082.

Bartocci, L., Grossi, G., & Mauro, S. G. (2019). Towards a hybrid logic of participatory budgeting. *International Journal of Public Sector Management, 32(1), 65-79. https://doi.org/10.1108/IJPSM-06-2017-0169.*

Bartocci, L., Grossi, G., Mauro, S. G., & Ebdon, C. (2023). The journey of participatory budgeting: a systematic literature review and future research directions. *International Review of Administrative Sciences, 89*(3), 757-774. https://doi.org/10.1177/00208523221078938.

Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative research in psychology, 3*(2), 77-101. https://doi.org/10.1191/1478088706qp063oa.

Cabannes, Y. (2004). Participatory budgeting: a significant contribution to participatory democracy. *Environment and Urbanization, 16*(1), 27-46. https://doi.org/10.1177/095624780401600104.

Cabannes, Y., & Lipietz, B. (2018). Revisiting the democratic promise of participatory budgeting in light of competing political, good governance and technocratic logics. *Environment and Urbanization, 30*(1), 67-84. https://doi.org/10.1177/0956247817746279.

Célérier, L., & Botey, L. E. C. (2015). Participatory budgeting at a community level in Porto Alegre: a Bourdieusian interpretation. *Accounting, Auditing & Accountability Journal, 28*(5), 739-772.https://doi.org/10.1108/AAAJ-03-2013-1245.

Damayanthi, S., & Gooneratne, T. (2017). Institutional logics perspective in management control research: a review of extant literature and directions for future research. *Journal of Accounting & Organizational Change, 13*(4), 520-547.https://doi.org/10.1108/JAOC-01-2017-0002.

De Sousa Santos, B. (1998). Participatory budgeting in Porto Alegre: toward a redistributive democracy. *Politics & society, 26*(4), 461-510. https://doi.org/10.1177/0032329298026004003.

DeVotta, N. (2010). Politics and governance in post-independence Sri Lanka *Routledge Handbook of South Asian Politics* (pp. 118-130): Routledge.

Easterby-Smith, M., Thorpe, R., & Jackson, P. R. (2008). *Management research* (3rd ed.): Sage.

Falanga, R. (2024). Youth participation in environmental sustainability: insights from the Lisbon participatory budget. *Journal of public budgeting, accounting & financial management, 36*(1), 20-39. https://doi.org/10.1108/JPBAFM-12-2021-0176.

Fowler, B., Wijesundara, S., & Gajanayake, M. (2013). *The Budget Process in Sri Lanka: Local and National Issue Analysis and Recommendations*: Centre for Policy Alternatives.

Friedland, R., & Alford, R. R. (1991). Bringing society back in: Symbols, practices, and institutional contradictions. In W. W. P. a. P. J. DiMaggio (Ed.), *The new institutionalism in organizational analysis* (pp. 232-263): University of Chicago Press.

Fung, A. (2006). Varieties of participation in complex governance. *Public administration review, 66*, 66-75. https://doi.org/10.1111/j.1540-6210.2006.00667.x

Ganuza, E., & Baiocchi, G. (2012). The power of ambiguity: How participatory budgeting travels the globe. *Journal of Deliberative Democracy, 8*(2), 1-12. https://doi.org/10.16997/jdd.142.

Gunarathna, V., Kuruppu, C., Silva, H., & Fernando, A. (2025). The Interplay of Habitus and Capital in the Resource Distribution of Participatory Budgeting in a Sri Lankan Local Government. *South Asian Journal of Business Insights, 4*(2), 3-24. http://doi.10.4038/sajbi.v4i2.67.

Greenwood, R., Díaz, A. M., Li, S. X., & Lorente, J. C. (2010). The multiplicity of institutional logics and the heterogeneity of organizational responses. *Organization science, 21*(2), 521-539.https://doi.org/10.1287/orsc.1090.0453

Grillos, T. (2017). Participatory budgeting and the poor: Tracing bias in a multi-staged process in Solo, Indonesia. *World Development, 96*, 343-358. https://doi.org/10.1287/orsc.1090.0453.

Guba, E. G., & Lincoln, Y. S. (1994). Competing paradigms in qualitative research. *Handbook of qualitative research, 2*(163-194), 105.

He, B. (2011). Civic engagement through participatory budgeting in China: Three different logics at work. *Public administration and development, 31*(2), 122-133.*https://doi.org/10.1002/pad.598.*

Jayasinghe, K., Adhikari, P., Carmel, S., & Sopanah, A. (2020). Multiple rationalities of participatory budgeting in indigenous communities: evidence from Indonesia. *Accounting, Auditing* &Accountability Journal, 33(8), 2139-2166. https://doi.org/10.1108/AAAJ-05-2018-3486.

