

Assessment of Local Government System in Punjab

Policy Recommendations for Reform

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Foreword

The Devolution Plan introduced through the Local Government Ordinance 2001 in all the four provinces of Pakistan, simultaneously, was a much trumpeted policy initiative of the previous government. The plan, as initially conceived, aimed at large scale fiscal, administrative and political decentralization. The fundamental hypothesis of the architects of the new politico-administrative system was that by bringing the decision making closer to grass-roots level, there will be a more meaningful interaction between the governed and those who govern, along with more effective accountability through new electoral institutions.

Eversince the new system was put in place, many studies have been undertaken to assess its impact on decentralization and improvement in service delivery. These studies, however, are somewhat limited in their scope because either these were undertaken soon after the new system unfolded itself, or because these had a rather limited perspective. Further, while the proponents of the new system insist on deepening of these reforms to overcome the teething problems, its detractors point to its inherent design problems and insist on revisiting it holistically.

It was in this background that the Planning and Development Board, Government of Punjab commissioned the Institute of Public Policy, Beaconhouse National University to undertake a comprehensive appraisal of the new system and suggest what improvements could be undertaken. Mr. Sartaj Aziz, Vice Chancellor Beaconhouse National University suggested to Mr. Shahid Javed Burki, Chairman IPP, that I should coordinate this study as Team Leader. My long exposure in the civil service of Pakistan could, perhaps, have been a consideration in his mind, though personally I have no claim to any expertise for such an assignment. I am grateful to both Mr. Sartaj Aziz and Mr. Burki for reposing their confidence in me and also for sparing their precious time for useful discussions and arguments which we had on the subject. With his keen insight into the political developments in Pakistan, Mr. Sartaj Aziz was foreseeing a new democratic dispensation in 2008, and thought that the conclusions drawn in this report could be useful for the new political setup.

I would like to express my gratitude to the team of resource persons, Mr. Muhammad Ahsan Rana, Syed Rizwan Mehboob, Mr. Ali Sarfraz, Mr. Zubair Khurshed Bhatti and Mr. Nabeel Awan for the intellectual input that went into the design of this study, data collection instrument and report writing. Rana and Ali developed the research design, and the framework of analysis. Rana also wrote the executive summary and the introductory chapter. Mehboob, Ali, Bhatti and Awan contributed two chapters each of this report. Rana coordinated the drafting with the chapter writers, but since I did the final editing I take the responsibility for the shortcomings, if any. It was a great experience to interact with such bright and energetic young group.

Gallup Pakistan collected the data for this study. The Institute acknowledges their contribution to this extent. However, since the research design was prepared by the Institute, Gallup is absolved of methodological criticism, if any.

A number of people in the IPP staff helped me in this study. Humaira Yousaf, in particular, took most of the burden in computational work. Usman Khan and Muhammad Rizwan also provided considerable assistance. Mr. Khalid Sultan, Chief (Research) P & D Board, Government of Punjab was very helpful in coordination between the IPP and the P & D Board. I would also like to thank the former Chairman P & D Board, Mr. Suleman Ghani for providing useful input in the initial stage, as well as the present Chairman Mr. Sami Saeed for ensuring continuity and completion of this study.

A handwritten signature in black ink, appearing to read 'A.Z.K. Sherdil', with a horizontal line underneath the name.

A.Z.K Sherdil
Team Leader

Table of Contents

List of Acronyms	vii
List of Tables and Figures	ix
Executive Summary	xii
Chapter 1	1
Introduction	1
1.1 The Context	1
1.2 Research Methodology.....	4
1.3 Overview of Chapters	10
Chapter 2	15
Literature Review	15
2.1 The Rationale of Devolution	15
2.2 The Devolution Plan	17
2.3 International Experience	18
2.4 The Actual Experience.....	19
2.5 Apparent Design Strengths	20
2.6 The Contested Political Economy.....	21
2.7 The Debate of Impact: Initial Evidence?.....	25
2.8 NRB Claims and CIET Survey.....	26
2.9 Faisalabad Perception Survey.....	28
2.10 Recent Evidence on Impact.....	29
2.11 Growing Pains?	31
2.12 Politics of Local and Provincial Power.....	32
2.13 Tentative Future.....	35
Chapter 3	39
Relationships between Various Layers of the System	39
3.1 The Province-district Relationships	39
3.2 The District-tehsil Relationships	45
3.3 The Relationship between Zila Nazim and DCO	48
Chapter 4	50
State of Devolution Reforms – Evidence from the Field	50
4.1 Reduction of Provincial Government Role	51
4.2 Betrayal of the Original Organic Design	52

4.3	Status of Implementation	55
4.4	Why did Reversals Happen?	56
4.5	Current Status.....	60
Chapter 5	.....	63
Diversity in Uniformity – Inter-district and Intra-district Comparisons	.....	63
5.1	The Autonomy Provided by LGO, 2001.....	63
5.2	Inter-district Variance.....	92
Chapter 6	.....	79
Administrative and Human Capacity	.....	79
6.1	Functions of the Local Government Tiers.....	80
6.2	Sources of Capacity in the Devolved LGs	82
6.3	Capacity Building Initiatives to Support the Implementation of LGO 2001	86
6.4	Description of Key Stakeholders’ Perceptions on Capacity Requirements and Gaps ..	90
6.5	Capacity Gaps at Various Levels of Local Governments	93
6.6	Policy Recommendations For Building The Administrative, Human And Financial Capacity Of The Local Governments	99
Chapter 7	.....	102
Impact on Service Delivery – Let the Data Speak	.....	102
7.1	Methodological Note	102
7.2	Performance on Service Delivery Indicators	107
7.3	District Government Priorities	121
Chapter 8	.....	128
Perceptions of the End-users	.....	128
8.1	Sample Selection, Description and Data Collection Tools	129
8.2	Public Perceptions	135
8.3	Comparison of Results with CIET Survey	155
8.4	Conclusions	159
Chapter 9	.....	160
Women’s Participation – an Analysis of the Reservation of Seats	.....	160
9.1	Mandatory Reservation of seats for Women in District, Tehsil and Union Councils in LGO 2001	161
9.2	Socio-economic Background of the Councillors Elected on Reserved Seats	161
9.3	Indicators for Women Empowerment and Gender Sensitive Service Delivery	163
9.4	Institutional Mechanisms and Structural Frameworks that Promote/prohibit Gender Sensitive Policy Planning and Implementation.....	169
List of References	.....	174

Research Chart (Appendix A)..... 176

List of Acronyms

ADB	Asian Development Bank
ADLG	Assistant Director Local Government
ADP	Annual Development Plan
AIT	Agricultural Income Tax
BE	Budget Estimate
CCB	Citizen Community Board
CDG	City District Government
CIDA	Canadian International Development Agency
CIDA	Canadian International Development Agency
CIET	Community Information, Empowerment and Transparency (<i>Centro de Investigación de Enfermedades Tropicales</i>)
DC	District Council
DCO	District Coordination Officer
DFID	Department for International Development
DG	District Government
DO	District Officer
DOR	District Own Receipts
DPO	District Police Officer
DSP	Devolution Support Programme
EDO	Executive District Officer
EPI	Extended Programme for Immunisation
F&P	Finance and Planning
FGD	Focus Group Discussion
FY	Fiscal Year
GDP	Gross Domestic Produce
LG&RD	Local Government and Rural Development
LGC	Local Government Commission
LGO	Local Government Ordinance
MCH	Mother and Child Health
MDG	Millennium Development Goal
MICS	Multiple Indicator Cluster Survey
NFC	National Finance Commission
NGO	Non-government Organisation
NWFP	North West Frontier Province
OFWM	On-farm Water Management
OSR	Own Source Revenue

OZT	Octroi and Zila Tax
PFC	Provincial Finance Commission
PMS	Provincial Management System
PRSP	Poverty Reduction Strategy Paper
PRSP	Punjab Rural Support Program
PLGO	Punjab Local Government Ordinance
RE	Revised Estimate
RSG	Revenue Support Grant
SDPI	Sustainable Development Policy Institute
SPDC	Social Policy and Development Centre
TA	Technical Assistance
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
ToRs	Terms of Reference
UA	Union Administration
UIPT	Urban Immovable Property Tax
UNDP	United Nations Development Program
USAID	United States Agency for International Development

List of Tables and Figures

Tables

Table 5.1	68
Table 5.2	69
Table 5.3	70
Table 5.4	70
Table 7.1 Outcomes on Indicators in the Punjab	107
Table 7.2 Gross & Net Enrolment Rates at Primary Level	109
Table 7.3 Gross & Primary Enrolment Rates	110
Table 7.4 Enrolment in Government Schools	111
Table 7.5 Mortality Rate	112
Table 7.6 Patients Treated in District Jhang	113
Table 7.7 ACGR(%) Health Professionals	115
Table 7.8 Access to Drinking Water	117
Table 7.9 Pesticide Sampling	120
Table 7.10 Revised Estimates-District Jhang	121
Table 7.11 ADP (Including Vertical Programmes) District Jhang	122
Table 7.12 Major Initiatives of PERSP	126
Table 8.1 Sample for the Perception Survey	130
Table 8.2 Sample for Face-to-Face Interviews	130
Table 8.3 Sex and Residence Profile of Stakeholder Groups	134
Table 8.4 Distribution of Monthly Income of the Stakeholder Groups (in PKR)	135
Table 8.5 Use of Government Education Facilities	137
Table 8.6 Satisfaction with School Management Committee	139
Table 8.7 Respondent's Views on Public Health Services	143
Table 8.8 Stakeholders' view on availability of loan	153

Figures

Figure 7.1 Punjab Literacy Rate	108
Figure 7.2 Primary Education	108
Figure 7.3 Expenditure on Primary Education	109
Figure 7.4 Middle & Secondary Education	109
Figure 7.5 Expenditure on Secondary Education	110
Figure 7.6 Government Education Facilities in Six Districts	112
Figure 7.7 Patients Treated in the Punjab	113

Figure 7.8 Government Health Facilities in Punjab.....	114
Figure 7.9 Health Professional per Million in the Punjab.....	115
Figure 7.10 Expenditure on Health.....	116
Figure 7.11 Expenditure on Water & Sanitation.....	116
Figure 7.12 Average Duration of Water Supply to Households in 2008.....	118
Figure 7.13 Households Connected to Sewerage System in 2008 (%).....	118
Figure 7.14 Farmers Visited by Agricultural Officers.....	119
Figure 7.15 Farmer Meetings Held.....	119
Figure 7.16 Field Plots Set up.....	120
Figure 7.17 Farmers Provided with Laser Levellers.....	120
Figure 7.18 Distribution of Current Expenditure in District Jhang.....	122
Figure 7.19 Revised Estimates-District Jhang.....	122
Figure 7.20 District Jhang ADP (excluding Vertical Programmes).....	123
Figure 7.21 Distribution of Current Expenditure in District Jhang.....	124
Figure 8.1 Demographic Profile of Sample.....	133
Figure 8.2 Professional & Income Profile of Sample.....	134
Figure 8.3 Demographic Profile of Households.....	136
Figure 8. 4 Children in Government Schools.....	136
Figure 8. 5 Improvements in Education Sector.....	137
Figure 8. 6 Respondents View on Education Sector.....	138
Figure 8. 7 Respondents View on Teacher Attendance.....	138
Figure 8. 8 Respondents View on School Discipline, Cleanliness and Availability of Water.....	138
Figure 8. 9 Use of Government Health Services.....	140
Figure 8. 10 Improvements in Health Sector.....	141
Figure 8. 11 Improvements in Health Sector.....	142
Figure 8. 12 Respondents View on Availability of Health Professionals & Equipment.....	143
Figure 8. 13 Improvements in Mother and Child Care Facilities.....	144
Figure 8. 14 Reasons for Improvements in Health Sector.....	145
Figure 8. 15 Provision of Clean Drinking Water.....	146
Figure 8. 16 Provision of Clean Drinking Water.....	147
Figure 8. 17 Improvement in Solid Waste Management.....	148
Figure 8. 18 Improvement in Water Sanitation.....	148
Figure 8. 19 Improvement in Provision of Water.....	148
Figure 8. 20 Views of Stakeholder Groups on Improvements in Civic Services.....	149
Figure 8. 21 Monitoring by District Government for Health/Sanitation.....	150
Figure 8. 22 Role of Tehsil Council and Its Subordinate Committees.....	151
Figure 8. 23 Improvements in Provision of Agriculture Facilities.....	152

Figure 8. 24 Ease in Availability of Agricultural Loan	152
Figure 8. 25 Farmer's Satisfaction Level on Services	154
Figure 8. 26 Views on SME Services	154
Figure 8. 27 SMEs' Views on Ease of Various Services	156
Figure 8. 28 Comparison-CIET Survey & IPP Study (Social Services).....	156
Figure 8. 29 Comparison CIET Survey & IPP Study (Municipal Services)	158

Executive Summary

Introduction

Pakistan introduced the ambitious Devolution Plan in 2000, which was implemented in 2000–2001 through the promulgation of local government ordinances (LGOs) in all the four provinces. Devolution reforms provided a three-tier local government (LG) system consisting of District Government (DG), Tehsil/Town Municipal Administration (TMA) and Union Administration (UA). Working under the direction and control of elected councils and Nazims, the present local government system attempts to create institutions and mechanisms for public participation in design, management, monitoring and control of social service delivery and development activities. Many of the functions previously performed by the local offices of provincial government departments now fall within the domain of DGs/TMAs. There are 31 decentralized departments with management control and functional responsibility transferred from provincial government under Part A of the First Schedule to LGOs, 2001. These include civil defence, agriculture, forestry, livestock, education, mother and child health, primary and secondary health, and special education, to name just a few. Provincial governments are now mainly responsible for giving sectoral policies in consonance with national and international commitments, setting and monitoring performance standards, and providing guidelines and resources to meet the service delivery targets.

Devolution reforms, as originally conceived and articulated, also envisaged large-scale fiscal decentralization to follow the administrative and political decentralization. This, however, was not to happen. While a fiscal relationship has been forged between the provinces and the districts, an extensive reorganisation of resources has not taken place and the vertical financial imbalance stays in place with the major financial collections being made at the federal, and to a lesser extent, at the provincial level, and transferred to the local tiers under semi-institutionalised arrangements.

An important assumption in the devolution paradigm was that it will bring decision making closer to grassroots communities through effective electoral institutions, by creating new alignments at the local level, by catalysing the process of democracy via vibrant civil society, by creating locally accountable and efficient bureaucracy, and by adopting local accountability mechanisms to fight corruption. Moreover, giving priority to greater women representation in local government institutions also became an important objective. Empowerment, and especially women's empowerment, became an important goal to be achieved through women's political representation at all tiers of governance, but most importantly at the local level.

Many studies have been conducted on decentralization experience in Pakistan. The studies attempted to identify the merits and demerits of decentralization. Many writers emphasised the gains to be made from a decentralized system, particularly in terms of allocative efficiency and participation of the people at the grassroots, while others cast doubt on some of these gains, and raised concerns about possible negative consequences, particularly in relation to macroeconomic policy and income redistribution. Concerns have been raised about the potential dangers of decentralization (e.g. elite capture) in a socially stratified society such as Pakistan. Widespread corruption in the devolved dispensation has also been an important area of concern in these studies.

The focus of existing literature on devolution has been on evaluating the impact of fiscal, administrative and political decentralization on the state of service delivery. There are two issues in this context. Firstly, these efforts have been generally limited in scope. The perceptions that have been measured are not representative of the range of stakeholders that are influenced by or can influence the state of service delivery. Also, there is hardly an effort to substantiate such subjective assessments with hard data from the field that examines resource allocations, etc. Secondly, impact on services is an important, but *only one*, aspect of the comprehensive assessment of the devolution reform in Pakistan. Other questions are equally important. These include, but are not limited to: comparison of the devolution reform as conceived under the Devolution Plan with the apparent reform as it unfolded under the LGO, 2001; inter-district and intra-district variance in implementation and the partial rollback in certain areas; and tensions and frictions at the local level, in particular between the district and the tehsil tiers. These are important questions and their examination is conspicuously lacking in the existing literature.

In order to fill up this important research gap, the Government of Punjab in the Planning and Development (P&D) Board commissioned a study to comprehensively assess the local government system as it is functioning in Punjab. The Institute of Public Policy (IPP), Beacon House University was assigned the responsibility in view of its technical and human capacity to conduct professional research. The Institute was, therefore, commissioned to conduct scientific research that could generate actionable recommendations for improvement in the system.

Research Methodology

The research had a significant field work component to comprehensively assess the local government system in the following areas.

1. The extent to which political power and administrative authority have been decentralized and financial resources made available to local government. It also assesses the capacity at the local level to manage effectively the devolved authority and resources.

2. The nature and extent of inter-district and intra-district variance in administrative and financial decentralization, and the different patterns of delegation being followed in different departments and functions.
3. The impact of the administrative and financial restructuring on the actual service delivery in education, health, drinking water, sanitation, agricultural supplies and marketing, and small and medium sized enterprises (SMEs).
4. The impact of reservation of 33% seats for women in all tiers of local government on women empowerment, in particular, and delivery of social services to women in general.
5. The dynamics of the relationship between the following four actors: 1) District Nazim; 2) Tehsil Nazims; 3) District Coordination Officer (DCO); and 4) Heads of various departments at the district/tehsil level. It also explores the tensions, especially in the context of service delivery and observance of rules and procedural formalities.

