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Governance, Accountability, and Public Trust: A Longitudinal Analysis of Sri Lanka's Governance Performance (1996–2023)

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Abstract

This paper explores the dynamic interplay between governance, accountability, and public trust in the context of Sri Lanka, drawing on data from the Worldwide Governance Indicators (WGI) spanning from 1996 to 2023. Sri Lanka presents a unique case of post-conflict governance transformation, where efforts to strengthen democratic institutions have been continually challenged by political instability, public sector inefficiencies, and fluctuating levels of corruption. Using six WGI dimensions—Voice and Accountability, Political Stability, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption—this study provides a longitudinal analysis of the country's governance performance. The findings highlight a persistent deficit in public trust, closely linked to low scores in voice and accountability and control of corruption. These dimensions show marked declines during key periods of political transition and economic crisis. The paper argues that without transparent, inclusive, and responsive governance, Sri Lanka's path to sustainable development and reconciliation remains uncertain. The study concludes with policy recommendations for improving governance quality to rebuild citizen trust and promote institutional legitimacy in fragile democratic settings.

Keywords: governance indicators, public trust, accountability, Sri Lanka, political stability, corruption control

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1. Introduction

Accountability, governance, and public trust are essential components of any functioning democracy, contributing to stability and long-term development (Rothstein, 2011). These elements are especially crucial in post-war and transitional states like Sri Lanka because of its complex sociopolitical landscape and lengthy history of civil conflict (Goodhand & Walton, 2020; Orjuela, 2014). While Sri Lanka has experienced periods of promised reform and reconciliation, scholars note that cycles of weak governance, economic crises, and eroding public trust have constantly hindered progress (Uyangoda, 2015; ICG, 2022).

This study analyzes Sri Lanka's governance path from 1996 to 2023 using the six characteristics of the Worldwide Governance Indicators (WGI): voice and accountability, political stability and the lack of violence, government effectiveness, regulatory quality, rule of law, and corruption control. When taken as a whole, these elements provide a comprehensive framework for assessing how governance quality affects and transforms state legitimacy and citizen confidence.

Particularly noteworthy were the years 2015–2024, which were marked by constitutional modifications, executive branch changes, public protests, financial difficulties, and unpredictable policies. Even during times of modernization and development, such as the use of digital governance tools and anti-corruption discourse, Sri Lanka's governance scores remain low, especially when it comes to government effectiveness, voice, and accountability. These trends point to deeper structural problems such as low institutional capacity, politicized public service delivery, and ineffective processes for citizen engagement and redress. Evaluating the effectiveness of Sri Lanka's democratic institutions requires an understanding of how governance performance affects accountability and public trust.

Voice and Accountability (VA), Political Stability and Absence of Violence/Terrorism (PV), Government Effectiveness (GE), Regulatory Quality (RQ), Rule of Law (RL), and Control of Corruption (CC) are the six dimensions of the Worldwide Governance Indicators (WGI) framework, which is the basis for this study.

The key tools used in this analysis to study governance are GE, RQ, and PV, which together represent the state's ability to create sensible policies, uphold stability, and provide services efficiently. VA and CC are used to assess accountability, which reflects the degree to which officials are held accountable for corruption and wrongdoing as well as the ability of individuals to influence governance. Lastly, as citizens' confidence is based on the fairness of laws and their enforcement as well as opportunities to participate in governance without fear, RL, VA, and CC all influence public trust.

A comprehensive evaluation of Sri Lanka's democratic development from 1996 to 2023 is made possible by this connection, which offers a clear conceptual basis for connecting actual patterns in WGI indicators with more general ideas of governance, accountability, and trust.

The beginning of this article sets the stage for a comprehensive long-term analysis of the shortcomings in accountability, public confidence, and government performance that have hampered Sri Lanka's democratic transition. Apart from charting governance trends throughout time, the research aims to provide evidence-based perspectives on how restoring institutional transparency and accountability could serve as catalysts for regaining public confidence and achieving equitable national development.

From the late 1990s to the early 2020s, Sri Lanka's Control of Corruption (CC) scores steadily decreased, reaching some of their lowest points in the previous ten years. This pattern highlights the growing apprehension of residents and foreign observers about the state's incapacity to stop corrupt activities. Numerous high-profile scandals, such as abuses of public funds and anomalies in government procurement procedures, have dominated news reports and fueled widespread dissatisfaction among the populace. Politically linked elites' rent-seeking practices have damaged institutional capacity to successfully deliver public goods, worsened socioeconomic inequities, and threatened the rule of law (Kaufmann et al., 2010; Transparency International, 2023).

2. Objectives

- To provide a thorough longitudinal evaluation of Sri Lanka's governance performance from 1996 to 2023 by utilizing the six components of the Worldwide Governance Indicators (WGI): Voice and Accountability, Political Stability, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption.
- To establish a conceptual and empirical correlation between governance, accountability, and public trust with the six WGI indicators.
- To provide practical policy suggestions for improving the quality of governance and restoring public trust in order to promote democratic consolidation, sustainable growth, and long-term political stability in Sri Lanka.

3. Research Questions

- **Objective 1: Longitudinal Evaluation (Diagnostic/Descriptive Questions)** What are the longitudinal trends (1996–2023) in Sri Lanka's performance on each of the six Worldwide Governance Indicators (WGI)?
- **Objective 2: Conceptual Correlation (Analytic/Relational Questions)** How do longitudinal trends in Government Effectiveness and Control of Corruption correlate with major incidents of eroded public trust in Sri Lanka, as evidenced by socio-political events from 1996 to 2023?
- **Objective 3: Policy Suggestions (Prescriptive/Applied Questions)** Which governance dimensions (e.g., Government Effectiveness vs. Voice and Accountability) should be prioritized

for intervention to most efficiently restore public trust and enable sustainable growth?