Jayasinghe, K., & Wickramasinghe, D. (2011). Power over empowerment: Encountering development accounting in a Sri Lankan fishing village. *Critical Perspectives on Accounting, 22*(4), 396-414.*https://doi.org/10.1016/j.cpa.2010.12.008.*

Krenjova, J., & Raudla, R. (2013). Participatory Budgeting at the Local Level: Challenges and Opportunities for New Democracies. *Halduskultuur, 14*(1).

Kuruppu, C., Adhikari, P., Gunarathna, V., Ambalangodage, D., Perera, P., & Karunarathna, C. (2016). Participatory budgeting in a Sri Lankan urban council: A practice of power and domination. *Critical Perspectives on Accounting, 41*, 1-17. https://doi.org/10.1016/j.cpa.2016.01.002.

Kuruppu, C., Maksymchuk, O., & Adhikari, P. (2023). Exploring elitisation of participatory budgeting in a post-Soviet democracy: evidence from a Ukrainian municipality. *Journal of Accounting in Emerging Economies, 13*(3), 648-665. https://doi.org/10.1108/JAEE-10-2018-0118.

Lassou, P. J., Ostojic, M., Barboza, J. U., & Moses, O. (2024). Participatory budgeting in francophone Africa: a comparative perspective between Benin and Niger. *Journal of public budgeting, accounting & financial management, 36*(1), 81-104. https://doi.org/10.1108/JPBAFM-04-2022-0070.

Local Government Reforms Circular No. 3 of 2005 (2005). Improvement of management inlocal authorities. Colombo: Department of Government Printing.

Local Authorities (Special Provisions) Act No. 21 of 2012 (2012). Local Authorities (Special Provisions) Act No. 21 of 2012 Colombo: Department of Government Printing.

Michels, A. (2011). Innovations in democratic governance: how does citizen participation contribute to a better democracy? *Revue Internationale des Sciences Administratives,* *77*(2), 275-296. *https://doi.org/10.1177/0020852311399851.*

Ministry of Local Governments and Provincial Councils (2009). National policy on local government Printed at the Department of Government Printing, Sri Lanka.

Ministry of Local Governments and Provincial Councils (2011). National policy on local government: Action plan for 2012–2014 Colombo: Ministry of Local Governments and Provincial Councils.

Modell, S., Vinnari, E., & Lukka, K. (2017). On the virtues and vices of combining theories: The case of institutional and actor-network theories in accounting research. *Accounting, Organizations and Society, 60*, 62-78. https://doi.org/10.1016/j.aos.2017.06.005

Moynihan, D. P. (2007). Citizen participation in budgeting: Prospects for developing countries. *Participatory budgeting*, 55-87.

Pateman, C. (2012). Participatory democracy revisited. *Perspectives on politics, 10*(1), 7-19. https://doi.org/10.1017/S1537592711004877

Polzer, T., Meyer, R. E., Höllerer, M. A., & Seiwald, J. (2016). Institutional Hybridity in Public Sector Reform: Replacement, Blending, or Layering of Administrative Paradigms,*How Institutions Matter*: Emerald Group Publishing Limited.

Potapchuk, W. R. (1991). New approaches to citizen participation: Building consent. *National civic review, 80*(2), 158-168. https://doi.org/10.1002/ncr.4100800207

Aleksandrov, E., A. Bourmistrov, and G. Grossi. (2020). Performance budgeting as a "creative distraction" of accountability relations in one Russian municipality. Journal of Accounting in Emerging Economies 10:399-424. http://doi.10.1108/JAEE-08-2019-0164.

Aleksandrov, E., and K. Timoshenko. (2018). Translating participatory budgeting in Russia: the roles of inscriptions and inscriptors. Journal of Accounting in Emerging Economies 8:302-326. http://doi.10.1108/JAEE-10-2016-0082.

Bartocci, L., G. Grossi, and S. G. Mauro. (2019). Towards a hybrid logic of participatory budgeting. International Journal of Public Sector Management 32:65-79. https://doi.10.1108/IJPSM-06-2017-0169.

Bartocci, L., G. Grossi, S. G. Mauro, and C. Ebdon. (2023). The journey of participatory budgeting: a systematic literature review and future research directions. International Review of Administrative Sciences 89:757-774. https://doi.10.1177/00208523221078938.