Admittedly, there are a number of important issues influencing service delivery through the local government system that do not figure in the areas identified above. For example, working of the police and its accountability to political institutions at the local level is a critical concern that figures in most debates on decentralization. Their importance, notwithstanding, such issues were not considered in the present research because of its specific mandate. In any case, all aspects of a change as comprehensive and far-reaching as devolution of political, administrative and fiscal authority to local governance tiers cannot be examined in one study. Hopefully, these and other missing areas will be taken up in subsequent research efforts of a similar kind.

A combination of interviews, questionnaire surveys, observation and document analysis was used to find answers to these questions. The data included interview records, observation notes, perception survey questionnaires, and official documents and statistics. The main method of data generation was interviews and survey questionnaire. Data collection to the extent of these instruments was outsourced to M/s Gallup Pakistan. In all, 164 interviews and 1535 perception survey were conducted.

Six districts, namely Rawalpindi, Sialkot, Kasur, Jhang, Lodhran and Multan were selected for field work. This selection was based on multiple criteria, mainly to give representation to all geographic regions and levels of industrial and social development. Within the selected tehsils and districts, the target population was divided into seven categories: legislators; elected officials of local government system at the district and tehsil level; non-elected officials at the district and tehsil level; households; opinion leaders; small and medium enterprises; and farmers. The idea was to engage as diverse a range of stakeholders as possible.

The field work generated valuable data which was carefully analysed by the authors and a group of resource persons who had good understanding of the public governance system at the district

level as it existed before 2001 as well as in the devolved dispensation. The description of data, its analysis, opinions gathered and recommendations made are based on such examination. Briefly, the data showed that the structure as it emerged through LGO, 2001 was significantly different from what was envisaged in the Devolution Plan 2000. This difference emanated from a number of factors, including political compromises at the initial stage (not examined in this report), partial roll back in subsequent years, non-implementation of certain sections of the Ordinance and lack of uniform implementation across districts and departments. If public perceptions are anything to go by, service delivery has improved in the education and health sectors and deteriorated in the water, sanitation and agriculture sectors. Widespread corruption, mismanagement and local power struggles have been cited as the reasons for the deterioration of service delivery in some such sectors. Participation has remained limited to urban and rural elite, and people who were already active socially have captured the positions of social and political power created by the system. It would, therefore, be wrong to assume that the devolution reform as implemented during 2002-08 has achieved its objectives; but it would be equally wrong to condemn it in totality as a failure.

Overall, there is a strong case of strengthening the system through deepening of reform. These reforms are warranted in political, institutional, legal, fiscal and administrative areas. These are discussed in detail in this report.

Policy Recommendations

Local government is a provincial subject and each province should amend, modify and reform the system in terms of its social, economic and political situation. Following recommendations are offered in the context of Punjab.

Structural reforms

- The local government system should be extended to all parts of Pakistan without any exception. This shall bring the cantonment areas as well as the Islamabad Capital Territory under the same local governance as in other areas.
- The local government elections should be held on party basis to promote democratic culture at grassroots and to provide a nursery for future political leaders.
- Nazims and Naib Nazims at the district and tehsil level should be directly elected. The present system of indirect elections provides an opening for potential manoeuvring and undermines the objective of grassroots democracy.
- In the present scheme of things, there is hardly a linkage between the district government and TMAs. This is not only administratively undesirable but also creates anomalies in the development of infrastructure. TMAs should be integrated more effectively with district

governments. The desirability of holding joint elections at the district and tehsil levels may be examined. This may imply elections of panels of candidates at the district and tehsil levels.

- The mandate of the local governments should be expanded through appropriate changes in the Local Government Ordinance, 2001 and the Police Order, 2002 to also include part of the regulatory functions and law and order, which are presently outside their jurisdiction. This will not only increase political control of the essential functions at the local level, but will also strengthen the local government system. However, such expansion of mandate should be preceded by institutional strengthening of the local government system through direct elections of the district and tehsil Nazim/naib Nazim. The desirability of doing so in some of the districts as pilot projects is, perhaps, worthy of consideration.
- Recent amendments in LGO, 2001 empowering the Chief Minister to suspend district Nazim need to be revisited. Such powers for extreme action belong to the legitimate realm of independent Local Government Commission.
- District governments should be the apex development body for the district. All development activities (including funding, planning) should be routed through them. The introduction of district plans will facilitate 'bottom-up' and spatial planning in Pakistan.

Province-district/tehsil relations

- Local Government Commissions have an important role under the Local Government Ordinance 2001. These have become all the more important after certain amendments in the LGO. For instance, the Chief Minister has been empowered to suspend a district Nazim. But if he does so, the matter is to be referred to the Commission. Similarly, if any resolution of decision of the district council or tehsil council is suspended by the Chief Minister that, too, is to be referred to the commission. It is, therefore, recommended that the Commission should be made more autonomous and broad based. It may, perhaps, be headed by a retire judge of the High Court or some distinguished retired civil servants, and should also include two to three persons in consultation with the leader of opposition in the provincial assembly.
- There are reservations at the provincial level against the transfer of some of its functions, responsibilities and resources to the local level. This would not be the case, if the federal government had, in turn, transferred some of its powers and resources to the provinces. Since this did not happen (although committed initially), the provinces became the losers in this zero-sum game of exercise of authority. It is, therefore, important that the federal

government transfers functions and resources to the provincial governments in sectors like education, health and agriculture, which are essentially the provincial domain.

- In the context of human resource, a short list of officials from different cadres eligible for particular positions should be made available by the provincial government to the respective Nazim. Once the selection is made, the officials should enjoy a fixed tenure.

Local institutional capacity

- In order to make the district governments functionally independent, it is necessary to establish district cadres for different service groups.
- Elected representatives and bureaucracy at provincial and local levels may be trained for proper orientation to the new administrative structures.
- It is necessary to address capacity constraints particularly at the TMA level, by enhancing staff and strengthening technical capacity, and not reverting the functions to provincial line departments as has been the case with water supply in towns of Punjab.
- Administrative and human capacity requirements and strategies in local governments should be separately assessed and developed for their mandates entailing regulatory and enforcement functions. The administrative and human capacity of local governments for regulatory functions may be enhanced at two levels. Firstly, issues concerning the absence of an enabling policy or legal framework which could strengthen the regulatory capacity of local governments may be addressed from the provincial level. Secondly, the issues relating to dearth of training opportunities for relevant EDOs, TMOs, Tehsil Officers and Union Council Secretaries may be addressed on priority.
- The provincial government-led capacity building initiatives should not focus the devolved department alone. These should be designed in a holistic manner for catering to capacity development requirements of the district governments as one entity (realising the simultaneous capacity challenges for District Governments, TMAs and Union Councils).
- The number of Executive District Officers as well constituent departments with each EDO needs to be rationalised. The exact number should be flexible and as per the actual needs of each district. For this purpose, all districts in the province may be grouped in, say, three categories including metropolitan or city districts, medium size cities and the smaller districts. Provincial Government may develop a yardstick for rationalising the strength of EDO and DO offices in such districts.

- Priority must be given to strengthening local capacity through technical training such as use of modern tools for drafting, project management, planning, audit, as well as efficient maintenance of infrastructures
- Union councils should have the option of securing additional development funding for small specific development projects in their jurisdiction. A proportion (say 40 percent) of funds earmarked currently for CCBs, could, perhaps, be used for this purpose. These funds are currently under-utilised.
- Special training programs may be offered for women elected representatives focusing on, among other things, communication skills. The appropriateness of the design of such training programmes is important. This is an area where donor support can be easily mobilised.

Transparency and accountability

- The monitoring and supervisory committees, as stipulated in the LGO, should be made effective and their functioning improved through training and the requisite resource allocation.
- A mechanism for active external monitoring of local governments by media and civil society should be developed.
- The local governments should be required to engage reputable pre-vetted auditing firms to conduct the audit of accounts on annual basis.
- A management information system integrated at the provincial level should be set up for greater transparency in the affairs of local governments.
- The office of Zila Mohtasib should be established immediately as provided in the LGO.
- A significant amount of non-lapsable funds earmarked for CCBs have accumulated in many districts. The requirements and process of CCB project approval need to be streamlined and simplified.

Local resource mobilisation

- There is a strong case for enhancing fiscal powers of the local governments. These are currently rather limited. Collection of municipal taxes like the urban property tax should be transferred initially to City District governments. Besides, the district governments may explore the possibility of levying service related taxes, as provided in the LGO.
- There is also a need to provide incentives to local governments for enhancing local fiscal effort. A separate criterion capturing local fiscal effort can be built into the formula for revenue transfers to local governments.

- Some of the more creditworthy jurisdictions may be authorised to tap the capital markets for raising resources for commercially viable projects. This approach could be tested on a pilot basis in a few districts that have already demonstrated the ability to raise and earmark resources for development. Sialkot in Punjab is an example of self-taxation for the purpose of improving infrastructure in the district. This is how the city was able to build an international airport.

Fiscal equalisation through transfers

- There is a case for higher development transfers to local governments, which have over the last few years declined as a share of provincial PSDPs.
- An analysis of local expenditure priorities indicates relative neglect of some important sectors. While education has shown a marked improvement during the last few years, improvement in health indicators has lagged behind. There is a case for introduction of conditional transfers to ensure minimum standards for provision of health services.
- The weight of backwardness in the revenue sharing criteria for current and development needs to be increased. The broad parameters and apportionment formulae may be made simpler. Sindh PFC award perhaps is an example where too many criteria, which in some way cancel each other, need to be avoided.

In conclusion, the process of evolution of local governments in Pakistan has been characterised by a path of uneven development rather than a progressive one. The policies have lacked continuity and every time when the institution was revived it was essentially a new experiment without real linkage with past practice and experience. Also, the importance of this institution in the overall government structure has varied depending upon the type of regime at the centre.

At present with a newly elected government in power we are again in some state of uncertainty. Will this government resort to the same course of action as its predecessor elected governments? Or will it demonstrate more vision and wisdom and let the process of decentralization of governance flourish in an effort to genuinely bring government closer to the doorstep of the people. It is important to emphasise that for deepening of the local government structures their operation has to continue in an uninterrupted manner and their role has to be explicitly provided for in the national constitution. Also, it is necessary that the elections to local governments should be held periodically.

We feel that the reforms recommended above will strengthen the process of decentralization from the provincial to local governments. Coupled with decentralization of functions from the federal to

provincial levels, Pakistan has an opportunity today for taking strides towards the deepening of democracy and genuine empowerment of the people.

Chapter 1

Introduction

1.1 The Context

Like Pakistan, most developing nations in Asia, Africa and South America are presently experimenting with various forms of decentralization. These include governments with a wide range of political structures, economic systems, historical experiences and social ethos. Some are democracies whereas others are autocracies or a hybrid of the two. The decentralization paradigm attracts groups and organisations belonging to the left, centre and right of the political spectrum.

In this context, Pakistan introduced the ambitious Devolution Plan 2000, which was implemented in 2000–2001 through the promulgation of local government ordinances (LGOs) in all the four provinces. Devolution reforms have provided a three-tier local government (LG) system consisting of District Government (DG), Tehsil/Town Municipal Administration (TMA) and Union Administration (UA). Working under the direction and control of elected councils and Nazims,¹ the present local government system attempts to create institutions and mechanisms for public participation in design, management, monitoring and control of social service delivery and development activities. Many of the functions previously performed by the local offices of provincial government departments now fall within the domain of DGs/TMAs. There are 31 decentralized departments with management control and functional responsibility transferred from provincial government under Part A of the First Schedule to LGOs, 2001. These include civil defence, agriculture, forestry, livestock, education, mother and child health, primary and secondary health, and special education, to name just a few. Provincial governments are now mainly responsible for giving sectoral policies in consonance with national and international commitments, setting and monitoring performance standards, and providing guidelines and resources to meet the service delivery targets.

Devolution reforms, as originally conceived and articulated, also envisaged large-scale fiscal decentralization to follow the administrative and political decentralization. This, however, was not to happen. While a fiscal relationship has been forged between the provinces and the districts, an extensive reorganisation of resources has not taken place and the vertical financial imbalance stays in place with the major financial collections being made at the federal (and to a lesser

¹ Mayor or elected head - vernacular term used in Local Government Ordinances, 2001

extent at the provincial) level and transferred to the local tiers under semi-institutionalised arrangements.

Before we examine the new scheme of things in greater detail (which is the subject of later chapters), it is important to understand the local and international political context in which devolution reform was conceived and implemented. In Pakistan, as in other developing countries, transfer of some governance functions to the local level was promoted as an important component of the 'good governance' paradigm that was added to the development agenda of international donor agencies as an aid conditionality for the developing world in the 1990s. Good governance, therefore, was, and is, perceived to be a new development paradigm, after the failure of earlier structural adjustment reforms, which had remained the core development agenda for almost two decades. The new paradigm suggested that the failure of earlier development plans was primarily due to endogenous institutional failure or poor governance by the countries receiving foreign aid for economic development, rather than exogenous factors such as international politics, economics and trade, international governance regimes or other aspects of contemporary global turbulence. In a sense, the paradigm shift marked a return to the Rostowian Stages of Growth and other modernisation theories of the 1950s and 60s that looked for internal institutional, structural and cultural causes of underdevelopment in less-industrialised societies.

This manifested in the latter's obligation to introduce good governance and decentralization in a memorandum of understanding between the World Bank and the Government of Pakistan. Internally, the military regime then in power sought to gain political legitimacy at the local level by introducing devolution of power plan. The new institutions of power created at the district and tehsil level remained the centre point of political legitimacy and reform discourse of the military-led regime until recently. However, since participation of political parties in the process of conceiving, designing and implementing the reform package was minimal, much of the political, administrative and fiscal restructuring was achieved at the cost of undermining all major political parties in Pakistan.

An important assumption in the devolution paradigm was that it will bring decision making closer to grassroots communities through effective electoral institutions, by creating new alignments at the local level, by catalysing the process of democracy via vibrant civil society, by creating locally accountable and efficient bureaucracy, and by adopting local accountability mechanisms to fight corruption. Moreover, giving priority to more female representation in local government institutions also became an important objective. Empowerment, and especially women's empowerment, became an important goal to be achieved through women's political representation at all tiers of governance but most importantly at the local level.

Many studies have been conducted on decentralization experience in Pakistan. The studies attempted to identify the merits and demerits of decentralization. Concerns have been raised about the potential virtues of decentralization and potential dangers. Many writers emphasised the gains to be made from a decentralized system, particularly in terms of allocative efficiency and participation of the people at the grassroots, while others cast doubt on some of these gains, and raised concerns about possible negative consequences, particularly in relation to macroeconomic policy and income redistribution.

In general, the emphasis of these studies has been to examine institutional and policy variations and to analyse how decentralization can contribute to local development. More specifically, they analyse how decentralization can improve the provision and maintenance of public services and infrastructure. The emphasis is on technical, spatial, and administrative aspects. This genre of studies has produced wealth of literature that attempts to measure the impact of devolution reform on service delivery, particularly in education, health, water and sanitation sectors. This body of literature oscillates between proxy indicators of measuring state of service delivery and people's perceptions to the state of services under the new dispensation.

Other writers put political aspects of decentralization at the centre of their analyses. Essentially, they believe that decentralization can bring political reform or democratise the state apparatus. There are two ways this can happen. First, decentralization will initiate administrative reform by devolving centralised powers to the lower levels of government. This will make local governments more autonomous from the federal and provincial governments and more efficient, as they are supposed to be closer to the local population and are more accountable and responsive to their needs.

Second, it is hypothesized that decentralization will create new space for direct popular participation at the grassroots level, supplementing the opportunities for electoral participation provided by representative democracy. Popular participation in this context would serve as a means for the inclusion of the popular masses into the political system, providing a practice ground for democracy and thereby furthering political stability. New mechanisms for participation would also allow for direct input from popular and other social movements.

As discussed in detail in Chapter 2, the focus of existing literature on devolution has been on evaluating the impact of (fiscal, administrative and political) decentralization on the state of service delivery. There are two issues with this. First, these efforts have been generally limited in scope. The perceptions that have been measured are not representative of the range of stakeholders that are influenced by or can influence the state of service delivery. Also, there is hardly an effort to substantiate such subjective assessments with hard data from the field that examines resource allocations, etc. Second, impact on services is an important, but *only one*, aspect of the comprehensive assessment of the devolution reform in Pakistan. Other questions

are equally important. These include, but are not limited to, comparisons of the devolution reform as conceived under the Devolution Plan and as it unfolded under the LGOs, 2001; inter-district and intra-district variance in implementation and the partial rollback in certain areas; and tension and frictions at the local level, in particular between the district and the tehsil tiers. These are important questions and their examination is conspicuous by its absence from the existing literature.

It is this gap that mandates the present study. The present research has a significant field work component and attempts to comprehensively assess the local government system in Punjab. It is based on the premise that service delivery cannot be understood without an examination of the political structures and institutional mechanisms in which such service delivery is embedded. Taking a holistic view, it treats political, administrative and fiscal aspects of decentralization as organic parts of one whole and proceeds to examine it as such.

1.2 Research Methodology

In terms of the ToRs for this study provided by the Planning and Development Board, Government of Punjab, the following specific research questions and sub-questions were framed for detailed enquiry.