4. Conceptual Framework

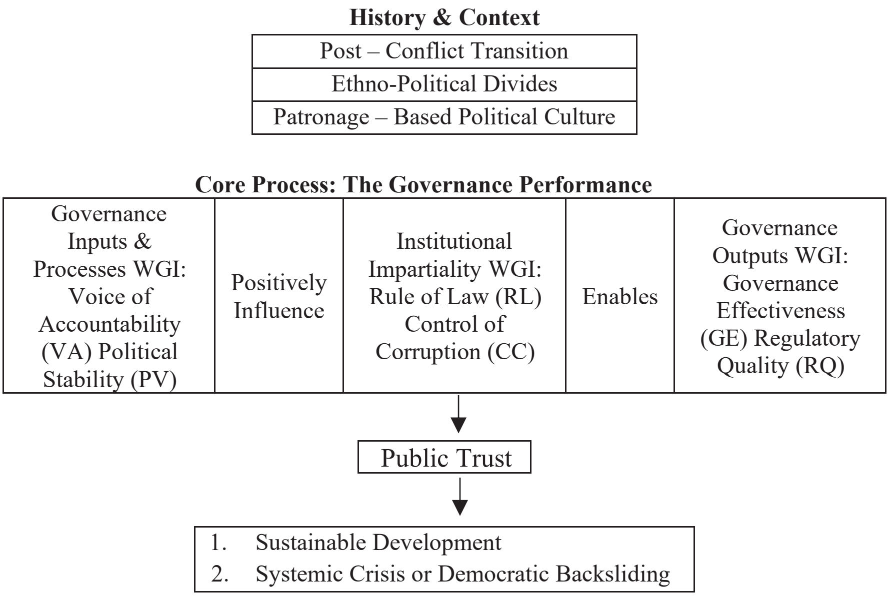
This study's theoretical foundation is the Quality of Government (QoG) theory put forth by Rothstein and Teorell (2008), which holds that governance systems' impartiality, fairness, and accountability—rather than just cultural or individual-level factors—are the primary determinants of public trust in state institutions. This theory holds that institutions that function impartially and are subject to strong accountability procedures foster greater levels of public confidence, which in turn improves collaboration, compliance, and the efficacy of governance as a whole.

When this theoretical framework is applied to Sri Lanka, a self-reinforcing vicious cycle of governance erosion is revealed by the longitudinal WGI data from 1996 to 2023. Institutional impartiality is undermined by persistent flaws in voice and accountability, corruption control, and the rule of law, which erodes public confidence. Reduced trust further limits state capacity and policy effectiveness by weakening civic engagement and adherence to public institutions. According to Rothstein and Teorell's (2008) theory, governance problems tend to spread across sectors if institutional impartiality is undermined, leading to systemic decline rather than isolated inefficiencies.

Thus, the Sri Lankan situation provides practical evidence for the QoG hypothesis that poor governance and a decline in institutional trust are mutually reinforcing, especially in fragile democracies and post-conflict environments. This cycle is likely to continue, impeding democratic consolidation and sustainable development, unless intentional actions are made to restore accountability and fair rule enforcement.

Figure 1

Conceptual Framework



Source: *Author's conceptualisation based on Rothstein and Teorell (2008) and Worldwide Governance Indicators (World Bank).*

The main theoretical basis of this study is the Quality of Government (QoG) idea proposed by Rothstein and Teorell (2008). According to the QoG theory, the impartiality, accountability, and fairness with which public power is used have a fundamental impact on the people's faith in state institutions. This viewpoint holds that the degree to which institutions function without bias, corruption, or political meddling determines the quality of governance rather than just policy results or economic performance.

This theory serves as the foundation for the conceptual framework, which operationalizes governance quality as a multifaceted construct through the Worldwide Governance Indicators (WGI), which include voice and accountability, political stability and the absence of violence, government effectiveness, regulatory quality, rule of law, and corruption control.

Together, these metrics reflect the level of institutional responsibility and impartiality that QoG theory emphasizes.

According to the theory, the relationship between governance performance and quality is mediated by public faith in state institutions. Citizens are more likely to build faith in government when institutions operate impartially and are held accountable. This fosters civic participation, voluntary legal compliance, and collaboration with public authorities. On the other hand, institutional impartiality is compromised by ongoing flaws in accountability, corruption prevention, and the rule of law, which erodes public confidence.

A key feature of the framework is the inclusion of a feedback loop, reflecting a vicious cycle of governance erosion. Public trust declines as governance quality deteriorates, undermining institutional legitimacy, the efficacy of policies, and state capacity. This deteriorating governance performance creates a vicious cycle of decline by reinforcing institutional flaws. This cyclical association is empirically supported by the longitudinal trends found in Sri Lanka's WGI data from 1996 to 2023, especially during times of political unrest and economic hardship.

Overall, the conceptual framework illustrates how deficiencies in governance quality and institutional impartiality contribute to declining public trust and democratic fragility, highlighting the need for accountability-driven reforms to reverse the cycle and restore governance legitimacy.

5. Methodology

Using a quantitative, longitudinal methodology based on secondary data analysis, this study examines the connection between public trust, accountability, and governance in Sri Lanka between 1996 and 2023. The main source of data is the World Bank's Worldwide Governance Indicators (WGI), which provide annual scores on six important aspects of governance: rule of law, voice and accountability, political stability and violence-free conditions, government efficacy, regulatory quality, and corruption control. These scores offer a consistent framework for evaluating how governance quality has changed over time, with a range of -2.5 (poor) to +2.5 (strong).