Braun, V., and V. and Clarke. (2006). Using thematic analysis in psychology. Qualitative Research in Psychology 3:77-101. https://doi.10.1191/1478088706qp063oa.

Cabannes, Y., and B. Lipietz. (2018). Revisiting the democratic promise of participatory budgeting in light of competing political, good governance and technocratic logics. Environment & Urbanization 30:67-84. https://doi.10.1177/0956247817746279.

Célérier, L., and L. E. Cuenca Botey. (2015). Participatory budgeting at a community level in Porto Alegre: a Bourdieusian interpretation. Accounting, Auditing & Accountability Journal 28:739-772. https://doi.10.1108/AAAJ-03-2013-1245.

Damayanthi, S., and T. Gooneratne. (2017). Institutional logics perspective in management control research. Journal of Accounting & Organizational Change 13:520-547. https://doi.10.1108/JAOC-01-2017-0002.

de Sousa Santos, B. (1998). Participatory Budgeting in Porto Alegre: Toward a Redistributive Democracy. Politics & Society 26:461-510. https://doi.10.1177/0032329298026004003.

DeVotta, N. (2010). Politics and governance in post-independence Sri Lanka. Pages 118-130 *in* P. R. Brass, editor. Routledge Handbook of South Asian Politics. Routledge.

Falanga, R. (2024). Youth participation in environmental sustainability: insights from the Lisbon participatory budget. Journal of Public Budgeting, Accounting & Financial Management 36:20-39. https://doi.10.1108/JPBAFM-12-2021-0176.

Fowler, B., W. Sriyanie, and G. Manjula. (2013). The Budget Process in Sri Lanka: Local and National Issue Analysis and Recommendations. Centre for Policy Alternatives.

Friedland, R., and R. R. Alford. (1991). Bringing society back in: Symbols, practices, and institutional contradictions. Pages 232-263 *in* W. W. P. a. P. J. DiMaggio, editor. The new institutionalism in organizational analysis. University of Chicago Press.

Fung, A. (2006). Varieties of Participation in Complex Governance. Public Administration Review 66:66-75. https://doi.org/10.1111/j.1540-6210.2006.00667.x.

Ganuza, E., and G. Baiocchi. (2012). The power of ambiguity: How participatory budgeting travels the globe. Journal of Deliberative Democracy 8:1-12. https://doi.org/10.16997/jdd.142.

Greenwood, R., A. M. Díaz, S. X. Li, and J. C. Lorente. (2010). The Multiplicity of Institutional Logics and the Heterogeneity of Organizational Responses. Organization Science 21:521-539. https://doi.10.1287/orsc.1090.0453.

Grillos, T. (2017). Participatory Budgeting and the Poor: Tracing Bias in a Multi-Staged Process in Solo, Indonesia. World Development 96:343-358. https://doi.org/10.1016/j.worlddev.2017.03.019.

Gunarathna, V., C. Kuruppu, H. Silva, and A. Fernando. (2025). The Interplay of Habitus and Capital in the Resource Distribution of Participatory Budgeting in a Sri Lankan Local Government. South Asian Journal of Business Insights 4. DOI: 10.4038/sajbi.v4i2.67.

He, B. (2011). Civic engagement through participatory budgeting in China: Three different logics at work. Public Administration and Development 31:122-133. https://doi.org/10.1002/pad.598.

Jayasinghe, K., P. Adhikari, S. Carmel, and A. Sopanah. (2020). Multiple rationalities of participatory budgeting in indigenous communities: evidence from Indonesia. Accounting, Auditing & Accountability Journal 33:2139-2166. https://doi.10.1108/AAAJ-05-2018-3486.

Jayasinghe, K., and D. Wickramasinghe. (2011). Power over empowerment: Encountering development accounting in a Sri Lankan fishing village. Critical Perspectives on Accounting 22:396-414. https://doi.org/10.1016/j.cpa.2010.12.008.

Krenjova, J., and R. Raudla. (2013). Participatory Budgeting at the Local Level: Challenges and Opportunities for New Democracies. Administrative Culture/Halduskultuur 14:18-46.

Kuruppu, C., P. Adhikari, V. Gunarathna, D. Ambalangodage, P. Perera, and C. Karunarathna. (2016). Participatory budgeting in a Sri Lankan urban council: A practice of power and domination. Critical Perspectives on Accounting 41:1-17. https://doi.org/10.1016/j.cpa.2016.01.002.