1.2.1 Research Questions and Sub-Questions

6. What is the extent to which political power and administrative authority have been decentralized, and financial resources made available to local government? What is the capacity at the local level to manage effectively the devolved authority and resources?
 - a. What was the nature and extent of political, administrative and financial devolution of power originally conceived by the National Reconstruction Bureau (NRB)?
 - b. How has this conception evolved/changed over time at the level of 1) NRB; and 2) Punjab Government (PG)?
 - c. What is the present status of political, administrative and fiscal decentralization at the district, tehsil and union council (UC) level?
 - d. How does the present state of implementation of devolution reform compare with the scheme of things envisaged by NRB?
 - e. What are the capacity requirements at the district, tehsil and UC level to fully implement devolution reforms as envisaged by NRB?
 - f. What measures were proposed by 1) NRB; and 2) PG to build such capacity?
 - g. How effective such capacity building interventions have been? What are some of the significant capacity gaps at various levels of local government?

7. What is the nature and extent of inter-district and intra-district variance in administrative and financial decentralization? What are the different patterns of delegation being followed in different departments and functions?
 - a. Which are the major areas where devolution reform has been carried out differently in 1) different study districts; and 2) different departments in the same district? What is the nature of such variance?
 - b. Which political, administrative or fiscal institutional mechanisms have been responsible for such variable implementation of devolution reform?
 - c. To what extent is the variance a product of functional autonomy provided by the LGO 2001, and to what extent is this a case of partial implementation and deviance?
 - d. Which patterns of such variable implementation (within districts and within departments) have enabled transfer of power to lower tiers?
8. What is the impact of the administrative and financial restructuring on the actual service delivery in education, health, drinking water, sanitation, agricultural supplies and marketing, and small and medium sized enterprises SMEs)?
 - a. What are the main indicators for service delivery in the six identified sectors?
 - b. What is the present state of service delivery on these indicators?
 - c. How does this compare (on similar indicators) with service delivery in the identified sectors in 2001 and 1995 (to the extent data can be dug)?
 - d. Who are the main stakeholders in service delivery? What are their perceptions regarding the impact of devolution reform on service delivery in the identified sectors?
 - e. What is the increased cost of expanding state apparatus to improve service delivery?
 - f. What are some of the major vertical programmes that have contributed to service delivery in the identified areas?
 - g. What is the approximate contribution of such vertical programmes to improvement in service delivery, if any?
9. What is the impact of the reservation of 33% seats for women in all tiers of local government on women empowerment in particular and delivery of social services to women in general?
 - a. Which social groups are represented by the lady councillors elected on reserved seats?
 - b. What are the indicators for women empowerment and gender sensitive service delivery?
 - c. How has the decentralized dispensation fared on these indicators since 2001?
 - d. What are the perceptions of key stakeholders regarding service delivery and women empowerment impact of reservation of 33% seats for women?
 - e. To what extent have gender concerns been mainstreamed into policy planning and implementation?

- f. What are the institutional mechanisms and structural frameworks that promote/prohibit gender sensitive policy planning and implementation?
10. What are the dynamics of the relationship between the following four actors: 1) District Nazim; 2) Tehsil Nazims; 3) DCO; and 4) Heads of various departments at the district/tehsil level? What are some of the tensions, especially in the context of service delivery and observance of rules and procedural formalities?
- How does LGO 2001 define the relationships between the above mentioned actors?
 - What are the de facto equations and how do these compare with the de jure positions?
 - What is the nature and source of variance among study districts?
 - How have these relationships historically evolved?
 - What is the governance impact of such relationships as they have emerged over time?

Admittedly, there are a number of important issues influencing service delivery through the local government system that do not figure in the questions listed above. For example, working of the police and its accountability to political institutions at the local level is a critical concern that figures in most debates on decentralization. Their importance notwithstanding, such questions were not considered in the present research because of its specific mandate. In any case, all aspects of a change as comprehensive and far-reaching as devolution of political, administrative and fiscal authority to local governance tiers cannot be examined in one study. Hopefully, this and other missing areas will be taken up in subsequent research efforts of a similar kind.

A combination of interviews, questionnaire surveys, observation and document analysis was used to find answers to these questions. The data included interview records, observation notes, perception survey questionnaires, and official documents and statistics. The Research Chart added as Appendix A shows the data sources and tools for each research question. The main method of data generation was interviews and survey questionnaire. Data collection to the extent of these instruments was outsourced to M/s Gallup Pakistan.

Given the need to generate data (as opposed to collecting it) and a focus on understanding the tensions, semi-structured interviews were preferred over structured interviews. Interview design was flexible and the questions included therein sought opinions and views from the respondents. Follow up interviews were also conducted in cases where certain issues needed clarification. The interview guides and perception survey questionnaires were developed in Urdu because the respondents were almost invariably a non-English speaking population. Accordingly, all interviews and surveys were conducted in local languages (Urdu and Punjabi). An informed consent was obtained from all respondents. The voluntary nature of the interviews/surveys and their right not to be interviewed or to withdraw at any stage of the research was highlighted. Complete confidentiality was guaranteed. Anonymity of respondents has been maintained while

reporting data unless permission to the contrary was specifically obtained. An effort was made to conduct interviews in a non-reactive manner, and to use gender-neutral language throughout the process. Most interviews were tape-recorded and subsequently transcribed in Urdu.

1.2.2 Sampling procedures

The first step was selection of six districts in the Punjab; the number of districts was specified in terms of reference of the study. This selection was based on multiple criteria: the level of social development as ranked in the Multiple Indicator Cluster Survey (MICS); level of urbanisation; location within the (south, central and northern) sub-regions of the Punjab; political affiliations of District Nazims; and level of industrialisation. Six districts, namely Rawalpindi, Sialkot, Kasur, Jhang, Lodhran and Multan were identified through the process for data collection. This is a fairly diverse group of districts, representing all geographic regions and levels of industrial and social development. Further, in at least one district (Kasur), the Zila Nazim did not belong to the ruling party in Punjab. The next step was the selection of ten tehsils from amongst the six districts. The criteria used for selection of districts were applied *mutatis mutandis* for identifying tehsils.

Within the selected tehsils and districts, the target population was divided into seven categories: legislators; elected officials of local government system at the district and tehsil level; non-elected officials at the district and tehsil level; households; opinion leaders; small and medium enterprise; and farmers. It can be argued that people have multiple 'class' locations and it may not be fair to place a respondent in, say, the opinion leader category, whereas she is also member of a household. This would have been problematic if our categories were exclusive. Since they are not, it was considered in order to identify people with a particular group for the purposes of data collection based on the source of their primary positioning in the system. The idea was to engage as diverse a range of stakeholders as possible and respondents' multiple class locations did not undermine this in any manner.

None of these groups is homogenous, nor a sampling frame for all categories does exist. The sampling frame exists only for the first two categories, i.e. legislators and elected officials. This was an important constraint. Also, the resource and time constraint did not allow data collection from each category on a statistically significant scale. Hence, purposive sampling was adopted in most cases. In all, 1535 perception surveys and 164 interviews were conducted. Sample size in each category and the process of respondent identification and recruitment is discussed below.

1.2.2.1 Sample selection for the perception survey

Legislators: This group included members of National Assembly (MNAs) and members of Provincial Assembly (MPAs) who were elected on general or reserved seats in 1985 or subsequent elections including 2008 elections. 30 legislators were included in the sample by

selecting 5 legislators from each of the six study districts. Legislators of each district were selected randomly without distinction between an MNA and an MPA. Legislators were selected because apart from being an end-user of services they play an important role in shaping the priorities of Provincial and Federal Governments with regard to vertical programmes for the delivery of services within the purview of this study. More importantly, prior to introduction of local government system, legislators (past, present and potential) were the main source of political input into policy process and influence on the provision of services at local level. In the new system, however, they had to share this power with the elected officialdom in the district and the tehsil who, in most cases, became the chief sponsors for positions in the provincial and national assemblies.

Elected Local Government Officials: This group included Union Council (UC) Nazims who were elected in either 2001 or 2005 local government elections under the Punjab Local Government Ordinance, 2001. 76 elected representatives of the local government were selected through random sampling with almost an equal number of elected representatives from each of the six districts. Whenever a UC Nazim was not available, the UC Naib Nazim of same UC was interviewed. This group was included in the survey because they are directly engaged in overseeing service delivery and have a strong interest in the continuation of current local government system.

Non-elected Local Government Officials: This group included District Coordination Officer, District Officers (DOs), Deputy District Officers (DDOs), Tehsil Officers (TOs) and lower officials such as office assistants and clerks of the six district governments and tehsil municipal administrations. 75 respondents were selected in this category with almost equal number from each district. These stakeholders were engaged because they are directly responsible for the delivery of various services to the citizens.

Households: The list of union councils in the six districts was used as a sampling frame for randomly selecting 10-15 UCs in each district while keeping urban/rural ratio of 60:40. In each UC so selected, judgement sampling was used to randomly select a location. Starting from a centre point of the location – a mosque, school or any popular place in the area – fifth street from the centre point was selected and 1-10 households were randomly selected in the street. Starting from the right side in the selected street, every house on the right hand side was interviewed. Every street was assumed to have 10 houses and the interviewer turned right after the street ended and conducted consecutive interviews. This process continued till the completion of desired quota at each sample point. While selecting the respondent within each household it was ensured that he/she was resident of the house and at least 18 years old. 825 households were interviewed so that the views could be statistically significant. Many of the respondents in this

category were women. As end-users of services, their views are crucial for making an assessment about the improvements in service delivery.

Opinion leaders: These respondents came from a diverse background – doctors, engineers, lawyers, traders, journalists, teachers, managers of NGOs, heads of congregation, etc. 252 individuals from this group were included in the sample purely on judgemental sampling basis. They were interviewed because generally they play an important role in educating, disseminating views and shaping the opinions of citizens. Given their educational and professional background, they are more likely to be aware of and are knowledgeable about the activities and performance of district governments in respect of service delivery. Hence, seeking their opinions and eliciting their views was considered important for assessing the state of service delivery under the new local government dispensation.

Small and Medium Enterprises (SMEs): 161 owners of small and medium businesses were included in the sample because the perception survey specifically attempts to capture the opinions on the delivery of services pertaining to small and medium businesses. Just as households were included being the end-user of social (health & education) and municipal services (water supply & sanitation), SMEs were surveyed being the end-user of SME services. In this category, 14 UCs were selected from each district. In each UC, two respondents were selected from the main bazaar, one being a large retail-store owner and the other a comparatively smaller one.

Farmers: The final group of stakeholders consisted of farmers. For the selection of interviewees, 2-3 villages were selected randomly in each district and 10 interviews were conducted per village. The opinions of this group were paramount to get insight into the improvement of services offered to agriculturists by the local government.

1.2.2.2 Sample selection for the interviews

In addition to perception survey, face-to-face interviews were conducted with 165 respondents who were divided into six groups: Elected and non-elected officials in the district, elected and non-elected officials in the tehsil, parliamentarians, households, UC Nazims and NGOs. The purpose of these interviews was to clarify any ambiguities in data collected through perception survey and gain further insights. Any respondent who was surveyed was excluded from the sample for face-to-face interviews. The selection criteria for respondents within each group are as under:

Parliamentarians: A list of MNAs and MPAs of each district was prepared in alphabetical order and a random selection was made to conduct three interviews in each district. Those parliamentarians who were included in perception survey were excluded from the list so that views of maximum legislators could be collected. Of the three interviewees, two were of those

who were elected in 2002 elections and one from amongst those who had been elected through the elections between 1985 and 2002. A maximum of three attempts were made to contact the person after which the next person in the list was contacted.

Elected and non-elected officials in the district: This group included elected and non-elected officials (details in Table 8.2). The city was divided into several geographical zones and a quota sample was selected as per required quota by using judgment sampling. A maximum of three attempts were made to contact the Zila Nazim after which the Zila Naib Nazim was interviewed.

Elected and non-elected officials in tehsil: This group comprised of Tehsil Nazim/Naib Tehsil Nazim, Leader of Opposition in Tehsil Assembly, Tehsil Municipal Officer and Assistants/Clerks of the Tehsil. The number of respondents in each district is specified in Table No. 2. The selection was made randomly, however, each an attempt was made to select the respondents from different tehsils within the district wherever possible.

UC Nazims: Two UC Nazims were selected from amongst the towns of each district. In addition, a woman member from each of the six district assemblies was also interviewed. The selection was random depending upon the availability of members.

Households: 3 Household interviews were conducted in each district selecting 70% respondents from rural areas. It was ensured that the respondent was resident of the house and at least 18 years old. The selection plan adopted the same process as for the household perception survey.

NGOs: This group included NGOs and office bearers of various associations specified in Table No. 2. Only those NGOs were selected that worked in the six priority service areas. Since the quota of interviews was limited, two NGOs were selected from each district so that collectively only 2 NGOs from each service area were included in the sample.

In case of office bearers of Associations of School teachers and doctors & paramedics, it was ensured that at least one-third of the total sample size comprised of women. If the President of an association could not be contacted after three attempts, the secretary was interviewed, and if the secretary was unavailable, the Vice President was interviewed.

1.3 Overview of Chapters

Chapter 2 examines the recent literature on devolution experience in Pakistan. Devolution in Pakistan has been an under-researched area and enough literature has not been produced to enable a comprehensive analysis on the basis of existing literature. Nevertheless, a close scrutiny of the available literature is a good starting point for further deliberations. This is precisely

what this chapter does by examining the relevant studies by research institutions, individual authors and international aid organisations.

Chapter 3 describes the relationships between various tiers of governance and government as these were defined by the LGO, 2001. The Ordinance allocates specific sections (and chapters) to defining such relationships considering their importance in operationalisation of the system. It is important to understand the relationship between provincial government and the district/tehsil government, directly or indirectly through semi-autonomous bodies such as the Provincial Finance Commissions, and the relationship between elected officials at the district/tehsil level and the bureaucracy (such as the DCO and the EDOs) they have to work with. The Chapter discusses the relevant provisions of the Ordinance and sets the stage for subsequent analysis of the variances in districts and how this affected service delivery.

Chapter 4 examines the system as it exists on ground. It looks at the implementation of political, administrative, and financial measures which the NRB, uninhibited by any genuine opposition, was able to introduce in a radical manner to make local tiers perfectly autonomous institutions of governance. Yet other aspects of the law did not grant sufficient autonomy to district governments. The powers of the provincial chief executives to direct, suspend or remove Nazims, negated the independence of local government. Besides, the local governments were not allowed to raise debts, create new posts or hire officers. More importantly, the law did not provide for certain major features, such as direct elections for Nazims or poor tax base that, according to many observers, should have been an integral part of the design.

The chapter also examines the partial 'roll back' that came soon after the induction of elected provincial governments in 2001. Non-implementation of the stipulated creation of the district cadres could be cited as an example. The general trend was, on balance, towards clipping the powers of the district governments. Likewise, the volume and timing of flow of funds from the provincial government, even after PFC awards, and especially to TMAs, is seen as unpredictable. Equally significantly, several extremely important provisions of the law remained unimplemented. Important internal and external controls and transparency measures like establishment of district ombudsman, regular conduct of internal audit, debate within Zila Councils, oversight of monitoring committees, never took place. Local Government Commission also remained largely inactive. Why did reversals happen and why did important provisions of the law remain unimplemented? These questions are discussed in detail in the following pages.

Neither the original LGO, 2001 nor its amended versions were implemented across the board. There were significant differences in how the devolved set up established itself across districts and departments. The variance was caused by a number of factors including personal priorities and political affiliation of the district and tehsil Nazims. These differences manifested in fiscal, administrative and political realms. So while it was possible for some Districts Nazims to recruit

provincial bureaucracy in support of their development portfolios, others may find it to be quite hostile to their legitimate demands. What was the basis of such inter-district and intra-district variance, and how this manifested in day-to-day functioning of the local government system is the theme of Chapter 5.

Capacity of local governments is the theme of Chapter 6. This became a major issue because there just was not enough quality human resource available at the district level, especially in case of small or remoter districts. Too many layers of bureaucracy were introduced without any regard for local, regional, or functional differences. Abolition of sub-division level also multiplied the number of officers needed to man the tehsil level. Grade inflation was also caused by massive increase in layers of civil service at the district level

Local governments may not have the kind of powers NRB originally envisioned after amendments in law and administrative instructions, but did they have sufficient powers to substantially advance their development and governance agenda? The answer is clearly yes. In districts and tehsils, it is clear that the Nazim is the boss. Many legislators chose to give up positions in the national assembly to become Zila Nazims. Many political parties also chose to aggressively contest local elections violating local election rules.

Chapter 7 examines impact of fiscal and administrative decentralization on delivery of selected services pertaining to services in health, education, water supply, sanitation, and agriculture. An effort has been made to separate perceptions of end-users from actual performance (which is the subject of the next chapter). However, district level data remained elusive and consequently, a modified approach was adopted whereby province wide indicators were relied upon for analysis.

Strategic view of outcomes on key services does not reflect noteworthy impact of devolution. Although improvements have occurred but no significant growth has been registered after devolution in case of most of services. Even in case of exceptions, it is difficult to determine conclusively whether or not devolved administrative structure is driving these improvements.

A visible trend of improvement can be discerned in case of number of primary schools and primary school teachers. These improvements brought about by substantial spending have resulted in improved net enrolment rates. On the other hand, substantial spending on middle/higher secondary education have yielded neither improvement in inputs nor growth in net enrolment rates similar to primary education.

Health inputs such as hospitals, dispensaries, RHCs, BHUs, TB Clinics and Mother & Child Healthcare (MCH) Centres have not changed significantly since devolution. More importantly, number of total beds per million in all kind of health facilities have remained static. However, some progress has been made in availability of health professionals except doctors. These improvements owe in a large part to substantial expenditure in these social sectors.