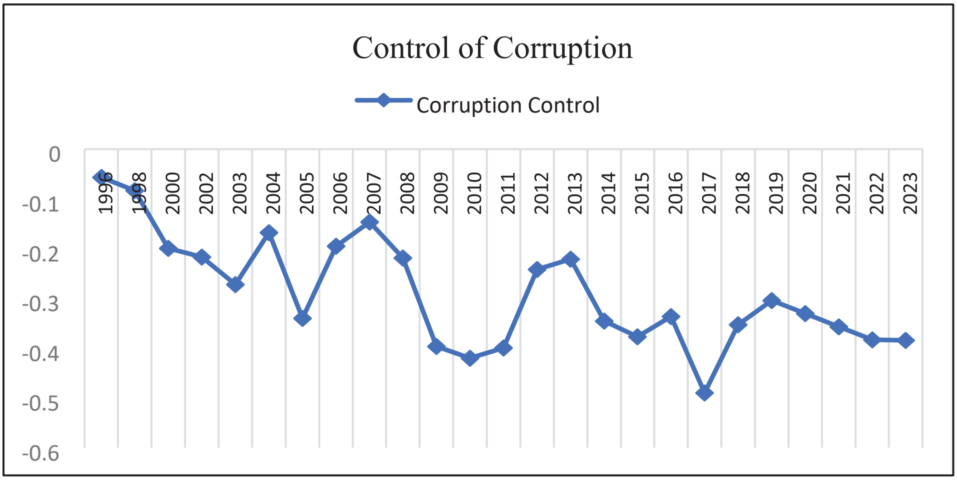
In order to show changes in governance performance during politically and economically significant periods, such as the post-war reconstruction phase, the reform-oriented 2015–2019 government, and the 2022 economic crisis, the analysis incorporates descriptive statistics and visualizations such as trend lines and comparative bar charts. The metrics that are most directly linked to public trust—voice and accountability, and corruption control—are given particular consideration. These are examined in light of significant political events and more general national changes. In order to comprehend how governance trends impact public confidence, correlations are inferred from institutional assessments and secondary literature.

This report does not use primary survey data because it is a desk-based study. It does, however, recognize the drawbacks of depending only on perception-based metrics and the lack of direct measures of public opinion. However, the WGI offers a solid foundation for long-term research and policy suggestions.

6. Results and Discussion

6.1 Control of Corruption

Figure 1
Control of Corruption



Source: *WGI, Sri Lanka*

The above-mentioned figure denotes that from the late 1990s to the early 2020s, Sri Lanka's Control of Corruption (CC) scores steadily decreased, reaching some of their lowest points in the previous ten years. This pattern highlights the growing apprehension of residents and foreign observers about the state's incapacity to stop corrupt activities. Numerous high-profile scandals, such as abuses of public funds and anomalies in government procurement procedures, have dominated news reports and fueled widespread dissatisfaction among the populace. Politically linked elites' rent-seeking practices have damaged institutional capacity to successfully deliver public goods, worsened socioeconomic inequities, and threatened the rule of law (Kaufmann et al., 2010; Transparency International, 2023).

Waves of huge protests, most notably the massive rallies during the economic crisis of 2022, have powerfully conveyed public displeasure over these government failings. People from a wide range of socioeconomic, religious, and ethnic backgrounds united to call for accountability and transparency, emphasizing the close connection between a decline in public trust in the state and inadequate corruption control (Jayasinghe, 2022). These demonstrations demonstrated how corruption jeopardizes political stability and social cohesiveness, two factors that are critical to long-term economic growth, in addition to undermining governance.

Corruption hinders private investment, reduces the effectiveness of public services, and distorts policy decisions away from the interests of the general public (Mauro, 1995; Rose-Ackerman & Palifka, 2016). In the Sri Lankan context, allegations of widespread bribery, political favoritism, and rent-seeking have discouraged both foreign and domestic investment, weakening the overall economic environment and contributing to financial outflows (World Bank, 2021). Moreover, corruption erodes citizen confidence by institutionalizing patronage networks that undermine merit-based systems of recruitment and promotion, thereby reducing incentives for innovation, productivity, and long-term human capital development (Acemoglu & Robinson, 2012; North, Wallis, & Weingast, 2009; Rothstein, 2011).

The declining trend in the Control of Corruption index over this time frame is indicative of structural problems in Sri Lanka's political economy in addition to internal difficulties. An atmosphere where corrupt practices can continue with relative impunity has been established by weak checks and balances, anticorruption authorities' lack of independence, and whistleblowers' lack of protection (United Nations Office on Drugs and Crime [UNODC], 2020). Even though succeeding administrations have promised to combat corruption through institutional and legislative reforms, accountability systems are still shaky and execution has frequently been uneven.

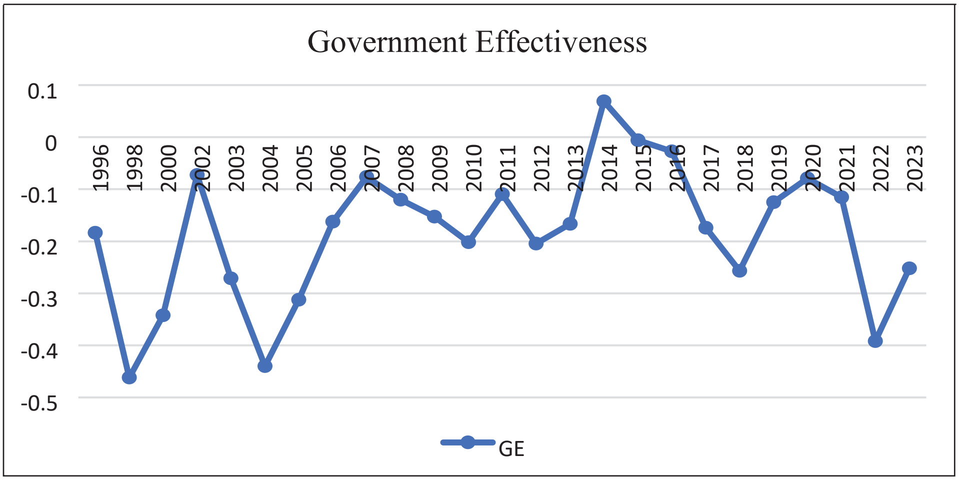
Public trust and corruption have a cyclical relationship: when corruption increases, people lose faith in institutions, which lowers civic engagement and oversight and creates more chances for corrupt activities (Rothstein & Teorell, 2008). Only thorough governance reforms that improve transparency, fortify judicial independence, and foster an integrity-based culture within public institutions can halt this vicious cycle.

Achieving important Sustainable Development Goals (SDGs), especially Goal 16, which prioritizes justice, peace, and robust institutions, also depends on combating corruption. In order to improve governance outcomes, international institutions such as the World Bank and Transparency International have emphasized Sri Lanka's need for changes in procurement, political finance, and public financial management on numerous occasions (World Bank, 2022; Transparency International, 2023). Translation of anti-corruption pledges into tangible outcomes will require cooperation between government agencies, civil society groups, and the commercial sector.