Kuruppu, C., O. Maksymchuk, and P. Adhikari. (2023). Exploring elitisation of participatory budgeting in a post-Soviet democracy: evidence from a Ukrainian municipality. Journal of Accounting in Emerging Economies 13:648-665. https://doi.10.1108/JAEE-10-2018-0118.

Lassou, P. J. C., M. Ostojic, J. U. Barboza, and O. Moses. (2024). Participatory budgeting in francophone Africa: a comparative perspective between Benin and Niger. Journal of Public Budgeting, Accounting & Financial Management 36:81-104. 10.1108/JPBAFM-04-2022-0070.

Local Government Reforms Circular No 3 (2005). Improvement of management in local authorities. . Department of Government Printing, Colombo:

Michels, A. (2011). Innovations in democratic governance: how does citizen participation contribute to a better democracy? International Review of Administrative Sciences 77:275-293. https://doi.10.1177/0020852311399851.

Ministry of Local Governments and Provincial Councils (2009). National policy on local government Printed at the Department of Government Printing, Sri Lanka

Ministry of Local Governments and Provincial Councils (2011). National policy on local government: Action plan for 2012–2014 Colombo. Ministry of Local Governments and Provincial Councils

Moynihan, D. P. (2007). Citizen participation in budgeting: Prospects for developing countries. Participatory budgeting:55-87.

Pateman, C. (2012). Participatory Democracy Revisited. Perspectives on Politics 10:7-19. https://doi.10.1017/S1537592711004877.

Polzer, T., R. E. Meyer, M. A. Höllerer, and J. Seiwald. (2016). Institutional Hybridity in Public Sector Reform: Replacement, Blending, or Layering of Administrative Paradigms ☆. Pages 69-99 How Institutions Matter! Emerald Group Publishing Limited.

Potapchuk, W. R. (1991). New approaches to citizen participation: Building consent. National Civic Review 80:158-168. https://doi.org/10.1002/ncr.4100800207.

Rampton, D. (2013). 'Deeper hegemony': the politics of Sinhala nationalist authenticity and the failures of power-sharing in Sri Lanka. Pages 93-121 *in* T. Eric, Woods, , S. Robert, and K. Eric, editors. Nationalism and Conflict Management. Routledge.

Saguin, K. (2018). Why the poor do not benefit from community-driven development: Lessons from participatory budgeting. World Development 112:220-232. https://doi.org/10.1016/j.worlddev.2018.08.009.

Samaratunge, R., and L. and Bennington. (2002). New Public Management: Challenge for Sri Lanka. Asian Journal of Public Administration 24:87-109. https://doi.10.1080/02598272.2002.10800395.

Sinervo, L.-M., L. Bartocci, P. Lehtonen, and C. Ebdon. (2024). Toward sustainable governance with participatory budgeting. Journal of Public Budgeting, Accounting & Financial Management 36:1-19. https://doi.10.1108/JPBAFM-11-2023-0205.

Sintomer, Y., C. Herzberg, and A. Röcke. (2008). Participatory Budgeting in Europe: Potentials and Challenges. International Journal of Urban and Regional Research 32:164-178. https://doi.org/10.1111/j.1468-2427.2008.00777.x.

Slater, R. (1997). Approaches to strengthening local government: lessons from Sri Lanka. Public Administration and Development 17:251-265. https://doi.org/10.1002/(SICI)1099-162X(199705)17:2<251::AID-PAD932>3.0.CO;2-2.

Thornton, P. H., and W. Ocasio. (1999). Institutional Logics and the Historical Contingency of Power in Organizations: Executive Succession in the Higher Education Publishing Industry, 1958-1990. American Journal of Sociology 105:801-843. https://doi.org/10.1086/210361.

Thornton, P. H., W. Ocasio, and M. Lounsbury. (2012). The institutional logics perspective: A new approach to culture, structure, and process. Oxford University Press.

Touchton, M., and B. and Wampler. (2020). Public engagement for public health: participatory budgeting, targeted social programmes, and infant mortality in Brazil. Development in Practice 30:681-686. https://doi.10.1080/09614524.2020.1742662.

Uddin, S., B. Gumb, and S. Kasumba. (2011). Trying to operationalise typologies of the spectacle. Accounting, Auditing & Accountability Journal 24:288-314. https://doi.10.1108/09513571111129950.

van Helden, J., and S. Uddin. (2016). Public sector management accounting in emerging economies: A literature review. Critical Perspectives on Accounting 41:34-62. https://doi.org/10.1016/j.cpa.2016.01.001.