Since 2001, water supply has grown at 9 times the rate at which it was growing prior to devolution. However, hand pumps and motor pumps continue to be main sources of water supply. The situation is not much different in terms of access to sewerage and sanitation services. Information about these services shows that there is a significant variation in percentage of households having access to these services.

No discernible improvement has taken place in agricultural extension. Some improvements have taken place in provision of agricultural machinery and setting up of field plots, however, agricultural extension services have not witnessed any significant progress. It is also not evident that this increase was precisely the result of institutional factors pertaining to district government set up.

Based upon the analysis of revised estimates of District Jhang since devolution in 200-01, one can conclude that social and municipal services are not the priority of the District Governments and these are increasingly being financed through the vertical programmes.

Chapter 8 examines perceptions of various stakeholders about delivery of services in six areas: health, education, drinking water, sanitation, agriculture supplies & marketing and small & medium enterprises.

Overall 81% respondents stated that education sector had improved; however, only about a third rated the improvements as of major significance. Interestingly, the response of citizens in urban and rural areas was almost similar and no significant differences were observed in the opinions of male and female respondents respectively. Regarding school discipline, level of cleanliness and availability of clean drinking water, all groups suggested that these facilities had improved.

A majority of respondents informed that health services had improved. However, as opposed to those in education services, improvement rankings for health services were relatively attenuated. Elected/non-elected officials, opinion leaders and households opined that improvements had occurred in the availability of doctors & medical staff, medicines and surgical equipment under the local government system. An overwhelming majority of respondents (70%) agreed that public health services specifically prevention of epidemics and vaccination of children had improved under the local government system. However, MCH services received lower ratings as 57% of respondents bore witness to minor/major improvements.

Views of respondents were less than encouraging about improvements in both water sanitation and solid waste management. Rural residents were emphatic in their disapproval, but urban residents were almost divided in their views. Majority of semi-urban residents opined that water sanitation had not improved, but were divided about solid waste management.

Respondents gave a mixed opinion about provision of agricultural inputs e.g. fertilizers, quality seeds, pesticides etc. However, the majority held the view that access to agricultural loans had

increased and expressed satisfaction with the provision of agricultural information by the District Government.

Empowerment of women, social as well as political (in particular legislative) was one of the central arguments in the context of devolution. It was hoped that increased mandatory representation for women at all tiers of local governance will enable increased access to state structure for redressal of gender specific grievances and removal of institutional discriminations. How successful it has been is a moot point and is the theme of Chapter 9.

Chapter 2

Literature Review

The rejection of pro-Musharraf elements in February 2008 elections opened up floodgates of criticism of the 2001 Devolution plan in national policy making forums. In a typical debate on the subject in the National Assembly, as reported by Daily Dawn on June 4, 2004, 'a majority of the speakers ... called for thorough reforms through constitutional or legal amendments.' Some wanted immediate abolition of the 'dictator's brainchild.' Yet others sought reforms in 'the perceived defects in the centrally-controlled local governments such as compromising the autonomy of provinces, use of the system as a political prop for the previous regime and financial corruption.' Even former ruling party members asked, according to Dawn, for major reforms to make the system effective. This debate in the National Assembly echoes the general debate on the subject in the media, in policy forums and in the street. Some want abolition, some want major reforms. Only a few seem to be happy with the current state of affairs.

2.1 The Rationale of Devolution

In 2008, the future of the Devolution Plan may not be looking good. But this was not the case in 2001, when the Plan, a major plank of the reform agenda of the military-led government, was ushered in with much fanfare. According to the then Chief Executive, General Musharraf, devolution of authority to the local tiers of governance, aiming to 'empower the impoverished and make the people the master of their own destiny', 'will bring far-reaching consequences and will change [the] fate of the country.' 'We want to introduce essence of democracy and not sham democracy, which promotes the privileged.' said Musharraf. To implement this agenda, National Reconstruction Bureau (NRB), 'a focal organization to generate fundamental thoughts on promoting good governance to strengthen democracy through reconstruction of institutions of State' was formed and housed within the Chief Executive Secretariat. In 2001, a detailed plan for local government and police reform was presented after 'an intensive consultative process with the provincial governments'. The amended plans were eventually promulgated by each province in August, 2001, as The Local Government Ordinance (LGO), 2001.

What was wrong with the previous system of local governance? Unfortunately, NRB Local Government Plan 2000, a thirty four page document, devotes only a few disconnected paras to

discussion of the ills of the old regime. It can, however, be discerned from the document that there were several major 'structural and systemic disjoints.'

First problem, according to NRB, is bureaucratic control: 'In the existing system of governance at the local level, the province governs the districts and tehsils directly through the bureaucracy at the division, district and Tehsil levels ... The provincial bureaucratic set-ups are the designated 'controlling authorities' of the local governments, and tend to undermine and over-ride them, which breeds a colonial relationship of 'ruler' and 'subject.'

The second flaw is urban-rural divide: 'The existing structures and systems of municipal governance have outlived their capacity to service the needs of the inhabitants of medium and large sized cities.' 'Local government for towns and cities exist separately from those of the rural areas ... The separate local government structures engender rural-urban antagonism, while the administration's role as 'controlling authorities' accentuates the rural-urban divide.' 'The traditional approach to urbanization has concentrated attention, resources, and services in the urban centers to the neglect of adjacent rural areas.'

The third flaw is that old urban development systems, which, according to NRB, have failed to cope with rapid urban growth. 'The tremendous growth in the population of cities has created pressure for manifold increases in infra-structural facilities and delivery of services. This required heavy investment, but the municipal institutions have had neither the capacity nor the resources to service ever growing civic needs. Functions like urban development, master planning, land use and management are assigned to provincially controlled development, water and sanitation, and solid waste management authorities, that work in parallel and often at cross purposes with each other. Corruption has been a factor due to the misuse of authority to the advantage of some developers/contractors /influential beneficiaries through allotment of plots and permits, the non-appliance of land use rules, and the encroachment by developers of public areas.'

The fourth disjoint is lack of coordination. 'The absence of horizontal integration and the consequent inadequacy of functional coordination between the line departments at the division, district, and tehsil levels' led to 'inefficiency and corruption', ' the root causes of the crisis of governance at the grass root level.'

Hegemony of the office of the Deputy Commissioner was a hindrance. 'Over-concentration of authority, particularly in the office of the Deputy Commissioner, which besides creating the potential for abuse of authority, diffuses operational focus and results in the expedient handling of routine functions through crisis management. This was the fifth major structural disjoint.

2.2 The Devolution Plan

All this needed to be replaced, according to NRB, with a local government system based ‘on five fundamentals: devolution of political power, decentralization of administrative authority, deconcentration of management functions, diffusion of the power-authority nexus, and distribution of resources to the district level.’

In particular, NRB aimed to:

- a) Integrate the existing rural urban local governments; and bureaucracy with the local governments in a manner that a unified administrative structure emerges at the district level to ensure adequate provision of services to the people.
- b) Restructure the bureaucratic set up and decentralize the administrative authority to the district level and below.
- c) Re-orientate administrative systems to allow public participation in decision-making.
- d) Facilitate monitoring of government functionaries by the monitoring committees of the local councils.
- e) Rationalise administrative structures for improving efficiency
- f) Introduce performance incentive systems to reward efficient officials
- g) Ensure functioning of the related offices in an integrated manner to achieve synergistic effect and improve service delivery
- h) Eliminate delays in decision-making and disposal of business through enhanced administrative and financial authority of district and Tehsil/Town level officers
- i) Improve administrative and financial management practices in the district and management controls over operational units
- j) Redress grievances of people against mal-administration through the office of *Zila Mohtasib*. The government functionaries will also be eligible to lodge complaints against the unlawful and motivated orders of the elected officials
- k) Enable the proactive elements of society to participate in community work and development related activities

This new system, according to NRB, shall ‘ensure that the genuine interests of the people are served and their rights safeguarded. The new system will create an enabling environment in which the people can start participating in community welfare and be the masters of their own destiny.’ The-then Chairman NRB, Lieutenant General (Retd) Tanvir Naqvi, the man widely regarded to be prime designer of the new system, claimed that the devolution reform had brought the government close to the people and ensured accountability of bureaucracy at the local level. ‘New Local Government system bridges urban-rural divide and provides equal chances of progress to every citizen of Pakistan,’ he concluded.

2.3 International Experience

High-sounding claims by NRB about the possible fruits of devolution were not mere rhetoric. There was a growing body of international literature which argued that bringing power closer to citizens increased the quality of services, improved equity, and promoted economic development. Like many modern trends, Adam Smith was the first thinker to pinpoint the usefulness of the concept that public works of a local character should be constructed and managed by local authorities using local revenues because the benefits are local. He admitted that possibilities of abuse of authorities existed, but these were, according to him, lesser evils compared with the use of national revenues for such purposes.

Shah (2004) reports several major international studies supporting decentralization. It strengthened poverty alleviation efforts in West Bengal, India and in Bangladesh ((Bardhan and Mookerjee 2003), and Galasso and Ravillion 2003). It was seen to have improved targeting of social transfers in Albania (Alderman 1998). In two major studies of several developing countries, it was seen to have improved delivery of public goods and allocation of funds for public infrastructure. In several other studies in Latin America and in Indonesia, decentralization and its various versions were seen to have improved the quality of education scores, water management, and other social services (Fauget 2001; Eskeland 2002)). World Development Report 2005 (Bank 2005), reflecting the general opinion of development professionals, also advocates decentralization as a major instrument for improved delivery of social services to the poor.

Not everyone agrees with the idea that decentralization necessarily improves public welfare. Triesman (2000) found that perception of corruption and poorer delivery of health services increased in countries with decentralization. Azfar (2006)) failed to identify any improvement in efficiency and equity of public service delivery following decentralization in Uganda. Khan (2007) notes 'benefits capture and corruption at the local level, the lack of economies of scale in technology and information use, efficiency losses from lack of local expertise, and the potential increase in regional inequality', as among the potential dangers.

World Development Report 2005 however acknowledges that record of decentralization is mixed with some successes and some reversals. It cautions that 'Decentralization is not magic. Allocating more responsibilities to sub-national governments does not itself transform service delivery. This depends on whether decentralization is motivated by political, fiscal, or service reform objectives.' Shah (2004) summarises the literature to conclude that:

Decentralization whereby local governments are empowered to make all policy and program decisions on behalf of their resident-voters represents a complex system of political, administrative and fiscal autonomy and associated accountability

mechanisms to ensure responsiveness and accountability to voters. While in theory, such a system is expected to have positive impacts on the efficiency and equity of public service provision, in practice, these outcomes depend upon the existing institutional arrangements (including power relations) and coherence of decentralization policies to create the proper incentive environment for bottom-up accountability. This explains the myriad of outcomes that we see in practice. Nevertheless, the empirical evidence presented here is broadly supportive of a positive influence of decentralization policies in reforming public sector in developing countries.

2.4 The Actual Experience

Most observers in Pakistan -- especially the civil society -- welcomed the general thrust of the Devolution Plan. The idea of bringing government closer to grassroots and making it accountable to citizens was, after all, commonsensical. It was also based on the latest international development wisdom. Opinion of most development practitioners has, however, changed somewhat based on actual experience and a tentative body of literature examining various features of devolution experience in Pakistan.

Some reports have focused on the political economy context of devolution. In 2004, International Crisis Group (ICG), a Brussels-based international nonprofit recently voted as one of the ten most influential research and policy organizations in the world, published 'Devolution in Pakistan: Reform or Regression (ICG 2004).' In 2005, Akbar Zaidi, a Karachi-based social scientist, published 'Political Economy of Decentralization in Pakistan' in collaboration with Islamabad-based think tank Sustainable Development Policy Institute (SDPI) and University of Zurich (Zaidi 2005). In 2004, Cheema, Asim Khawaja, and Adnan Qadir Khan published 'Decentralization in Pakistan: Context, Content and Causes (Cheema, Khawja et al. 2005).' In 2007, Shah Rukh Rafi Khan, Foqia Sadiq Khan, and Aasim Sajjad Akhtar published a book 'Initiating Devolution for Service Delivery in Pakistan: Ignoring the Power Structure' with Oxford University Press. Drawing lessons for recent history of such reforms in Pakistan and the ostensible motives behind these efforts, the general tone of this body of literature, with the possible exception of Qadir (2004) is sceptical about the impact and success of Devolution Plan.

Two other reports by international aid agencies are noteworthy. These focused on the rationale, design, initial impact assessment, and the way forward. World Bank, ADB and DFID were commissioned by the Government of Pakistan to seek 'analysis and advice on the progress of devolution and, particularly, on ways to ensure that decentralization contributes -- a central goal -- to improving service delivery.' Their 2004 report, 'Devolved Social Service Delivery in Pakistan', remains the most extensive analytical study of devolution as practiced in its early years in Pakistan. A 2006 diagnostic study by the Urban Institute and the USAID 'Assessing the Impact of Devolution on Healthcare and Education in Pakistan' (Nayyar-Stone, Ebel et al. 2006)

investigates service delivery in four districts and some TMAs following devolution. As expected from major donors of the project, these two reports tend to ignore politics of devolution and avoid criticizing any of its major features.

Three other major reports have focused on assessing the impact of devolution. Two of these use perception surveys. In 2005, results of a 'Social Audit of Governance and Delivery of Public Services' commissioned by NRB and conducted by CIET, an international organization with a track record of conducting surveys, were made public by NRB. This survey (CIET 2005) built a baseline in 2002 measuring citizen satisfaction of tens of thousands of households aiming to 'find empirical evidence to answer questions as to whether and in what circumstances devolution is working, and offers pointers for issues which need attention in order to reach maximum benefits.' In 2007, results of an exhaustive survey of citizens' satisfaction with government services in Faisalabad, 'Selected Services in Faisalabad: Perceptions and Realities', conducted under the auspices of a DFID-funded project and District Government Faisalabad, were published (SPU 2007). Unlike CIET survey, this is only focused on one district and, therefore, it would be difficult to say that the results apply to all Pakistan. But given the relative wealth and size of local governments in Faisalabad and the impressive scale and methodology of this survey, the results are important.

Karachi-based Social Policy and Development Centre (SPDC) drew on large amounts of financial and other aggregate social services delivery data to reach its conclusions on impact of devolution on citizen empowerment, gender relations, and impact on service delivery in their major 2007 annual review, 'Devolution and Human Development in Pakistan (SPDC 2007).' Independent, insightful and comprehensive, this excellent report is an important addition to the study of devolution in Pakistan.

2.5 Apparent Design Strengths

Certain features of the Devolution Plan – level of decentralization of services and finances, oversight of politicians over bureaucrats, gender empowerment, and citizen participation in project planning through CCBs -- were especially acclaimed by most observers.

First, the depth of devolution of functions and responsibilities was seen as remarkable. According to Qadir (2004), 'the vast majority of public services that were previously under the local or provincial administration have been transferred to local governments, substantially increasing their scope and responsibilities.' According to International Crisis Group, this plan reserved 'unprecedented administrative and developmental functions for elected officials.' According to Zaidi (2005), 'the types and numbers of functions which can be performed' by the local

governments 'is very exhaustive and provides potentially for a high degree of decentralization of functions to local governments even in the rural areas.'

Second, local governments were provided substantial fiscal autonomy, either through powers to tax or through formula based transfers with discretion to spend. ICG (2004) finds local government fiscal resources to be 'significant.' Zaidi (2005) and also appreciates the level of fiscal decentralization.

The LGO, 2001 makes some bold changes into the earlier decentralized local government system with, perhaps, the biggest change and innovation with the case of fiscal decentralization... Under the new system, local governments are to determine budgets and expenditures for most services, whereas only policy issues, guidelines and monitoring functions are to remain with provincial and federal governments. Higher levels of government are to provide additional, special purpose and conditional transfer to local governments as the primary means to encourage particular policy outcomes, such as poverty reduction interventions, local economic development and natural resource management.

SPDC comments are more cautious. It finds, after a survey of similar fiscal decentralization efforts in other developing countries, that Pakistan had achieved an intermediate level of fiscal decentralization.

Third, senior civil servants at the district level were made subordinate to elected officials for the first time, According to ICG (2004), this was 'one of the most radical measures.' According to Qadir (2004), 'the ultimate decision maker changed from a provincial government district officer who reported to the provincial bureaucracy to an elected Nazim who ultimately is answerable to his district constituents.'

Fourth, special praise, for example, has been showered upon the increase in opportunities available to women. According to Zaidi (2005), 'one of the more important, perhaps revolutionary, interventions and changes made, however, has been the allocation of one-third seats reserved for women ... real and meaningful change will take time, but this is a very significant and positive move towards the politicisation of women and bringing them in to the mainstream.'

Fifth, a possible exciting development, according to Zaidi (2005), was the setting up of Citizen Community Boards (CCBs) in every area, where groups of non-elected citizens will work towards the development and uplift of their areas. CCBs can also raise funds through voluntary contributions, and can also receive financial support from local governments.

2.6 The Contested Political Economy

The direction of the plan and even some detailed features of the design may be praise-worthy on the drawing board but how did the devolution plan actually fare in implementation? As Shah

(2004) suggests, in theory decentralization is supposed to work but the reality of power politics may induce unwanted results. In addition, incoherent policies may also fail to 'create the proper incentives environment for bottom-up accountability.'

According to Khan (2007), the plan was a non-starter. He points out, that 'the most important pre-requisite is addressing the power structure in the context in which devolution is to be introduced.' He argues that 'if this end cannot be achieved due to various constraints or unmet pre-requisites, it would be advisable to postpone or even avoid devolution.'