6.2 Government Effectiveness

Figure 2

Government Effectiveness



Source: *WGI, Sri Lanka*

Figure 2 denotes that Sri Lanka has consistently had trouble achieving good Government Effectiveness (GE) rankings, staying in the negative zone from 1996 to 2023. Even though there were noticeable intervals of slight progress, especially during the coalition government's 2015–2019 reforms, which placed a high priority on institutional strengthening, anti-corruption initiatives, and good governance, these gains were brittle and swiftly undone by the political unrest that followed. Temporary increases in public administration responsiveness and efficiency were facilitated by important initiatives like the Right to Information Act (2016) and efforts to depoliticize the public sector (World Bank, 2017). However, due to frequent leadership changes, growth halted and these initiatives were not maintained or sufficiently institutionalized.

Government efficacy has been severely damaged by economic mismanagement in recent years, most notably during the sovereign debt crisis of 2022. Sri Lanka experienced its first sovereign default in 2022 as a result of poor fiscal management, unsustainable tax cuts implemented in late 2019, and poor foreign reserve management (IMF, 2023). These budgetary issues significantly reduced the government's ability to provide social welfare, healthcare, and education, leaving a sizable portion of the populace without consistent access to necessities. Pervasive shortages of food, medicine, and fuel interrupted daily life and eroded trust in the state's capacity to carry out its essential duties.

According to research, a nation's capacity to carry out sensible policies and provide excellent public services is largely determined by how effective its government is, which has a direct effect on the results of human development and economic progress (Kaufmann et al., 2010; Andrews, 2013). The government's capacity to create and implement policies effectively has been hampered in Sri Lanka by long-standing issues with civil service performance, including politicization of appointments, inadequate performance monitoring mechanisms, and antiquated bureaucratic practices (Asian Development Bank, 2020).

Effective governance has been further hampered by frequent cabinet changes and instability in important ministries, which has led to inconsistent policies and delays in the execution of programmes. In addition to impeding responsiveness to regional demands, the restricted transfer of administrative authority to provincial and municipal governments has exacerbated disparities among Sri Lanka's different districts (Institute of Policy Studies, 2021).

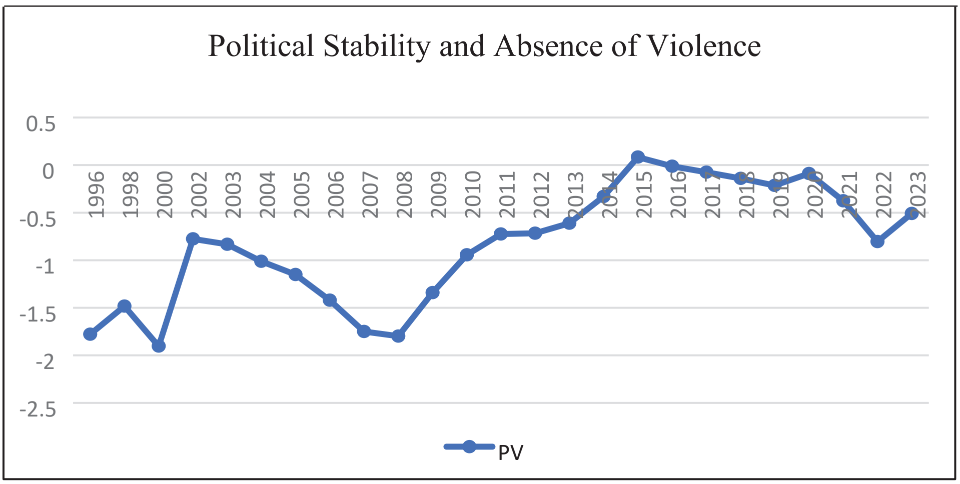
Furthermore, inadequacies in the systems for public financial management and procurement have raised the possibility of resource leaks and misallocation, eroding public confidence and economic resilience. The COVID-19 pandemic revealed these systemic flaws as bureaucratic and logistical obstacles prolonged the suffering of vulnerable individuals by delaying the timely delivery of relief measures (UNICEF & UNDP, 2021).

In order to enhance service delivery and policy effectiveness, Sri Lanka must make investments in modernizing the public sector, bolstering human resource management, and advancing digital governance, according to the World Bank's Worldwide Governance Indicators and several independent evaluations (World Bank, 2022). For policies to be executed efficiently and fairly, it will be essential to professionalize the bureaucracy and strengthen institutional structures, particularly as the nation tries to overcome its present economic difficulties.

6.3 Political Stability and Absence of Violence

Figure 3

Political Stability and Absence of Violence



Source: *WGI, Sri Lanka*

Figure 3 denotes that over the 1996–2023 period, Sri Lanka's Political Stability and Absence of Violence/Terrorism (PV) indicator showed notable oscillations, indicating the nation's complicated security situation and unstable political climate. Despite the fact that political stability initially improved after the decades-long civil war ended in 2009, the indicator's trend shows how brittle peace can be in the absence of effective governance and initiatives for reconciliation. Although there was some relative quiet in the early 2010s, underlying instability remained unresolved since the underlying causes of ethnic tensions and grievances were not fully addressed (International Crisis Group, 2011).

After 2015, following the election of a reform-oriented government that emphasized democratic governance, constitutional reform, and reconciliation with minority communities, Sri Lanka experienced a brief period of political and institutional improvement (Uyangoda, 2016; International Crisis Group [ICG], 2017). However, this period of relative stability was disrupted by two major crises that once again undermined political stability and public trust.