Waheduzzaman, W. (2019). Challenges in transitioning from new public management to new public governance in a developing country context. International Journal of

Public Sector Management 32:689-705. https://doi.10.1108/IJPSM-02-2019-0057.

Wampler, B. (2012). Participatory budgeting: Core principles and key impacts. Journal of Public Deliberation 8:1-13.

Wickramasinghe, D., and T. Hopper. (2005). A cultural political economy of management accounting controls: a case study of a textile Mill in a traditional Sinhalese village. Critical Perspectives on Accounting 16:473-503. https://doi.org/10.1016/j.cpa.2003.07.001.

Zhang, Y., and K. Yang. (2009). Citizen participation in the budget process: the effect of city managers. Journal of Public Budgeting, Accounting & Financial Management 21:289-317. https://doi.10.1108/JPBAFM-21-02-2009-B006.

Saguin, K. (2018). Why the poor do not benefit from community-driven development: Lessons from participatory budgeting. World Development, 112, 220-232.https://doi.org/10.1016/j.worlddev.2018.08.009

Samaratunge, R., & Bennington, L. (2002). New public management: challenge for Sri Lanka. *Asian Journal of Public Administration, 24*(1), 87-109. https://doi.org/10.1080/02598272.2002.10800395

Sinervo, L.-M., Bartocci, L., Lehtonen, P., & Ebdon, C. (2024). Toward sustainable governance with participatory budgeting. Journal of public budgeting, accounting & financial management, 36(1), 1-19. https://doi.org/10.1108/JPBAFM-11-2023-0205

Sintomer, Y., Herzberg, C., & Röcke, A. (2008). Participatory budgeting in Europe: potentials and challenges. International journal of urban and regional research, 32(1), 164-178. https://doi.org/10.1111/j.1468-2427.2008.00777.x

Slater, R. (1997). Approaches to strengthening local government: lessons from Sri Lanka. Public Administration and Development: The International Journal of Management Research and Practice, 17(2),251-265.https://doi.org/10.1002/(SICI)1099-162X(199705)17:2<251::AID-PAD932>3.0.CO;2-2.

Thornton, P. H., & Ocasio, W. (1999). Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958–1990. *American journal of Sociology, 105*(3),801-843.*https://doi.org/10.1086/210361*

Thornton, P. H., Ocasio, W., & Lounsbury, M. (2012). *The institutional logics perspective: A new approach to culture, structure, and process*: Oxford University Press on Demand.

Touchton, M., McNulty, S., & Wampler, B. (2024). Participatory budgeting and well-being: governance and sustainability in comparative perspective. *Journal of public budgeting, accounting & financial management, 36*(1), 105-123. https://doi.org/10.1108/JPBAFM-04-2022-0067.

Touchton, M., & Wampler, B. (2020). Public engagement for public health: participatory budgeting, targeted social programmes, and infant mortality in Brazil. *Development in practice, 30*(5), 681-686. https://doi.org/10.1080/09614524.2020.1742662.

Uddin, S., Gumb, B., & Kasumba, S. (2011). Trying to operationalise typologies of the spectacle: A literature review and a case study. *Accounting, Auditing & Accountability Journal, 24*(3), 288-314. *https://doi.org/10.1108/09513571111129950*

Van Helden, J., & Uddin, S. (2016). Public sector management accounting in emerging economies: A literature review. *Critical Perspectives on Accounting, 41*, 34-62. https://doi.org/10.1016/j.cpa.2016.01.001.

Waheduzzaman, W. (2019). Challenges in transitioning from new public management to new public governance in a developing country context. *International Journal of Public Sector Management, 32*(7), 689-705. https://doi.org/10.1108/IJPSM-02-2019-0057.

Wampler, B. (2012). Participatory budgeting: Core principles and key impacts. *Journal of Public*

Deliberation, 8(2), 1-13. http://www.publicdeliberation.net/ jpd/vol8/iss2/art12.

Wickramasinghe, D., & Hopper, T. (2005). A cultural political economy of management accounting controls: a case study of a textile Mill in a traditional Sinhalese village. *Critical Perspectives on Accounting, 16*(4), 473-503. https://doi.org/10.1016/j.cpa.2003.07.001

Yin, R. K. (2009). *Case study research: Design and methods* (Vol. 5): Sage.

Zhang, Y., & Yang, K. (2009). Citizen participation in the budget process: the effect of city managers. Journal of public budgeting, accounting & financial management, 21(2), 289-317. https://doi.org/10.1108/JPBAFM-21-02-2009-B006