Other critics while agreeing with the general direction have heavily criticized the ostensible intentions of the military-led regime. According to the scathingly critical ICG (2004) 'major political parties, independent human rights groups, the media and analysts opposed the draft devolution plan ... Musharraf's scheme ostensibly aimed at establishing the foundations of genuine local democracy. However, the main rationale for devolution was and remains regime legitimacy and survival.' According to Qadir (2004), 'the Pakistani experience shows that each of the reform experiments is a complementary change to a wider constitutional reengineering strategy devised to further centralization of political power in the hands of the non-representative centre.'

This generally harsh criticism about ignoble intentions of the military regime is predicated on three arguments. It is argued firstly, that it is a historic fact that all three past military governments in Pakistan had also focused on local government to build constituencies for themselves while attempting to by-pass federal and provincial electoral processes. According to Qadir (2004), 'each of the reform experiments has been instituted at the behest of a non-representative centre using a top-down approach.' Zaidi (2005) notes that 'the irony of the history of local government reform in Pakistan has been that the three military governments which have ruled Pakistan directly for 30 of its 58 years since independence – and half as many years behind the scenes -- have aggressively supported this process of devolution.' President Ayub regarded his system of 80,000 Basic Democrats as the most important reform of his domestic policy. 'Exactly this sentiment was expressed by the two other military rulers in Pakistan as well,' notes Zaidi (2005).

Secondly, design of the scheme of the election also lends itself to believe, according to ICG (2004), that the military regime was more interested in perpetuation of its rule rather than genuine empowerment. 'Final Local Government Plan 2000 also introduced a far-reaching change to the election method for the zila and tehsil nazims and naib nazims. The draft plan had recommended direct elections for both offices on a joint ticket. However, army corps commanders overruled the NRB, and the final plan replaced this with indirect elections whereby directly elected union councillors would choose the nazim and naib nazim. The official justification given was that as the district in many cases was much larger than a National Assembly constituency, direct elections could produce complications when national elections were held.'

Thirdly, the alleged use of the apparatus of the district governments for political ends has also cast doubts on the intentions of the regime. According to ICG (2004), 'The misuse of local government officials during the April 2002 presidential referendum and the October 2002 general elections has left little doubt that these governments were primarily instituted to create a pliant political elite that could help root the military's power in local politics and displace its traditional civilian adversaries.'

Several other political features of the plan were also criticized. According to ICG (2004), party-less polls have also undermined growth of healthy political parties in the country. 'The non-partisan nature of the local elections has exacerbated ethnic, caste and tribal divisions and undermined the organizational coherence of political parties.'

Perhaps the most important criticism of the devolution plan, according to its critics, is that it has weakened the critical federal tier of the province. According to ICG (2004) '[B]y juxtaposing more than 100 new local governments between it and the provinces, the centre ... has been strengthened at the cost of Pakistan's four federating units.' 'Pakistan's civil-military ruling elite ... has often used the administrative and coercive powers at its disposal to extend the centre's control over the provinces. Since military-inspired devolution is directed to local levels, it enhances tensions between the centre and the provinces.' Zaidi (2005) is also critical that 'there has been no decentralization of any federal level powers, duties or responsibilities to either the provincial or district level. Hence the accusation that in fact, rather than devolving power, power has actually become centralized in the state and its institutions, particularly the military.'

ICG (2004) report implies that devolution plan, as implemented, may actually be a regression. It 'has undercut established political parties and drained power away from the provinces while doing little to minimize corruption or establish clear accountability at a local level. The reforms, far from enhancing democracy, have strengthened military rule and may actually raise the risks of internal conflict.' 'Military's political engineering that accompanies it is widening divisions at the local and provincial levels. Some of these could well lead to greater domestic violence and instability.'

National Reconstruction Bureau reacted strongly to ICG 'schizophrenic logic, recommendations and scenario for transition to democracy in Pakistan.' NRB questions the sources of information adopted by the ICG report, thus identifying the alleged opponents of the system: 'The report is a diatribe that argues these positions based principally on the views of PML(N) and PPP politicians and some district management bureaucrats. Key assertions about 'lack of domestic legitimacy' and 'low domestic acceptance' are not substantiated by any means other than the viewpoints of opponents of devolution.'

NRB defended the thinking of the military and criticizing the conclusions drawn by the ICG (2004) in the following words:

In ICG (2004)'s Alice in Wonderland Pakistan historically ...all the military want is to perpetuate political power to the detriment of political parties, the provinces and the bureaucracy. In ICG (2004)'s Pakistan anything done by the military is tainted and sure to be eventually reversed ...The beneficiaries of the status quo should not be the final arbiters of what reforms should be undertaken. Anyone who does not buy into this view of Pakistani politics is dismissed as a lackey or the 'Punjabi dominated military.

According to NRB, ICG (2004) analysis was misplaced: 'Missing the ICG (2004)'s analysis are the people of Pakistan and how to improve representation, participation, responsiveness to citizen demands, rights and services, precisely the substance of devolution. The institutional crisis that gave rise to the need for national reconstruction is given short shrift, as are advances through devolution toward community participation, local democracy and more responsive local government.'

It criticized ICG (2004) for its emphasis on giving more power to the provinces. It was wrong to support 'devolution to the grass roots district level to empower the people' while advocating devolution to ' the provincial level to restore the power of opposition political parties and conserve the power of the elite bureaucracy construing autonomy of the bureaucracy as provincial autonomy.'

NRB argued that the devolution plan has received wide political acceptance. 'As part of a constitutional amendment', NRB argues, 'the Local Government Ordinance 2001 has received the maximum 'political acceptance' possible in Pakistan. NRB has undertaken a two-year review of devolution and a review of police reform implementation based on extensive and exhaustive consultations with both the provinces and the districts. This process culminated in January-March, 2004, with high profile, well publicized meetings chaired by the President and the Prime Minister with the participation of the Chief Ministers, key secretaries of all four provinces and relevant federal and provincial ministers.'

Importantly, NRB agreed with ICG for the need for direct elections. In the policy statement, it noted that there was consensus among all stakeholders for the need for direct elections of Nazim at the district and the tehsil levels.

In the current policy review NRB is once again advocating direct elections, a position which ICG shares in its recommendations. Direct elections would contribute to minimize electoral engineering that in the past has always been a negative practice in Pakistani elections at all levels, federal and provincial in addition to local and not invented by devolution. Furthermore, directly elected Zila and Tehsil Nazims would have greater legitimacy and a greater capacity to forge consensus

around development policies at the local level. It should be noted that the direct union council elections held in December, 2000-July 2001 had a higher turn out than expected.

NRB also agreed with certain other ICG recommendations like MNAs and MPAs participating in district development advisory committees, greater fiscal decentralization to districts and a formula based transfer system, as well as for expediting the formation and operationalisation of district, provincial and national public safety commissions and police complaints authorities, as well as allocating more resources and staff to the district police.

2.7 The Debate of Impact: Initial Evidence?

ADB (2004) report was the first relatively rigorous analysis of the impact of devolution on social services – the real yardstick of success or failure of devolution. It finds that ‘Devolution’s impact, if any, on the delivery of social services – education, health care, water, sanitation, law enforcement – cannot yet be reliably assessed. It will be sometime before agreed-upon data that could make or break the case for local control could be collected and analysed.’ Yet it states that to ‘ordinary Pakistanis, however, devolution is a promise being kept, a promise still far from fulfilled, but one that is already bringing change in some schools, courts and clinics and, most visibly, in the political life of the countryside and the cities and towns.’

In particular, the study finds that strengthening of citizen voice, while far from perfect, given the state of devolution and its duration, was already producing ‘encouraging’ results. ‘The exercise of citizen power – on councillors as well as on nazimeen – is manifesting itself in some significant achievements. For instance, it appears that doctors and teachers are now more likely to be at their posts. Drugs are more often available in clinics. ... Where access and response are improving in this manner, devolution would seem to be promoting the accountability that represents one of its basic political objectives.’

All effects have not been positive though, the report (Cyan, Porter et al. 2004) finds. Police performance has deteriorated.

Of most concern, it seems that weaknesses in external oversight of the police have made the police less governable. The consequence is that, in popular perception, the incidence of police excess and torture during pre-trial detention has increased markedly, along with a perception that police are unresponsive to increasing (or better-reported) violence against women. As a result police reforms are in serious danger of being perceived as a one-way street on which the police has simply secured more resources and autonomy while becoming less accountable.

Corruption, or at least the perception of corruption, has increased, the report finds, the poorer quality of policing a major contributor:

Rising corruption in the police service, moreover, exacerbates corruption in other public offices, motivated by the sense that corruption and unresponsiveness can occur with impunity. The failure of the police to provide basic public safety is undoubtedly associated in the public perception with a decline in accountability in such other service areas as taxation, property rights and irrigation which impact on the poor.

The cautiously optimistic verdict on improvement in quality of services failed to silence the critics. These writers could hardly be expected to declare a plan supported by these very organizations a failure. As admitted by the writers, two or three years were far too early to deliver an assessment. Data supporting an unassailable argument on either side was not available.

Another 2006 diagnostic study by Urban Institute and USAID 'Assessing the Impact of Devolution on Healthcare and Education in Pakistan' investigates service delivery following devolution in four districts and some TMAs. Restricted in its scope as advanced analysis for a technical analysis project, it does not deliver a verdict on the impact of devolution on these services. It only makes modest technical recommendations.

2.8 NRB Claims and CIET Survey

Amidst the heated debate on political economy of devolution and the tentative results of early assessment reports, Mr. Daniyal Aziz, the-then chairman NRB, argued before Pakistan Development Forum, Islamabad, in May 2006 that devolution was delivering as promised, in a presentation titled 'Impact of Devolution on Delivery of Services.' He presented four pieces of evidence to support his claim.

Own source revenues of a sample of eight Tehsil Municipal Administrations have jumped substantially since devolution was introduced. TMA Rawalpindi, for example, registered an 80% increase in its self-generated revenues from Rs 343 million in 2001-2 to Rs 617 million in 2004-5. Bhakkar TMA revenues increased from 36 to 84 million in 2004-5 – a jump of 134%. Other TMAs in the sample showed increases from 37% to 148%. This was the first piece of evidence documenting success of devolution plan.

Substantial positive changes in key social indicators in the last few years as documented by major national statistical surveys was the second piece of evidence. The percentage of piped water as the major source of drinking water increased from 25% in 2001-2 to 35% in 2004-5, percentage of households using flush toilet increased from 41% to 57%, gross enrolment at primary level jumped from 71% to 87%, and net enrolment at primary level increased from 42% to 56%. The graph presented also sought to show that the gains in social indicators accelerated after devolution – the rate of change after devolution was more than before devolution.

The third piece of evidence presented by Chairman NRB also focused on gains in social indicators as documented by Pakistani Poverty Reduction Strategy Paper (2004). Percentage of some 0.13 million functional primary schools across the country with electricity increased from 19% to 27%, percentage with latrine increased from 36 to 47%. Percentage of some 0.13 million middle schools with walls increased from 47 to 62%. Similarly, certain health indicators demonstrated increases over two years of devolution.

Most importantly, NRB presented the results of a national survey, Social Audit of Governance and Delivery of Public Services' commissioned by NRB and conducted by CIET, an international organization with a well-known methodology. The survey built a baseline in 2002, measuring citizen satisfaction of 57,321 households with 433,147 people who availed services of 751 schools and 310 health facilities. A 2004/5 follow-up survey asked the same questions of 53,485 households and 421,107 people.

CIET survey finds several positive changes in access to government services and in satisfaction of citizens. Percentage of households with access to government services has increased from 51% in 2001-2 to 64% in 2004 across the country. Satisfaction with government sewerage services increased during this time from 13% to 20%. Similarly, percentage of households across the country with access to government water supply increased from 40% to 44%. Satisfaction with this service however remained the same. Percentage of households with access to government health services increased from 67% to 77%. Satisfaction with this service increased from 23 to 27%. Access to education registered almost no increases, on the other hand.

CIET conclusion on devolution is tentatively optimistic: 'There are encouraging signs from the social audit enquiry after two years or more of devolved local government ... the councils have not done badly in coming to expectations but frustrations could set in if they are not able to solve the problems brought to them by the public.' In particular, the CIET survey finds the level of engagement of citizens with the new local governments, especially the union councils, 'high' and 'encouraging.' Through it is implied that the vulnerable may not be reaping any fruits since 'councils are being used more by people who were already more active in their communities and efforts are necessary to make sure that they reach the disadvantaged.'

On the basis of these four pieces of 'corroborated' evidence, NRB Chairman concluded that 'devolution has delivered: (a) access of the citizens to service delivery facilities has greatly improved; (b) citizens' satisfaction has improved; (c) social sector service delivery indicators have improved; (d) own source revenues of TMAs have increased.'

2.9 Faisalabad Perception Survey

A 2007 exhaustive survey of citizens' satisfaction with government services in Faisalabad, 'Selected Services in Faisalabad: Perceptions and Realities' (SPU 2007), conducted under the auspices of a DFID-funded project and District Government Faisalabad, appears to contradict CIET findings. Finding on education service were clearly negative.

Almost all aspects of education service delivery were ranked as poor and were felt to have deteriorated in the past five years, with the exception of the provision of free textbooks, which was viewed positively by citizens. Despite their grievances, few citizens complained about the service, as most believed that there would be no resolution of the issue.

Feedback about water and sanitation services was similarly bleak.

While a number of respondents had complained about these issues, given that there was no private provider to turn to, there had, for the main part, not been a resolution to their problems. Respondents felt that most aspects of these services had deteriorated over the past five years. While investments in water supply and sanitation have formed a large part of district development expenditures, most respondents recognized that these investments had been piece-meal and ill-planned, and consequently ineffective.

Feedback about health services was, on the other hand, mixed:

Citizens in urban areas indicated that almost all aspects of service delivery had worsened or remained the same over the past five years. Conversely, a fairly high proportion of rural respondents ranked facets of service delivery as either good or average, and as having improved over the past five years. This is indicative of the effectiveness of the alternative service delivery model (management through PRSP)² being deployed.

The findings of the survey on mechanisms for local governance like citizen participation were also depressing.

Importantly, the findings reflect a breakdown of trust between the state and its citizens. Citizens have no confidence in the state machinery to resolve the many issues they face in their every day lives. Frequently they turn in desperation to those who are most accessible to them; in most cases the Union Nazim. However, even elected representatives indicated that service delivery issues generally remained unresolved in the limited instances when they reverted to line departments and agencies to resolve them. The findings of this survey indicate that the critical pillars of transparency, accountability and democratic participation appear to be compromised, while existing systems of power and patronage have been

² Punjab Rural Support Program (PRSP) is an NGO, which entered into partnership with the Government of Punjab for managing primary health care in the rural areas of selected districts (including Faisalabad). Under this arrangement, basic health units were placed under the management of PRSP, while the health facilities in the urban areas continued to be managed by the Government of Punjab in the Health Department. Hence the difference in service delivery.

reinforced. The impact of devolution in terms of good local governance is thus being undermined.

2.10 Recent Evidence on Impact

On closer inspection, it is seen that claims of Chairman NRB do not bear close scientific scrutiny. TMA own source revenues have indeed increased. But this only represents some TMAs of Punjab; elsewhere in the country results may be different. It is, however, likely that the locally generated resources of TMAs may have registered increases over the first few years of devolution: it is commonly accepted that devolution plan has allocated the most buoyant sources of revenue to TMA, the middle tier, of local government. This was always likely to happen. Speedy increases in the beginning were also likely as TMAs found their feet and organized themselves. It remains to be seen if such rapid increases or even modest increases are sustained over time in real terms. Most importantly, NRB does not talk about self-generated revenues of district government, the most important tier of local governments. Given their poor resource base, it is quite likely that this tier registers only modest, if any, real increases.

The implied argument that devolution has caused increase in social development, output, access to services and satisfaction indicators also is not valid. One, CIET survey, for example, mentions in the beginning that there is 5% margin of error. This important methodological point is then ignored in claiming improvements in several areas where statistically speaking there were probably none. Two, since the baseline for CIET survey is 2001-2, it is not seen if substantial increase in satisfaction with roads and sanitation and marginal improvements in education and health are actually the past trend line or if these can be ascribed to major changes in government architecture. Three, some results in justice sector part are against common sense: police satisfaction ratings appear to have shot up. The Pakistan Standards of Living Measurement Survey on the other hand for the same period finds that only 7% are satisfied with police services. Most importantly, improvements, if any, cannot be ascribed to devolution alone. Many other government initiatives -- massive increases in ADP, vertical programs, better monitoring by the provincial government, etc. -- could be reckoned as some of the relevant factors.

Surveying NRB claims of improvements in service delivery, Khan (2007) states that 'for the most part, the government's claims of significant improvements in service delivery following devolution are dubious at best. The data sources quoted by the NRB do not rigorously isolate the impact of devolution on service delivery.' He claims that improvements, if any, could have been due to 'pick up in the economic growth rate and remittances between 2002 and 2005 could have been responsible for improved social sector indicators. Thus, much of the improvement could have occurred because prosperity enabled greater individual effort, as has been the trend over the past decade.

More recently, SPDC (2007) report is bolder in its findings. It notes that only six years have elapsed since devolution, and given the long-term nature of the process, it is probably too early to judge the success or failure of this process. Also some of the changes are likely to be qualitative in nature and difficult to measure.'