First, the country was shaken by the 2019 Easter Sunday terrorist attacks, carried out by Islamist extremist groups, which exposed severe failures in intelligence coordination and inter-agency communication. The attacks resulted in the deaths of more than 250 people and left hundreds injured, marking one of the deadliest episodes of violence since the end of the civil war (International Crisis Group, 2019; Amnesty International, 2019). Beyond the immediate human toll, the attacks intensified societal polarization, triggered retaliatory violence against Muslim communities, and revived widespread fears of renewed instability and communal violence (Amnesty International, 2019; Human Rights Watch, 2019). Political tensions increased in the wake of the Easter attacks, as conflicting accounts from politicians, security services, and religious leaders stoked suspicion. Additionally, the attacks caused a change in political power, impacting the 2019 presidential election and bringing in new leadership that prioritized nationalism and security (Gunasekara, 2020).

Second, Sri Lanka’s rapidly deteriorating economic conditions triggered the widespread mass protests of 2022, popularly known as the “Aragalaya”. Millions of citizens across ethnic, religious, and social groups participated in these demonstrations, demanding the resignation of political leaders in response to economic mismanagement, corruption, fuel and food shortages, and declining living standards (International Crisis Group [ICG], 2022; World Bank, 2022). The protests were largely peaceful and represented an unprecedented level of civic mobilization in Sri Lanka’s post-independence history. Sustained public pressure culminated in July 2022, when protesters occupied key state symbols, including the Presidential Secretariat and the President’s official residence, forcing President Gotabaya Rajapaksa to resign and flee the country. This episode marked a critical breakdown of political legitimacy and underscored the profound link between governance failure, economic crisis, and public trust erosion (ICG, 2022; Uyangoda, 2023). The magnitude of these demonstrations demonstrated the profound rifts in Sri Lanka's political structure as well as the depth of public discontent (Human Rights Watch, 2022).

Political instability has been further intensified by constitutional crises, particularly in 2018, when the sudden removal and replacement of the Prime Minister led to prolonged political uncertainty and institutional deadlock. Such episodes exposed structural weaknesses in constitutional and governance arrangements and eroded public confidence in democratic processes.

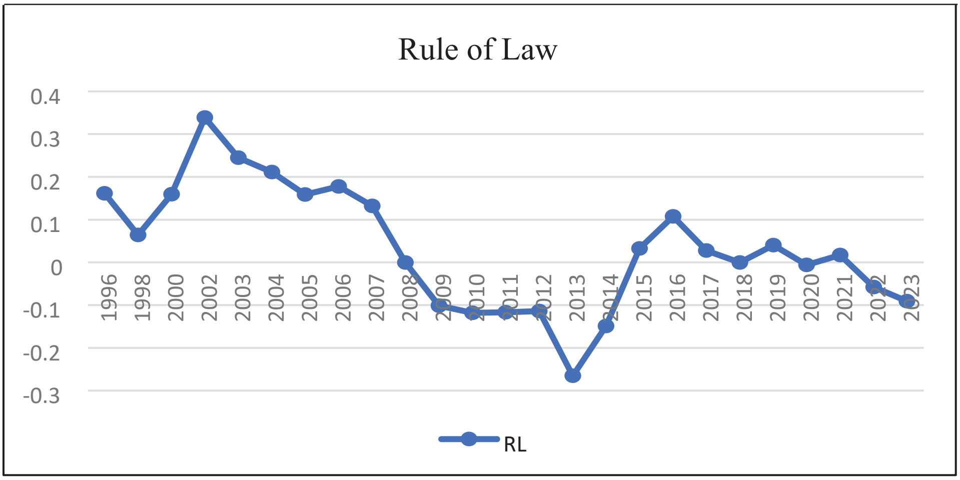
According to academic research, political stability is essential for social well-being, investor confidence, and economic growth since instability erodes governance and creates uncertainty (Aisen & Veiga, 2013). Recurrent cycles of political unrest in Sri Lanka have discouraged investment, put a strain on state coffers, and diminished the efficacy of policymaking. Additionally, Sri Lanka's international reputation has been impacted by views of instability, as seen by several credit rating downgrades that cited both economic and political issues (Moody's, 2022).

It will be necessary to address enduring causes of conflict, fortify democratic institutions, and promote inclusive government in order to maintain gains in political stability. Breaking the cycle of recurring crises and solidifying peace achievements require mechanisms to guarantee effective power-sharing, safeguard the rights of minorities, and foster intercommunal trust. Resilience against violent incidents in the future can also be increased by initiatives to depoliticize law enforcement, strengthen intelligence coordination, and modernize the security sector (United Nations, 2021).

6.4 Rule of Law

Figure 4

Rule of Law



Source: *WGI, Sri Lanka*

Figure 4 denoted that from 1996 to 2023, Sri Lanka's Rule of Law (RL) rating stayed mostly negative, continuously indicating systemic flaws in the nation's legal and judicial framework. Long-standing problems like judicial inefficiency, opinions of politically biased law enforcement, and the pervasive impunity of powerful individuals accused of misconduct are reflected in these low scores. When taken as a whole, these elements have weakened the core idea of equality before the law and lowered public trust in the legal system (World Justice Project, 2022).

There are persistent case backlogs in Sri Lanka's judicial system, and it frequently takes years or even decades for civil and criminal matters to be resolved. Efforts to cut down on delays have been hindered by a mix of antiquated procedural procedures, a lack of technological use, and insufficient funding for lower courts. These inefficiencies discourage investment and restrict disadvantaged people's access to justice, resulting in significant costs for both individuals and corporations (Law & Society Trust, 2018).

Additionally, there have been persistent allegations of political influence in the legal system and selective law enforcement, especially in high-profile corruption or human rights cases involving influential individuals (Bingham 2010; Bertelsmann Stiftung, 2024). The selective pursuit of prosecutions, which sometimes depend on political affiliations, is criticized for undermining the validity of legal systems (Bingham Centre principles; BTI 2024). This feeling of impunity has been exacerbated by repeated failures to hold individuals accountable for past violations of human rights, including as enforced disappearances and extrajudicial executions both during and after the civil war (UN Human Rights Council 2025; OHCHR, 2021).

The persistent underperformance of the RL indicator illustrates how these institutional flaws affect both social stability and economic growth. According to studies, nations with a stronger rule of law have more robust economic growth, fewer levels of corruption, and higher levels of trust in the government (North et al., 2009; Kaufmann et al., 2010). On the other hand, a weak rule of law may discourage both international and domestic investors because they believe that protecting property rights and enforcing contracts will be more difficult.