On education, it notes that education figures recorded substantial increases post-devolution, especially after 2003. However, the report validly questions if these increases were caused by high level of transfers to provincial and district government or higher priority attached to primary schools and/or better utilization of resources by districts governments. It notes that expenditures on education at all levels increased after 2001, hitting a peak of 2.2 % of GDP in 2003. Education outlays of district governments also registered substantial increases but 'contrary to expectations there has, in fact, been a decline in priority for primary education after devolution in all the four provinces. SPDC concludes that 'the growth in expenditure since 2001 is a reflection of larger transfers to district government and not due to enhancements in priority for primary education by provincial/district governments.'

Also, no increase in cost-effectiveness of delivering education was seen. 'There is evidence of declining efficiency in the provision of education services by district governments, as indicated by the divergence between the growth rate of expenditure and of enrolments.' However, this apparent drop in efficiency, the report concedes, could be caused by higher marginal cost of reaching far-flung area or attracting drop-outs.

On health, SPDC report finds that 'overall, the emerging processes of political participation and decision making in district governments have not yet brought up adequately the importance of people's health, especially women and children.' It concludes that 'there is no evidence yet of any significant impact of devolution on the trend in health outcomes indicators like life expectancy and infant mortality.'

On water and sanitation, SPDC report finds that 'there has been visibly faster expansion after devolution in water supply services, although level of coverage still remains low.' The report gives TMA due credit for bringing about a qualitative improvement in water supply and sanitation.

Regarding disparities between and within the provinces, SPDC notes that:

The devolution process appears to have been largely unsuccessful during the first six years in reducing regional disparities in the access to social services, research undertaken by SPDC on levels of multiple deprivation at the district level with regard to coverage of services demonstrates that inequality, has in fact, been increasing in the two large and developed provinces, Punjab and Sindh.

On gender and access to services, SPDC notes that it is not clear what impact the qualitative change in pattern of representation has had on gender equality in the initial years after devolution. The evidence is at best mixed.'

SPDC report concludes that:

Devolution process is, in fact, beginning to contribute to a faster improvement in enrolment at the primary level and literacy in the country. If this effort at enhancing human capabilities is sustained then it augers well for achieving more reduction in the incidence of poverty during the coming years. However the lack of significant change to date in the trend of health indicators, gender equality and regional disparities limits the potential impact of local governments on poverty in the post-devolution period.

2.11 Growing Pains?

Devolution plan has not delivered the required acceleration in improvement of quality of services, answer the architects, supporters and donors, because of many 'growing pains' naturally expected in such large scale governance reform. The assumption is that things will only get better once these issues are sorted out. Policies have to be 'coherent,' Shah (2004) also pointed out, for decentralization to achieve the desired results.

First, districts still have limited managerial or financial autonomy vis-à-vis the province. The transfer of functions and the physical relocation of staff have not been fully matched by the transfer of the employer role. The result is that although physically located in the districts, most senior district staff does not consider itself as district employees. This attitude has considerably weakened the accountability of senior district staff to local elected representatives.' The systems of management do not empower the district government elected leaders, or even the senior managers, to demand compliance from senior civil servants. District officials, for instance, have only weak control over staff numbers and over their disposition within the district. They cannot, on their own, decide their salary budgets or dismiss surplus staff and can only recruit within guidelines imposed by the provinces which also interfere in transfers. Neither district nor tehsil authorities have any autonomous power to determine pay policy.

Fiscal autonomy may also be limited because local governments often do not have the tax base or the capacity to raise revenues on their own. 'In fiscal affairs, devolution remains far from complete and the anticipated incentives do not operate with anything like full effect. The problem is especially severe in case of districts. They have a weak tax base and have trouble in collecting some of the taxes assigned to them. Such weak financial base places them at the mercy of provincial authorities who earmark transfers to programs they designate, negotiate the amounts of other transfers, impose arbitrary deductions from the divisible pool of funds and, over the

medium-term, perform poorly in delivering funds to the districts on schedule. By failing to deliver budgetary certainty and autonomy in budget preparation, these practices undermine the incentives for effective financial management at local levels. Additional incentives, in the form of Provincial Finance Commission awards that might encourage local revenue-raising, have been few. All that entails that administrative decentralisation has not been backed by fiscal decentralisation. In other words, responsibility to deliver social services has been devolved to the district and tehsil levels without the autonomy or the capacity to raise, allocate and control resources.

Vertical programs, according to ADB (2004) report, undermine autonomy of district governments to set their development priorities.

More than half the Annual Development Plan (ADP) in the six districts studied for the report represented commitments to vertical programs effectively controlled by federal and provincial agencies. Since the funds do not come from local sources and it is difficult to access information about their performance, local citizens have little reason to monitor spending closely.

Provincial government has also been slowly encroaching upon the functions of local governments, particularly in water and sanitation. In other cases, intended devolution has just not taken place. Karachi Building Control Authority and Karachi Water and Sewerage Board were to be merged within Karachi City District Government; Lahore Development Authority and Lahore Water and Sanitation Agency were to be merged in Lahore City District Government. Neither of these did happen.

USAID (2006) findings on the impact of devolution also focus on technical design issues as the means to alleviate the poor state of affairs.

Four and a half years into devolution, political decentralization has not been followed by adequate administrative and fiscal decentralization to ensure quality service delivery to the public. Citizens recognize this incapacity and mistrust the government's ability to improve the quality of their lives. Citizen participation in local government activities and decision-making is very low, despite the fact that the Government of Pakistan's approach to devolution is marked by a very strong role assigned to citizen organizations and governmental accountability to them.

2.12 Politics of Local and Provincial Power

According to supporters of devolution plan, decentralization policies must be coherent and the plan design (full devolution of function and complete management and fiscal autonomy, for example) must be fully implemented to realize the full fruit of this major governance reform. To the critics of the devolution plan (including those who agree with the idea of decentralization but disagree with many details and the mode of implementation), this ambition is a pipe-dream. They

argue that ADB reports, like the devolution plan, fail to properly take into account the political environment, including the possible resistance, for reasons legitimate and illegitimate, that this reform was bound to encounter.

For example, ADB (2004), and especially USAID (2006), dutifully list the usual complaint by district government leaders that there is not enough money, there is not enough supervisory control over district civil servants, and there is too much interference by provincial government. There is much truth in these complaints but we never find out what changes have the DG and TMA leaders brought about with the powers and the money that they have. The fact is that they have considerable powers and considerable money at their disposal. If there was none, nine MNAs would not have resigned their seats in the National Assembly to contest District Government elections in 2005.

Why has visible service improvement, therefore, not taken place? What exactly is going on? Why isn't every one dutifully implementing the well thought-out design of the architects of the plan to raise the living standards of the poor? Answer lies in investigation of the realities of political economy of devolution and its alignment as on ground.

ADB (2004) also concedes in places that incentives for improved service delivery within the district, the lynchpin of the idea of devolution, may not be working as desired. Union Nazims are interested mainly in projects of their UCs. This impacts larger service delivery negatively because then they do not pay 'adequate attention to their other important role as district and tehsil council members.' The important council budget sessions, it was observed, were largely perfunctory. Budgets were passed in a matter of minutes, suggesting that district-wide issues had not received the attention that they deserve. Monitoring committees, even when formed, are generally not functional, in part because councillors lack capacity to deal with issues which are deliberately articulated in technical language, and are generally dealing with a 'frustratingly non-responsive bureaucracy.' Also councillors' priorities lie elsewhere: They focus their attention on the particular constituency that has voted them into power.

ADB (2004) also concedes that provincial superintendence is omnipresent and intrusive. This means that district elected leaders look up to the provincial government, instead of their voters, for their political survival; another misalignment of incentives.

It is clear that, under the new arrangements, district nazimeen need working alliances with the provincial authorities. If the latter oppose or distrust the former, provincial interference can exert such a strong and disruptive pressure on nazimeen that the voice of the people – the incentive-creating electorate – becomes hard to follow. Working alliances spring up naturally when the provincial Chief Minister and the District Nazim are from the same political alliance or when the Provincial Assembly constituencies within a given district are filled with politicians from the

same party as the Nazim. Where opposing factions command district and province governments, a strong Nazim may have sufficient independent political standing to resist provincial interventions. But when conflict, not collaboration, marks local administration, citizen's voices have to be particularly strong to be heard and to direct policy from below.

Other than a few instances mentioned above, the ADB (2004) report largely ignores issues and realities of power politics – citizen vis-à-vis the elected leader, elected leaders among themselves, elected leaders and the province -- the central issues mentioned by Shah (2004) in his summary of international literature. For example, are incentives favouring improvement in services really at play in local governments, or other factors like nepotism, clan politics, or narrow personal interests more influential in local politics?

Studying power relationships and service delivery in two union councils, Cheema and Mohmand (2007) found that quality of sanitation and water services had improved in pockets of the Union Council but education and health services remained poor. Water and sanitation services, unlike education and health, were more prone to elite capture because these could be targeted. The elected leaders, therefore, focused on these services to deliver discernible benefits to their supporters to the exclusion of their opponents, the traditionally weaker factions.

Khan (2007) for example finds that diffusion of power has not taken place.

Large landlords captured the all-important Nazim seat even at the UC level. ... The limited evidence on post-devolution service delivery is far from encouraging. Among other things, patronage-based politics has become more entrenched and accordingly influentials in rural area may have increased their ability to interfere in the provision of service-delivery.

Most significantly, extremely important issues of federation-province relationship, non-party character and mode of election of Nazims, all important features of any comprehensive devolution design, are not discussed at length by ADB (2004). These are not discussed at all by USAID (2006). Both reports never attempt to revisit any of the major NRB prescriptions.

History, according to Zaidi (2005), tells us that such military-led interventions have a short shelf-life. 'Whenever democratic politics comes into contradiction with the military's politics, and especially when the military's local government is confronted with representation, the artificial system set up by the military is undone. It took the newly elected President Zulfikar Ali Bhutto a few days after assuming power in 1971 to say: 'I am abandoning the system of Basic Democracy that has bred nothing but nepotism and corruption, a system that reduced democracy to a farce.' Local Bodies created under the 1979 Local Bodies Ordinance introduced by Zia-ul-Haq also were not allowed to function by democratic governments following his death.

Conflict of power between national and provincial legislators and the local government elected leadership, as was the case in the past, according to Zaidi (2005), would be the key factor determining the fate of the devolution plan' the local government system imposed by the military, continues to be questioned by the elected members of the higher tiers of government. These elected provincial and national assembly members feel that the system of district government has taken away some of their control and privileges and so they feel threatened. Hence, as in the past, a contradiction emerges between the politics of democracy – even a praetorian democracy - - and the politics of the military. To make matters worse and to undermine the local government system established by the military government, elected representatives at the national assembly have all been promised large sums of money for development purposes which they are supposed to spend in their constituency, throwing into peril the carefully crafted local government fiscal and development model.

2.13 Tentative Future

Consensus of analytical literature on devolution, as excerpted above, appears to be that it is not working as well as planned. What should be done then to rectify the situation? Almost all academic writers, bar the notable exception of some senior newspaper columnists, appear to agree with the general idea of devolution, arguing for more devolution to solving the ills. Some focus on curing the political architecture, others on technical details. Everyone acknowledges the need for reform.

Khan (2007) argues that land reforms are a major pre-requisite. Unless power is diffused with such major social engineering, exercises like devolution are going to be futile. If devolution is still to be pursued, he suggests, it should go down to the village level with maximum decentralization of functions even to this grassroots. Even the UC level is too removed from the village.

Keeping the focus on political economy of devolution, ICG (2004), on the other hand, suggested that the Government of Pakistan must:

demonstrate a commitment to real political devolution by: (a) placing the Local Government Ordinance (LGO) before each provincial government for review to create the necessary political acceptance of the scheme; (b) holding local government elections on a party basis, with direct polls for district officials; (c) refraining from imposing political discipline on local officials and misusing them for political ends such as partisan electioneering; (d) take steps toward decentralization from federal to provincial levels by: reducing the number of federal ministries involved in and hence capable of exercising control over local government; and (e) allowing the representation and participation of provincial and national assembly legislators in key local government bodies such as the district development advisory committees.

ADB (2004) report suggests, as implied above, that full implementation of devolution is required. More management autonomy should include empowering local governments to hire and fire, set salary bills, offer other financial incentives. Moreover, district cadres and local government service should be created. More fiscal autonomy should include gradual elimination of vertical programs, greater assignment of revenues from provinces, and better tax base. More functional autonomy should include further transfer of provincial functions to local governments with reliance on and use of conditional grants to transmit policy. The report also urges local governments to show more meaningful progress at the earliest and reduce development throw-forward, increase coverage of user charges, strengthen inter-jurisdiction planning and coordination, and regulate and engage with private sector service providers.'

Importantly, ADB makes two important suggestions with important political implications. It argues that NRB should allow provinces to adapt the plan to local realities. Second, it also argues for assignment of more functions and more revenues from federal to provincial governments.

SPDC (2007) also argues for deepening of devolution and offers recipes similar to the ones noted above for the ADB. USAID (2006) report, on the other hand, focuses on modest technical improvements, such as:

Encourage and establish channels for information sharing between the tehsils and the other tiers of local governments, hold information dissemination sessions to raise awareness among all local officials of the new roles and responsibilities assigned to them under the Local Government Ordinance, strengthen the capacity of EDO-Health and EDO-Education and their offices for management and oversight, create channels for cooperation and collaboration between the districts' departments and their corresponding line departments at the provincial level, [and] strengthen the capacity of the Community Development Department at the district-level.

The problem with these mostly technical suggestions is that these are again often not grounded in politics and administrative realities. Do most district governments have the capacity to raise effective district cadres? Even if they do, will it lead to more corruption or less given that officers shall be completely beholden to elected leaders? If elected leaders want improvements in delivery of service as their first priority, district cadres with appropriate capacity and professional expertise could, perhaps, deliver. But if citizen's voice and accountability mechanisms are weak or absent because of indirect elections and party-less polls, it is not clear how the system could lead to better delivery of services.

Khan (2007) focuses on more important fundamentals like land reforms but ignores the reality that it is not likely to take place and that governance reforms, if any, have to take place within the prevalent structures of power wielding landed elite. His proposed model of devolving everything

to the villages is not workable because of obvious capacity and scale constraints. Not to mention the fact such ideas are going to be powerfully resisted by even district level elites.

On the other side of the spectrum are some leading newspaper columnists. Ayaz Amir, a prominent newspaper columnist and legislator, writing in the daily NEWS wanted the whole system scrapped:

Among the achievements of the old order was the complete smashing of the district organization setup. Today administrative chaos reigns in all the districts of Pakistan, partisan Nazims, out to settle their own scores or pursue their own political agendas, pretending to run a non-partisan system ... When change comes to Pakistan, two things will have to be done immediately by any incoming government with the slightest concern for the nation's plight: finish, at a stroke, the district Nazimate system and abolish, at a stroke, the Police Order 2002. I never thought I would have a kind word to say about the post of deputy commissioner but compared to the pestilence of the district Nazim it was a godsend.

The fact however remains that local political realities, if allowed to run their democratic course, not ambitious and wishful attempts at social engineering, shall determine the fate of devolution as currently planned. According to Qadir (2004):

The conflict between the provincial representatives and local governments ... does not bode well for the future of the current decentralization program either ... what is clear is that if they remain, we are likely to see an impact on delivery of public services. Whether this will be for the better, as local governments become more accountable to the general public, or for the worse, if local governments fall into patronage and 'biradri' politics.

'Low domestic acceptance' means that the devolution plan may not have a long life, predicted ICG in their 2004 report. Zaidi (2005) is similarly pessimistic about the future of the 2001 Local Government System: 'The general perception in Pakistan is that the much touted Devolution Plan of the military government is in the state of a near crisis.' 'In terms of the politics of local government reform under the military, we see that the story in Pakistan is repeated for the third time under its third military coup maker which created Pakistan's third devolved and decentralized local government system. History, it seems, has repeated itself, not just the first time as tragedy, but the second (and third), as farce. Both the previous local government systems which were seen to be the cornerstone of both military governments, even after being in place for a decade or so, fell apart with the fall of the regime with which they were so closely associated. Will the future of the District Government scheme be any different?'

Even the vehemently pro-devolution ADB report is not sanguine:

No certainty exists that devolution will now be developed and entrenched to maximize its potential returns. The risk is that by failing to deliver visible service delivery improvements in the short term, the devolution project will fall short of

completion and the present hybrid arrangements – part new, part old – will become permanent.

Chapter 3

Relationships between Various Layers of the System

This chapter presents an overview of the nature of relationships between the Provincial Government on one hand and the District Government(s), Tehsil Municipal Administrations, Zila Nazims and the District Coordination Officers on the other. This overview also covers various institutions or institutional processes that the LGO puts in place aiming at creating, refining, reinforcing and maintaining these relationships.

The LGO establishes many new offices, elected and un-elected, and then defines their mutual relationships in terms of accountability, answerability and responsibility not only amongst themselves but also with pre-existing offices in the Provincial Government. It is necessary that various provisions of the LGO are examined with reference to their intense relationships so that a wholesome picture is evolved.

3.1 The Province-district Relationships

The first and foremost relationship that the LGO attempts to define and nurture is the one between the Provincial Government and the District Government, led by the Chief Minister and the Zila Nazim as chief executives respectively. Of all the relationships that are to be discussed in this chapter, the primacy of this relationship must be emphasized at the outset. It has to be kept in view that in 2001, when the LGO was set into motion, it was the Provincial Government that was to devolve its functions as well as authority downwards to the districts. A whole new cadre of local political representatives, assisted by rank and file of officials, to help them, was created with immense powers, resources and mandate at their disposal. The LGO envisaged the newly established local governments to be fully independent in their decision making and operations. They were vested with free-standing legal persona and fully independent financial, administrative, planning and execution functions.

But at the same time, in essence, the LGO maintains the assumption that in the wider administrative, legal and constitutional context, the District Governments stand underneath the Provincial Governments in the 'three-tier' government system of Federal, Provincial and District Governments. Therefore, in line with the constitutional duty of Provincial Governments to establish and maintain local governments, the LGO, as shall be seen a little later, establishes the

patent and present duty of the Provincial Government to oversee, monitor, supervise and support the District Governments.

To some, this may appear to be an oxymoron or even a contradiction-in-terms, since, in 2001, one entity was carved by curtailing the other, whilst the latter was expected to give birth to, nurture, care for and strengthen the former at its expense. It is this apparent contradiction wherein lies the importance and significance of the relationship between the Provincial and District Governments. While the question as to how this relationship has actually emerged and developed vis-à-vis the way LGO wanted it to be shall be examined later in this chapter, it is pertinent to see first what is the law that governs this relationship. To this end, a brief descriptive survey of various provisions of LGO which aim at establishing and governing this relationship is presented as follows:

- a. Chapter XIV of LGO not only deals with 'local government relationships', but is also named as such. It contains many substantive provisions which aim at creating a sustainable and carefully crafted particular relationship between the Provincial Government and the local governments and then successfully regulating and maintaining it. Section 127 obliges the District Government to collect any taxes that the Provincial Government directs it to collect within its area. Further, the Provincial Government is authorized to issue advice and guidelines to the District Government which may be necessary to achieve the ends of Provincial Government's policy and general development. As the reading suggests, this advice or guideline remains only persuasive and not binding.
- b. In addition to above, chapter XIV provides wide powers to the Chief Minister of the province. One of these is the power to issue binding directions to any nazim in public interest (section 128 of LGO). Thus, the Chief Minister or an officer duly authorized by him may issue any direction to any nazim for implementation in public interest. There are two aspects of this authority worthy of our note; one, this is a very broad and sweeping power with no qualifications whatsoever. The only test that the law requires to be satisfied before such directions are issued is the necessity of '*public interest*' involved in the matter. And two, only the Chief Minister is vested with it. No minister of cabinet or public functionary of any rank whatsoever is allowed to interfere as such with the working of a local government.
- c. Further, the Chief Minister, through the Chief Secretary, may also empower the Provincial Police Officer or the District Coordination Officer to act as they deem fit in a given situation. But this power is to be invoked only in situations where nothing less than an immediate action is warranted. It is important to note that in b. above, the Chief Minister has the power to issue directions in public interest in *any* matter, whereas this power of

- the Chief Minister enables him to authorize another officer of the Provincial Government to act as the latter deems necessary.
- d. In continuation of foregoing powers under section 128, the Chief Minister is also empowered to authorize a Naib Zila Nazim to act as *officiating* Zila Nazim if the latter abstains from the district in the presence of a grave threat to law and order.
 - e. Section 129 adds another sweeping power to the Chief Minister's options. As indicated above, section 128 authorizes the Chief Minister to issue directions to a nazim in public interest. In case of non-compliance of these instructions, the Chief Minister is empowered under section 129 to suspend the nazim for a maximum period of ninety (90) days. In the meanwhile, an inquiry shall be conducted by the Local Government Commission, which shall present its (non-binding) recommendations to the Chief Minister. The Chief Minister may pass the final orders as he deems appropriate. Should this process of inquiry and final orders not finish in the prescribed ninety (90) days, the nazim shall stand reinstated automatically. As is obvious, this penal clause adds a lot to the earlier section 128 whereby the Chief Minister is empowered to issue directions to a nazim in a local government. During the suspension of a nazim under this section, the Naib Nazim acts as Nazim. It is remarkable to note that nowhere in the LGO, the Chief Minister is empowered to replace a Nazim with a person other than the Naib Nazim. This restriction, perhaps, is designed as a disincentive for the Chief Minister to take the extreme step of temporary or permanent suspension of a Nazim.
 - f. Under section 130(1) of LGO, the Provincial Government may require any District Government to perform any specific task.
 - g. The most important institution that is entrusted with the task of regulation of the relationship between the Provincial Government and the local governments is the Local Government Commission (LGC) (section 131 of the LGO). The LGC consists of a chairman and five members. The Minister for Local Government Department acts as ex-officio chairman of the LGC and the Secretary of the Local Government Department is the ex-officio secretary of the LGC. Two members are private nominees of leaders of treasury and opposition in the provincial assembly. The remaining two members are appointed by the Provincial Government from amongst technocrats. The composition of the LGC and its mode of recruitment suggest that, (unlike the Provincial Finance Commission, discussed later,) the LGC is situated not too far from the Provincial Government. There is only one member who is neither directly nor obliquely related to the incumbent Provincial Government: the private nominee of the leader of opposition in the provincial assembly. The primary role of LGC is to conduct inquiries into the affairs of the local governments either on the direction of the Chief Minister or of its own motion. The LGC is also a dispute resolution forum for any department of the Provincial

Government and District Government(s). After disputes have been adjudicated, in case of dissatisfaction of a party, the Chief Minister may be approached, whose decision is final. The LGC may also undertake inspections of local government, the reports of which are to be submitted to the Chief Minister. The LGC can also take cognizance of violation of laws and rules by a local government. The LGC's recommendations, based on any inquiry or inspection, are binding on the local government concerned. It can also recommend to the Chief Minister that a particular nazim or member union council may be suspended or removed from his office respectively. Nonetheless, it is the Chief Minister who is to take appropriate decision in all such matters. It needs to be emphasized that the LGC cannot of its own motion either suspend or remove a nazim or member of local council from his office or stop him from functioning. The legal regimen that puts the LGC in place and provides it with legal wherewithal to function indicates that howsoever all-encompassing and powerful an institution the LGC might appear, final punitive action against a nazim or a member of a local council is clearly dependent on the Chief Minister's decision and discretion. The centrality and primacy of the Chief Minister's role, therefore, in the Provincial Government's interaction with the local governments cannot be overemphasized. It may also be remembered that no other functionary, civil servant or holder of a public office at provincial level is allowed any *direct* authority or jurisdiction to deal with local governments and their affairs.

- h. As a matter of general practise, financial autonomy or control is one of the most important determinants of the nature and extent of any particular relationship between two governmental entities. Chapter XII of the LGO provides, in detail, the processes and institutions for the financial management and administration, internal controls, audit and accounting procedures of the District Government. Generally, the local governments are fully autonomous and independent in managing and running their budgets and funds. The role of Provincial Government appears to be very limited and is invoked only, as stipulated ostensibly appears, in exceptional circumstances. For instance, the Provincial Government is authorized to prepare and authenticate annual budget for a District Government, if the latter fails to make any within the laid down deadlines (section 112(6) of LGO). Similarly, a local government is empowered to levy and collect certain taxes only after the proposal is 'vetted' by the Provincial Government. If the latter fails to vet the proposal within thirty (30) days, it is deemed to be 'vetted', and the concerned council may proceed to approve the tax proposal (section 116 of LGO). It is however interesting to note that the law, *per se*, is silent as to the exact scope of this 'power to vet.' How this power has actually been exercised by the Provincial Government shall be examined later in the next section of this chapter.

- i. Perhaps, the most substantive role that the Provincial Government has to play in the financial affairs of a District Government is through the Provincial Finance Commission (PFC) (Chapter XII-A of LGO). Since the ultimate source of funds for the local governments was supposed to be the Provincial Government, perhaps, in providing for the PFC, the intent of the drafters of LGO was to *limit* and *control* the authority and discretion of Provincial Government when it allocating and transferring funds to the local governments (at district or tehsil/town level). The LGO, whilst acknowledging the overall primacy of the Provincial Government vis-à-vis the local governments, indeed makes an attempt to keep the PFC as distant and freestanding from the Provincial Government as far and as long as possible. It is noteworthy that the Commission is constituted by the Governor, and not the Chief Executive of the province i.e. the Chief Minister. The PFC consists of four ex-officio members (including its chairman, the provincial Finance Minister), three professional members from the private sector and three nazims from the local governments to be appointed by the Governor (sections 120 A & B of LGO). The mandate of the PFC lies in its sole and exclusive power to determine a formula whereby the provincial consolidated fund is to be divided first into allocable and retained parts, and then, the allocable part is to be distributed amongst the local governments (sections 120 D & F of LGO). This mechanism ensures that the Provincial Government's discretion and arbitrariness in allocating funds to local governments is objectively restricted. Allocation of funds even to the union councils is determined by the PFC. Another interesting feature of this legal regimen is further restriction of Provincial Government's mandate by the proviso to section 120D(a)(i) of LGO, which expressly provides that in no year, the part allocable to the local governments shall be less than the monies that were allocated to local governments in financial year 2001-02. It is, therefore, obvious that the aim and purpose of PFC is to ensure that the local governments remain independent and autonomous in utilizing and spending funds allocated to them through a neutral and objective mechanism which is detached from the Provincial Government as much as possible.
- j. A very important power was added to the Chief Minister's portfolio in July 2005 by insertion of section 25 of LGO, which was meant to provide a sweeping power to the Chief Minister to immediately suspend any of the Zila Nazim's orders or decisions. This was however qualified with a subsequent inquiry by the Local Government Commission before the Chief Minister finally modifies or sets aside the impugned order. However, the Chief Minister is not bound by the findings and recommendations of the Commission. This amendment in the LGO established clear and over-riding authority of the Chief Minister over the Zila Nazim's functioning. It is worthy of note that all decisions of the Zila

- Nazim, be they of administrative, financial or executive in nature, fall within the scope of this section.
- k. Section 64A of LGO, inserted in 2005, provides similar powers to the Chief Minister in relation to a Tehsil/Town Nazim's orders or decisions.
 - l. A similar dispensation for the immediate suspension, and subsequent quashment or setting aside of a resolution of Zila Council by the Chief Minister, after a non-binding inquiry by Local Government Commission, is provided in section 45 of LGO.
 - m. Similarly, in respect of resolutions by Tehsil Council, the Chief Minister is empowered by sections 70A and B to immediately suspend, and subsequently set aside or quash a resolution after having conducted an inquiry into the matter by the Local Government Commission, the recommendations of which are not binding on the Chief Minister. Like other similar sections mentioned above, these sections were also inserted into the LGO in 2005.
 - n. Section 28(2)(f), which was inserted in LGO in 2003, holds the DCO responsible for calling for information and reports from all local governments in the district as required by the Provincial Government. This section, in an oblique manner, establishes the Provincial Government's authority to call for reports and information from the local governments through the District Government. Yet another connotation of this sub-section is to add to the DCO's role an element of being a demi-official representative of the Provincial Government in the district.
 - o. On the other hand, at places, the LGO, whilst requiring the DCO to interact with and respond to the Provincial Government on various matters, obliges him to seek Zila Nazim's approval before doing in important policy matters of the district (section 30(1)).
 - p. By amending of section 30 of LGO in 2005, the Provincial Government assumed across the board powers to appoint all the officers in the District Government. Thus, services of any officer working in a District Government can be withdrawn from that particular district and placed at the disposal of another by the Provincial Government at any time.
 - q. However, section 30(4) of LGO provides that if the Zila Nazim is not satisfied with the performance of the DCO, he may request the Provincial Government to transfer him from the district. In such case, this section provides, that the Provincial Government *shall* accede to the Zila Nazim's request within seven days. It is important to note that whilst section 30 underwent major amendment in 2005, subsection (4) was predominantly preserved, which aims at establishing clear authority of Zila Nazim to overrule DCO's appointment by the Provincial Government.
 - r. Although the Zila Council, vide section 39(q) of LGO, is empowered to fix honoraria and allowances for nazims in the district, these rates apply only when approved by the Provincial Government.

- s. Chapter XV-A of the LGO obliges the Provincial Government to create a district service *in each district* by 31st December 2005, which shall comprise of 'all posts of local governments grouped into District and Tehsil cadres.' The significance of this provision lies in the proposition that creation of separate district and tehsil cadres *in each district* shall add to the independence and autonomy of a district in manning its posts.
- t. The general tone and tenor of certain sections which empower the Provincial Government to impact the decisions taken by the District Government or tehsil/town administrations appears to be quite restrictive and qualified. It seems as if the drafters somehow did give a particular power to the Provincial Government but allowed it to take decisions only on take-it-or-leave-it basis. Therefore, we see that, for example, although the Provincial Government is empowered to quash or amend decisions by the Zila Nazim or Town/Tehsil Nazims (sections 25, 64A&B respectively), suspend or set aside resolutions of Zila or Tehsil/Town Councils (sections 45 and 70A&B respectively), approve rates of honoraria and allowances (section 39), but if it fails to act within a stipulated time, the local government's decision prevails.

3.2 The District-tehsil Relationships

Moving further down, the LGO creates Tehsil and Town Municipal Administrations in the tehsils and towns of District and City District Governments respectively. In broad terms, these are powerful and independent legal entities that are aimed at provision of municipal services to the population. There are many other extremely important functions that have been devolved to the tehsil and town administrations, which include building control, regulation of land use, collection of taxes (approved by Provincial Government) and planning and execution of local development schemes, etc. As a matter of general trend, it is safe to state that LGO vested the tehsil/town administrations with functions that previously fell in the domain of erstwhile municipal corporations (in big urban cities), municipal or town committees (in towns) and zila councils (in rural parts of districts). The district level municipal bodies (corporations, committees and councils) have been replaced with District Governments by the LGO. But the latter's loss of function is completely off-set by massive devolution of authority, responsibility and scope from the provincial level. This particular pattern of devolution must be read with the fact that tehsil/town administrations have been statutorily designed by the LGO to be fully independent of their respective District Governments. No major functional, fiscal or operational overlap is allowed by the LGO between these two tiers of local government (with some exceptions in City District Governments). In general, the LGO does not envisage or allow the District Government to interfere, control or supervise the functioning of the tehsil/town administration, be it for better or worse. The LGO builds the responsibility and accountability linkages of the tehsil/town administrations directly with the provincial and NOT the District Government.

Given the above statutory design therefore, it is safe to assume that these two tiers of government shall operate and function fairly independent of each other without any friction. Before we examine whether this assumption is correct, it is pertinent to have a look at the precise provisions of LGO that aim to regulate this relationship between the District Government and the tehsil/town administration. A brief descriptive review follows.

- a. The Zila Nazim has been obliged by section 14(4) of the LGO to *nominate* a Deputy District Officer at Tehsil level for the purpose of liaison between the federal, provincial, district and other local governments for 'emergencies, natural calamities and extraordinary situations.' This provision was added in the LGO in July 2005 in order to make at least one officer at the local level responsible for coordination of emergency/relief measures in extreme situations.
- b. As indicated above, section 28(2)(f), which was inserted in LGO in 2003, holds the DCO responsible for calling for information and reports from all local governments in the district as required by the Provincial Government. The section further obliges the TMOs in tehsils/towns to be responsive to the DCO in this respect. In a manner, therefore, this provision seems to be establishing a vertical link of tehsil/town administration with the Provincial Government through the DCO.
- c. Section 32 of the LGO empowers the District Government to assign any of its function to a Tehsil or Union Administration on mutually agreeable terms.
- d. The Tehsil/Town Council or Tehsil/Town Administration cannot fix honorarium or other allowances for union or tehsil nazims. Section 39(q) vests this power in the Zila Council of the district.
- e. For City Districts, owing to the close geographical proximity and inter-linkage amongst various towns, the District Government's wherewithal is enhanced to ensure a wholesome and broad-based planning for the whole of the city. Section 40 and 41 of LGO empower the Zila Council to make and approve plans in many respects that otherwise fall within the domain of tehsil/town administration. These include construction of flyovers, expressways, underpasses and bridges etc.
- f. Perhaps, relatively though, the most direct and substantive power in the hands of Zila Nazim vis-à-vis the Tehsil/Town Municipal Administration(s) or Union Administration(s) is provided in Chapter XV of the LGO. Section 135 of the LGO provides for the designation of 'inspecting officers' by Zila Nazim to examine the performance of lower local governments. The Zila Nazim can issue advice to the concerned nazim as a result of such inspections. In case, his advice is not heeded, he may refer the matter to LGC for appropriate action.
- g. Similarly, under section 136 of the LGO, a Zila Nazim may require a Tehsil/Town or Union Nazim in his district to conduct an inquiry into any matter relating to the latter's

local government and submit a report. In case of an unsatisfactory report, the Zila Nazim may depute an officer of District Government to undertake the same inquiry. After this inquiry, the Zila Nazim may issue an advice to the concerned local government and place it before the respective council for information. Under this section, it is noteworthy that it is not possible for the Zila Nazim to refer the matter to the LGC in case his advice is not heeded to by the lower local government. As to the powers under sections 135 and 136 of LGO, it appears that although an attempt has been made to establish the primacy of District Government within the district by giving it powers of supervision and inspection of lower local governments, but at the same time, the autonomy and independence of tehsil/town administration and union administrations are also acknowledged. How far this endeavour meant to balance these two competing interests has been successful shall be analysed in a later section of this chapter.