In Sri Lanka, legal reforms have frequently stagnated or only been partially carried out. As an illustration of the vulnerability of rule-of-law reforms in the face of changing political priorities, efforts to create independent commissions for police, judiciary, and human rights oversight under the 17th and 19th constitutional amendments were later weakened or reversed (Verité Research, 2019). More recently, there have been worries about planned constitutional revisions that could weaken checks and balances and jeopardize the judiciary's independence (International Commission of Jurists, 2022).

Perceptions of the rule of law have been further harmed by impunity for acts of violence against political opponents, journalists, and activists. Attacks on media professionals have frequently gone unpunished, according to organizations like Reporters Without Borders (Reporters Without Borders, 2024). This lack of accountability has fostered a culture of fear and self-censorship that stifles free speech and undermines democratic accountability (Reporters Without Borders, 2024; Freedom of the Press in Sri Lanka, n.d.). Meanwhile, systemic obstacles frequently prevent vulnerable groups—such as women, ethnic minorities, and the impoverished—from obtaining justice, perpetuating trends of inequality and discrimination (United Nations Human Rights Council, 2021).

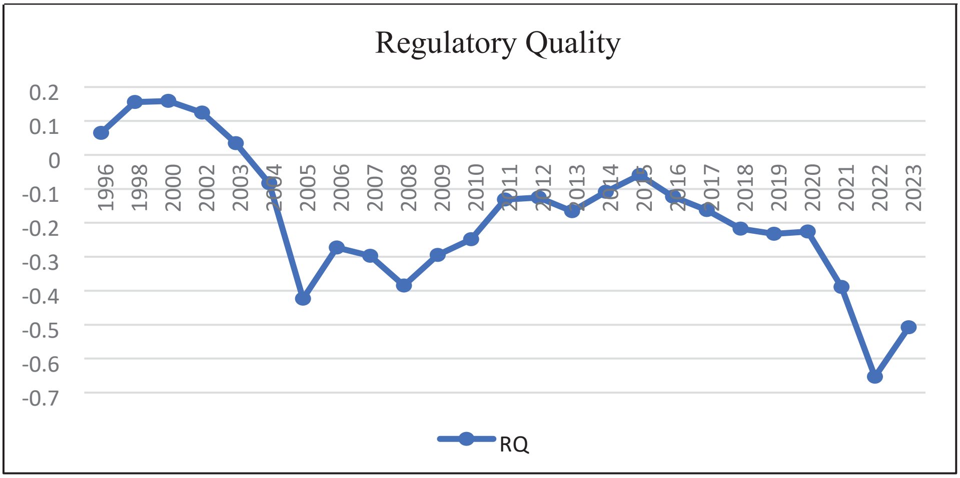
It will take extensive reforms to restore and fortify the rule of law in Sri Lanka. Enhancing the judiciary's independence, updating court processes through digitization, bolstering legal aid to provide access for underprivileged groups, and setting up reliable systems to impartially investigate and prosecute severe crimes are among the top priorities. To create a more equitable and efficient justice system, international human rights organizations have urged Sri Lanka to carry out these reforms on numerous occasions (OHCHR, 2021).

Since the rule of law is essential to both democratic governance and economic prosperity, attempts to strengthen governance, promote reconciliation, and draw in sustainable investment are unlikely to be successful without significant progress in this area.

6.5 Regulatory Quality

Figure 5

Regulatory Quality



Source: *WGI, Sri Lanka*

Figure 5 denotes that Sri Lanka has struggled to maintain stable, predictable, and investor-friendly regulatory policies, as evidenced by the country's Regulatory Quality (RQ) scores, which have shown significant variation over the 1996–2023 period. Sri Lanka's inconsistent performance in this area underscores the difficulties in providing cogent economic governance, as regulatory quality gauges opinions of a government's capacity to create and carry out sensible laws and policies that support the growth of the private sector (World Bank, 2022).

Trade liberalization and economic reforms, such as the liberalization initiatives in the late 1970s through the early 2000s, which sought to lower tariffs, streamline trade processes, and attract foreign direct investment, were associated with periods of improvement in regulatory quality and export performance (Central Bank of Sri Lanka, 2004; Athukorala & Jayasuriya, 2004). These reforms were part of broader outward-looking policies that encouraged export orientation, reduced trade barriers, and promoted a more competitive and transparent business environment, which in turn contributed to economic diversification and growth in key sectors including manufacturing and garments (Athukorala & Jayasuriya, 2004; Wikipedia, 2025). During these times, policies that promoted export-oriented growth were linked with increased GDP growth and the expansion of Sri Lanka's export base, reflecting the positive role of trade liberalization in enhancing economic performance.

However, sudden policy reversals and politically driven regulatory revisions often undid the advantages gained from earlier liberalization efforts. Both domestic and foreign investors have expressed unease due to policy inconsistency, regulatory unpredictability, and abrupt changes in economic direction, including shifts in key reforms and uncertainty over trade and investment policies (U.S. State Department report cited in Hiru News, 2025; trade and regulatory concerns noted by U.S. businesses, 2024). Political instability and frequent changes in government have contributed to discontinuities in policy direction, creating a volatile regulatory environment that deters long-term investment planning and undermines investor confidence (Central Bank of Sri Lanka, 2016; U.S. State Department report cited in Hiru News, 2025). Moreover, measures such as import controls and other crisis-driven regulatory interventions introduced in recent years, though aimed at protecting foreign exchange reserves, added complexity and unpredictability to the business environment (Institute of Policy Studies of Sri Lanka, 2023).

The 2021 import ban on chemical fertilizers, which was implemented without sufficient consultation or a clear transition plan, is a notable example of this inconsistency. It significantly reduced agricultural productivity, sparked widespread farmer protests, and increased food insecurity (Daily FT, 2021). A few months later, the restriction was abruptly lifted, underscoring flaws in evidence-based policymaking and undermining trust in the regulatory system.

Similar to this, ad hoc import limits and foreign exchange controls were established during the economic crisis of 2022 in order to preserve diminishing reserves, but they were frequently carried out in an opaque and unpredictable manner. Companies had trouble finding necessary raw materials, which affected exports and manufacturing and further depressed economic activity (Asian Development Bank, 2022). Unpredictable regulatory actions like this raised transaction costs and eroded trust in Sri Lanka's stable policy environment.

The World Bank and the International Monetary Fund are two international agencies that have frequently underlined how inconsistent policy enforcement is a major barrier to Sri Lanka's potential for economic progress. Countries with clear, uniform, and strictly enforced regulatory frameworks that lower risks and facilitate strategic planning are given preference by investors (UNCTAD, 2020). Selective application of tax laws, regulatory capture by special interests, and delays in putting reforms announced in subsequent budgets and development plans into action are more examples of Sri Lanka's inconsistent enforcement (World Bank, 2022).

The provision of necessary public services is impacted by poor regulatory quality, as is the business environment. In industries like energy, transportation, and telecommunications, regulatory bodies have frequently lacked the autonomy, technological know-how, and funding necessary to carry out their missions successfully, which has resulted in inefficiencies and increased prices for consumers (Verité Research, 2018).

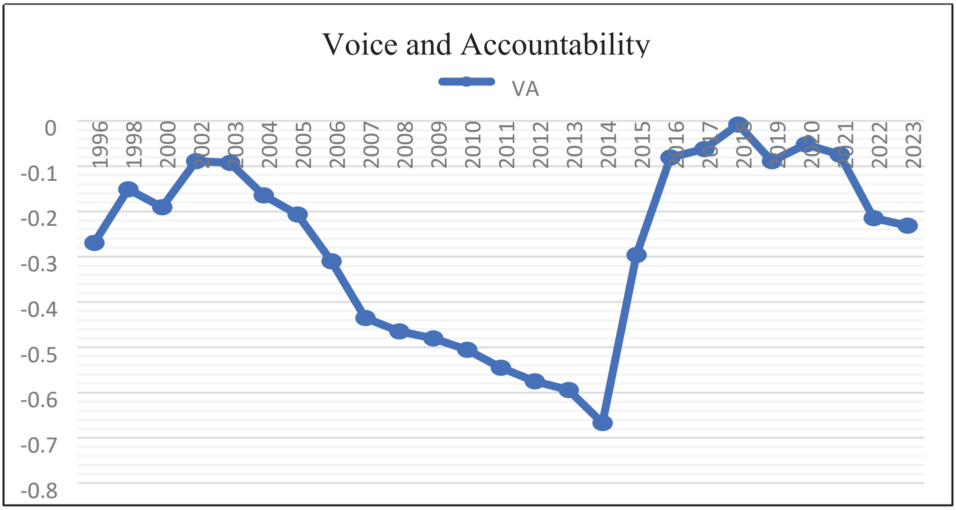
Sri Lanka must increase institutional capacity for policy analysis and consultation, guarantee stakeholder participation in regulatory processes, and set up open systems for monitoring and assessing regulations in order to enhance RQ and promote a stable environment for economic growth. The efficacy and predictability of the regulatory framework can also be improved by using digital tools for regulatory compliance, simplifying licensing and approval procedures, and bolstering the independence of regulatory organizations (OECD, 2019).

In the end, Sri Lanka's capacity to create and implement laws consistently, openly, and in accordance with global best practices will determine whether investor confidence is restored and a sustainable economic recovery is supported.

6.6 Voice and Accountability

Figure 6

Voice and Accountability



Source: *WGI, Sri Lanka*

According to Sri Lanka's Worldwide Governance Indicators (WGI) data, Voice and Accountability (VA) scores have been steadily declining between 1996 and 2023, which is indicative of a smaller civic space and a deterioration in democratic liberties. Voice and Accountability assess how well a nation's residents can exercise their civil freedoms, have access to independent media, enjoy freedom of expression, and choose their government (Kaufmann et al., 2010). VA scores in Sri Lanka exhibit noticeable declines during and following major political shifts, especially the end of the civil war in 2009 and the economic crisis of 2022.

Although the end of the civil war in 2009 was a significant event, the years that followed saw growing power concentration, dissent limits, and intimidation of critics, particularly journalists and activists, rather than a greater amount of democratic space. Those who questioned the official story or called for responsibility for wartime violations were subjected to threats, arbitrary detention, and even enforced disappearances, according to human rights organizations (Amnesty International, 2011). This atmosphere hindered public discourse and diminished chances for citizens to engage in significant governance participation.

The extension of executive powers during succeeding administrations, such as the 2010 ratification of the 18th Amendment to the Constitution, which eliminated term limits for presidents and weakened independent commissions, further weakened the institutional checks and balances necessary to protect democratic rights (International Commission of Jurists, 2012). Because they reduced individuals' ability to influence governance through civic and political means, these developments made the decrease in VA scores worse.

With reforms like the 19th Amendment, which restored some institutional independence and increased transparency mechanisms, there was a brief revival of civic space between 2015 and 2019.

The president's unilateral removal of the current prime minister and attempt to form a new government during the 2018 constitutional crisis caused widespread protests and exposed the brittleness of democratic norms (Asia Foundation, 2019). This incident exposed persistent flaws in the constitutional framework and severely damaged public trust in political institutions.

VA score declines persisted into the 2020s, picking up speed in 2022 amid political and economic unrest. Widespread demonstrations during the economic crisis called for government responsibility for corruption and budgetary mismanagement. The authorities responded by restricting the freedoms of assembly, association, and expression through emergency rules, curfews, and internet shutdowns (Human Rights Watch, 2022). The VA scores continued to drop, and reports of harassment of civil society activists, arrests of protest organizers, and intimidation of journalists during these events indicated that there was less room for civic engagement (Committee to Protect Journalists, 2022).

Building citizen-state trust and guaranteeing government accountability depend heavily on a thriving civil society and independent media. According to research, democracy is strengthened, corruption is decreased, and development results are enhanced when citizens may openly express themselves and take part in governance (Sen, 1999; Norris, 2012).

But in Sri Lanka, civic engagement has been hampered by systemic issues, such as restrictive laws like the

Prevention of Terrorism Act, restrictions on information freedom prior to the 2016 Right to Information

Act, and cultural elements like fear of retaliation (International Commission of Jurists, 2022).

Sri Lanka is regularly ranked as "Partly Free" by international organizations like Freedom House and Reporters Without Borders, which point out that although elections are held there, political and economic pressures undermine media independence and that participation is frequently restricted for marginalized groups (Freedom House, 2022; RSF, 2023).

It will take extensive efforts to safeguard freedom of expression, abolish or revise laws that restrict civil freedoms, guarantee judicial protection for journalists and activists, and create inclusive political decision-making procedures in order to reverse the fall in voice and accountability. Rebuilding public trust and bolstering democratic resilience also need empowering grassroots organizations to participate in government and supporting independent media.

The analysis's conclusions show that the two factors most influencing public confidence in Sri Lanka's government are Voice and Accountability (VA) and Control of Corruption (CC). As shown in the 2018 constitutional crisis and the 2022 economic upheaval, sustained drops in these two indices are highly correlated with times of increased public discontent, social unrest, and widespread protests. This pattern highlights a cyclical and reciprocal relationship: poor governance erodes public confidence in institutions, which lowers adherence to state policies. This, in turn, makes it more difficult for the government to provide effective governance, further undermining institutional capacity (Rothstein & Teorell, 2008; Norris, 2012).

This dynamic demonstrates how important citizen involvement and responsibility are to creating robust democracies. People are more prone to turn to protests or unofficial forms of contestation when they believe that their opinions are not acknowledged or that corruption is allowed to continue unchecked. In post conflict and fragile governments like Sri Lanka, where social cohesion is crucial for enduring peace, the breakdown of trust is especially disruptive (International Crisis Group, 2011).

Furthermore, the analysis validates the body of research on fragile democracies and governance in conflict affected settings: governance crises are frequently caused by deficiencies in accountability systems and the rule of law, which permit the concentration of power without sufficient checks, permit impunity, and intensify grievances among marginalized groups (Brinkerhoff, 2005; Carothers, 2010). Because recurrent crises exacerbate political unpredictability and economic uncertainty, these circumstances make it difficult for nations like Sri Lanka to fully move from conflict to stability.

Institutions that protect the rule of law, ensure freedoms of speech and assembly, and thwart corruption through open and just policies must be strengthened in order to achieve effective governance.

According to studies, increased accountability and anti-corruption initiatives greatly boost legal compliance, foster public trust, and facilitate the more seamless execution of social and economic objectives (Kaufmann et al., 2010; World Bank, 2022).

Restoring public trust and fostering an atmosphere that supports inclusive growth and long-term peace so depend on reversing the reductions in voice, accountability, and control of corruption. To halt the cycle of poor governance and public mistrust, comprehensive changes that safeguard civic space, bolster the independence of oversight organizations, and encourage participatory policymaking are imperative.

7. Conclusion

According to this analysis, there have been consistent shortcomings in Sri Lanka's governance trajectory between 1996 and 2023 in a number of important areas, most notably Voice and Accountability (VA), Rule of Law (RL), and Control of Corruption (CC). The data unequivocally show that gains were neither maintained nor adequately institutionalized to endure political transitions and external shocks, even in the face of times of modest improvement, such as reforms implemented between 2015 and 2019. Systemic flaws that have weakened public confidence, limited inclusive economic growth, and increased the likelihood of future crises are reflected in the persistent underperformance of various governance components.

The results show that while strengthening public sector capacity or improving regulatory frameworks are important, they are insufficient on their own unless they are combined with significant actions to uphold fundamental rights, encourage accountability, and enable citizens to actively engage in governance processes. Regulatory and institutional reforms will not be sufficient to achieve sustainable, equitable development unless there are strong systems for citizen engagement, independent scrutiny, and fair enforcement of the law (Norris, 2012; Kaufmann et al., 2010).

As a result, this study suggests three reform priorities:

- Putting in place systems for citizen feedback to guarantee that decisions are sensitive to the interests and viewpoints of various groups. This entails setting up secure, easily available channels for citizens to voice complaints, offer suggestions for public services, and participate in discussions about important policy choices.
- Increasing the autonomy and capability of oversight organizations, including the judiciary, human rights organizations, and anti-

corruption commissions. Enforcing accountability and upholding the rule of law requires giving these organizations sufficient funding, legal authority, and immunity from political interfering.

- Putting in place thorough anti-corruption measures, such as open procurement procedures, efficient systems for public officials to disclose their financial information, and prompt, unbiased investigations into claims of wrongdoing. In order to rebuild public trust and promote an integrity-based culture in government, several actions are essential.

If these reforms are not implemented, there is a chance that the cycle of political unrest, economic instability, and deterioration of democratic legitimacy would continue. The political and economic problems of 2022 teach us that poor governance can quickly turn into mass turmoil, erode progress in development, and jeopardize societal harmony. On the other hand, a more resilient, inclusive, and affluent Sri Lanka can be achieved by healthy democratic institutions, improving accountability, and preserving civic space (World Bank, 2022; UNDP, 2021).

In the end, a governance approach focused on openness, citizen involvement, and respect for fundamental rights is necessary for both a long-term economic recovery and the creation of a stable, just society where all Sri Lankans can prosper.

While inconsistent performance in Government Effectiveness, Regulatory Quality, and Political Stability highlights enduring weaknesses in governance, the longitudinal analysis of WGI indicators shows how declines in Voice and Accountability, Control of Corruption, and Rule of Law have weakened accountability and eroded public trust. This study supports the claim that improvements in regulatory frameworks or service delivery by themselves cannot bring about sustainable stability without concurrent advancements in democratic freedoms, anti-corruption initiatives, and the rule of law. It does this by directly mapping these six indicators to the fundamental ideas of governance, accountability, and trust.

Restoring public trust and ensuring Sri Lanka's long-term government resilience require closing these shortcomings.

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