- h. The importance of annual performance evaluation reports to the career of a civil servant cannot be overemphasized. Section 58B, inserted in 2005, empowers the Zila Nazim to impact such reports in respect of officers posted in Tehsil/Town Administrations. Such reports, although initiated by the Tehsil/Town Nazims, are to be countersigned by the Zila Nazim as the First Countersigning Officer. This establishes an indirect channel of answerability and accountability between the tehsil/town officials and the District Government.
- i. The Zila Mohtasib is yet another institution that the LGO created afresh (section 134 of LGO). Although selected by a Selection Committee constituted at provincial level, which comprises of a Judge of High Court, a member of Provincial Public Service Commission and the Additional Chief Secretary of the province, the Zila Mohtasib is appointed by the Zila Council. In addition to the District Government, its nazims and officials, the Zila Mohtasib has, within his jurisdiction, the town/tehsil and union administrations in the district, their officials and their nazims (clause 4(1) and (2) of Third Schedule of LGO). It is important to note that he can take cognizance of an instance of maladministration on part of any office of local governments in a district on complaint of any aggrieved person. But, on the other hand, he can investigate into allegation of an unlawful or motivated order passed by a nazim, naib nazim or official of a local government only on the complaint of an 'official employed at any level of local government.' The legal basis and jurisdiction of Zila Mohtasib is, therefore, quite interesting. He is selected by the Provincial Government, appointed by the District Government and has, in his purview, all the local governments in the district.

3.3 The Relationship between Zila Nazim and DCO

The third major relationship relating to the local governments that this chapter aims to examine is the one between the elected head of the District Government, the Zila Nazim, and the un-elected head of district administration, the District Coordination Officer, who is invariably a civil servant.

The first and foremost point in this respect to note is that the nature, design and objects of this relationship between an elected public representative as chief executive of an establishment and an un-elected, professional civil servant and an administrator is not based on any precedent in the officialdom. Albeit, analogies can be drawn between the relationship between a DCO and a Zila Nazim on one hand and the one between the Chief Secretary and the Chief Minister or a Provincial Secretary and a Minister on the other, the purpose and objects of this arrangement do not allow any such simplistic analogy to be drawn.

On one hand, Zila Nazim is the declared and established chief executive of the District Government. He is an indirect product of expression of popular will in local government elections. He is personally liable for all decisions that he takes. On the other hand, the DCO is head of the administration, answerable, accountable and subordinate to the Zila Nazim in disposal of his official responsibilities, liable to be removed on Zila Nazim's request but appointed and removed only by the Provincial Government as it deems fit. This relationship is complex, by any means. Apparently, in certain situations, as shall be discussed in a later section in this chapter, there might be a potential for conflict between the two positions. Before the question how and why this could be so, a brief description of what LGO has to provide in this context is presented in the following:

- a. Section 30(4) of LGO is perhaps one of the most important sections which define the relationship between the Zila Nazim and the DCO. It provides that in case the Zila Nazim is not satisfied with the performance of the DCO, he may request the Provincial Government to transfer him from the district. In such situation the section further provides, the Provincial Government shall accede to the Zila Nazim's request within seven days. This section clearly means that a DCO is supposed to perform his duties in a district only so long as he enjoys the confidence and pleasure of the Zila Nazim. Strictly speaking, the language of this sub-section implies DCO's complete subordination to the Zila Nazim.
- b. Similarly, section 30(6) of the LGO provides the Zila Nazim the power to request the Provincial Government to transfer an EDO out of the district if his/her performance is not satisfactory. Further, the section obliges the Zila Nazim to 'consult' the DCO before he makes such request. Although the law is silent as to what should constitute this 'consultation,' it is a bit strange that whereas the Zila Nazim, without having consulted

anyone, may request the Provincial Government to transfer the DCO, he is statutorily obliged to consult the DCO, should he want any of his EDOs to be transferred out of the district.

- c. As indicated above, the importance of a good and satisfactory annual performance evaluation report to the career of a civil servant cannot be overemphasized. The power to write or initiate such reports in respect of a given civil servant entails into such officer's direct and express subordination. In respect of the DCO, the LGO, in section 34(a), vests the power to initiate such reports with the Zila Nazim in an unqualified manner.
- d. As indicated above, at places, the LGO (increasingly) acknowledges the DCO to be a representative of the Provincial Government (e.g. section 28(2)(f) described above), whereas at other places, it shuns any such direct relationship (e.g. section 30(1)). At places, the DCO appears to be totally subordinate to the Zila Nazim and dependent on his trust, confidence and pleasure, whereas at others, he is vested with massive inherent powers. Broadly, these legal and administrative nuances make the relationship between the Zila Nazim and the DCO essentially different from all others known and practiced historically in the officialdom.

The above is a brief description of various instruments, institutions and processes that attempt to define relationships between the Provincial Government and the District Government, between the District Government and the Tehsil/Town Municipal Administration and between the Zila Nazim and the DCO. Main focus of above discussion has been to describe the way the LGO intended them to be. The next chapter sheds light on how these relationships have actually developed on ground in the last few years.

Chapter 4

State of Devolution Reforms – Evidence from the Field

Uninhibited by political parties, parliament, and partisan debate and egged on by donors, NRB envisioned complete and thorough devolution of powers from the provinces to districts. Almost all major development and regulatory functions of provincial government districts – health, education, agriculture, housing, water and sanitation, urban planning, communication and works, etc. – were devolved to local government institutions. Only a few major functions like irrigation which could not lend themselves to division on district basis were retained with provinces. LGO 2001 and amendments in a raft of related laws, by most counts, was a close, if not exactly a faithful, enunciation of the vision that the new institutions shall not have mere delegated powers; they shall have inherent powers. They shall not be mere 'local bodies'; they shall be 'governments.' The decision-making will be theirs.

With nineteen chapters and eleven schedules, the LGO frames rules on governing district, tehsil and union tier of local institutions, thus ushering in a major transition. Chapter II created District Governments, Tehsil Municipal Administrations, and Union Councils. The executive of the district was enunciated in detail in chapter III. Zila Nazim was 'the head of district government' and would function with assistance provided by the DCO. He could issue executive orders to the DCO and the Executive District Officers (EDOs) for discharge of the functions decentralized to the District Government and to the District Police Officer (DPO) for law and order, ensure implementation of the functions decentralized to the District Governments, and maintain administrative and financial discipline in the District Government. Chapter IV detailed the powers and the functions of the Zila Council. Similar detail was provided in case of TMAs in chapters V and VI and for Union Councils in chapters VII and VIII.

Chapters IX to XI provide the framework for creation of several community bodies. Village and Neighbourhood Councils would develop water and sanitation facilities in villages and along with other municipal and security services of the community. Citizen Community Boards were created to energize 'the community for development and improvement in service delivery, development and management of a new or existing public facility, identification of development and municipal needs' and other such community development needs.' Anjuman-i-Musalihah was created to use their 'good offices to achieve the amicable settlement of disputes amongst the people in the Union through mediation, arbitration, and conciliation, whether or not any proceedings have been instituted in a court of law in respect of such disputes.'

Other chapters deal with local government finances, management of local government property, relationships with provincial government, internal monitoring and control mechanisms, local government responsibilities for enforcement of laws. Chapter XVII governs the all important manner of election to elected executive office of local governments. Chapter XVIII governs various issues of transitions to the new system.

4.1 Reduction of Provincial Government Role

The architecture of devolution aimed to minimize role ('interference') by the provincial government in district affairs. Divisional tier was abolished, for example, to devolve divisional functions to district but it also reduced the possibility of provincial oversight. Role of elite federal and provincial services was minimized to ostensibly enable other officers to claim top management positions to reduce the centrifugal allegiances of these officers to their careers in provincial government. Similarly, magistrates were eliminated ostensibly to separate judiciary and executive but it also weakened the central arm of government historically used to extend the writ of the provincial government to far corners of the province at short notice.

Other political, administrative, and financial measures also aimed to actualise the same objective of independent local governments. LGO made it extremely difficult to engineer a coup against Zila or Tehsil Nazim from within the district assembly or the tehsil council. Several layers of protection were provided. To unseat the Zila Nazim, the district assembly had to first pass a resolution with majority. Then, if it succeeds in the first forum, all members of union councils in the district had to pass the same resolution to remove the Nazim. Furthermore, to reduce such efforts to pressurize the Nazim, the law said that If the resolution failed, the two main movers of the resolution would lose their membership. Also, no such moves would be tabled in the first six months of election of the Zila Nazim.

Provincial government also had little means to wield a heavy political stick over Zila and Tehsil Nazims -- the method of removal of Nazims by the province almost similar to passing legislation. According to section 23, if the Chief Minister of the province determines that 'continuance in office of a Zila Nazim is against the public policy or interest of the people or he is guilty of misconduct,' he shall have to seek the approval of the simple majority of the total membership of the provincial assembly while providing an opportunity to the Zila Nazim to explain himself before the house. Similar protection was provided to Tehsil Nazims.

Chief Executive of the province was allowed to issue directives in public interest to the Zila Nazim and then get those implemented through senior officers in the district. He could suspend the Zila Nazim where in his opinion the Zila Nazim was 'deliberately avoiding or failing to comply with the directions given.' But such a suspension had to seek ratification by the provincial assembly within thirty days. If not ratified, these orders would become invalid.

Within the district, Zila Nazim was equipped with ample administrative powers. The law, for instance, included several features designed to ensure that his authority over the District Coordination Officer, the senior most civil servant in the district, was unambiguous. If the Zila Nazim so desired, the law required the provincial government to order the transfer of the DCO within seven days. The DCO was required to obtain approval of the Zila Nazim in all 'matters of policy and important decisions.' Tehsil Nazim also enjoyed similar powers vis-à-vis the Tehsil Municipal Administration.

Given the nature of division of responsibilities between provincial and local governments, conflicts over jurisdiction (and also between districts) were going to be inevitable. LGO aimed to tackle this problem through creation of a Local Government Commission, 'consisting of persons of integrity and good track record of public service.' Among other functions, the Local Government Commission could also recommend to the Chief Executive of the province that any particular order of the Zila Nazim be quashed on ground of public interest or public policy. The Commission was also required to mediate when the DCO, refusing to obey any orders of the Zila Nazim as mala fide, sought its advice.

The scheme of the LGO made it clear that provincial government had no business to hold the local governments accountable. It was the exclusive prerogative of the voters and the electoral college of Nazims. The Local Government Commission was, however, empowered to conduct enquires in specific allegations of abuse of power.

Zila Nazim had complete day to day operational autonomy. Provincial government was prescribed no role in the law. Only in certain cases, Local Government Commission could recommend to the Chief Executive quashment of any particular order of the Zila Nazim if it was in the opinion of the Zila Nazim 'against the public policy or the interest of the people.' Zila Nazim had a right to appear and defend his orders before the Local Government Commission before any negative recommendation was to be made by the Commission.

4.2 Betrayal of the Original Organic Design

Yet other aspects of the law, according to some observers, did not grant sufficient autonomy to district governments. The provincial chief executives' powers to issue orders to Nazims, suspend or remove them even with safeguards built in the law to prevent flagrant abuse, according to some observers, negated the idea of devolution and independence of local government. In addition, local governments were not allowed to raise debt, they were not allowed to create new posts without permission of the provincial government, and they could not hire officers on their own without permission of provincial government. Keefer, Narayan et al. 2003 argue that 'institutional arrangements of decentralization reflect a fundamental mistrust or concern on the part of the central government that local governments would not make decisions properly.'

More importantly, the law did not provide for certain major features that, according to observers, were integral part of the design. Without these features, the Plan, it was feared, would be still-born. A major missing feature was the absence of direct elections for Nazims. As mentioned earlier in the literature review chapter, NRB conceded that such a dispensation was originally planned, but top decision makers decided in favour of indirect elections. This paved the way for manipulation of elections, as widely alleged in the media, including ICG report. According to SPDC, 'The system functions in such a way that only union councillors are elected directly from general public voting... Indirect choice of District Nazim and Naib Nazim provides an opening for political manoeuvring and union councillors could be pursued to vote for a particular candidate in return for lucrative benefits. The electoral college for a District Nazim and Naib Nazim consists of less than 800 members of the UCs in a district. If direct elections were held, there could be, on average, as many as 750,000 voters. Therefore, in a system of indirect elections, chances of manipulation are much greater.'

Poor tax base of local governments was another major genetic handicap. District governments had bulk of the functions, but it was clear from the very beginning that areas of tax authorized – professional taxes, toll tax, purchase fees, etc. -- would provide minimal resources contributing virtually nothing to reduce dependence of district governments on provincial government. In comparison, Tehsil Municipal Administrations were relatively well-endowed with option of cattle Mandi tax and property tax. In addition to these two major omissions of direct elections and a healthy tax base, Devolution Plan also excluded Cantonment Areas and Islamabad Capital Territory from its ambit. Relative weak control over local policing as provided in the Police Order was another major omission. This caused anomalies that continue to be criticized even today. Put together, these were important design features of the original plan and some of the problems seen today, according to some observers, can be directly traced to selective adoption of the original 'comprehensive and organic' proposal. Pick and choose, apparently as per political imperatives led to its flawed translation into LGO, according to these critics.

4.2.1 Train of amendments

Soon after the induction of elected provincial governments in 2002, several amendments were introduced. Some furthered the idea of devolution; others could be described as going against the grain of basic architecture of the devolution scheme.

A new section on district cadres was introduced to address complaints that civil servants in the district were not sufficiently responsive to the political executive because of their professional interest and allegiance with the provincial government. Its scope was wide and its intent was ambitious: 'Notwithstanding anything contained in any other law, rules, or service contract for the time being in force, the Government shall, in every district, create a District Service comprising all

posts local governments grouped into district and tehsil cadres for decentralized local government functions and groups of offices with adequate monetary benefits and incentives for promotion and performance not later than 31st December 2005.'

Insertion of a chapter to distribute resources between the province and local governments and to regulate their flow was a major development remedying an earlier omission. Provincial Finance Commission, manned by provincial and local government politicians, civil servants, and experts in the field, was set up with powers to distribute the provincial consolidated fund into provincial retained and allocable amounts. The provincial allocable amount was then to be further distributed among local governments, based on the 'principles of fiscal need, fiscal capacity, fiscal effort and performance.' Any government, provincial or local, could seek redressal of a 'grievance relating to any matter connected with fiscal transfers by the Government concerning itself or another local government by making a reference to the Finance Commission may take a decision for the purpose of redress of grievance.' Such an order, however, could not amend the award or the shares of the local government.

This new chapter also attempted to provide a measure of fiscal predictability to local government by directing provincial government to ensure that reports on timeframe and methodology of flow of funds shall be provided to the Finance Commission. The award once finalized and notified was to be operational for three years. However, importantly, it was given in the law that provincial government could provide tied grants to local grants from the retained amount. Also, the actual transfers could vary from the ones stipulated in the award if the actual monthly receipts of the provincial government varied from its budgeted amount.

Host of rules and policy instructions were introduced to actualise details of various parts of the LGO. Districts could approve schemes worth upto Rs 300 million. DCOs were made category-I officers, like provincial secretaries, under Delegation of Financial Power Rules. Several rules governing various civic functions were introduced to implement the powers of districts.

4.2.2 The general trend of reversals

The general trend of amendments was, on balance, towards clipping powers of the district governments. Zila Nazim's control over the top management of the district was weakened. Zila Nazim could write the Annual Performance Report of the DCO and could still ask for the transfer of DCO or EDO, but the provincial government was no more bound to transfer the DCO or other officers making this request toothless. His power to write the Annual Confidential Report of the District Police Officer was deleted.

The process of suspension of the Zila Nazim by the Chief Executive was amended to substantially increase the powers of the provincial executive. The time of suspension was increased from thirty to ninety days. The role of the provincial assembly was removed. Instead, the Local Government Commission would have to hold an enquiry. It could recommend removal of the Zila Nazim, if it so found, and it was up to the Chief Executive of the province to remove or reinstate the Zila Nazim. Also, this power to suspend, earlier restricted only to Zila Nazims, was expanded to include all Nazims, including UC Nazims.

The role of Local Government Commission in day to day oversight of the local governments, as provided in the powers to recommend quashment of an order, was reduced. Instead, power to suspend any order of the Zila Nazim was given to the Chief Executive of the province.

Major functions like housing and college education were re-centralized. Provincial government created parallel field formations for other key functions like public health and local government and community development.

Number of generally elected members was reduced from twelve to six, with number of women seats reduced from four to two. Some would call it course correction because of complaints that a 21-member union council was too heavily populated given its functions and its geographical spread. Others, like Khan, have argued that reduction in electoral college increased chances of manipulation at the time of indirect elections.

Even more significant for devolution reforms was issuance of administrative orders. Districts were stopped from transferring any official in the education department, however junior, without explicit permission of the Chief Executive. Volume and timing of flow of funds from the provincial government, even after PFC awards, and especially to TMAs, could be unpredictable. The provincial finance department continued to impose its will on district government expenditure by issuing administrative instructions. An amendment was introduced in 2005 to allow provincial government to direct any local government to review and rectify its budget if it was seen to have violated budget rules. There were other minor restrictions as well. Vehicles, for example, could not be bought without the permission of the Chief Minister. Postings and transfers of senior officials remained the exclusive prerogative of the Chief Executive (to be exercised in consultation of the Zila Nazim if he was politically compliant.)

4.3 Status of Implementation

More importantly, several extremely important provisions of the law remained unimplemented. Important internal control and transparency measures like establishment of district ombudsman for redressal of 'citizens' complaints against mal-administration of the holders of public offices in the local governments within the districts remained unimplemented.

Another mechanism of transparency, viz regular conduct of internal audit, also never took off. It was meant for 'independent, objective assurance and consulting activity designed to add value and improve the operations of local government, and shall help the local government to accomplish the objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. In most cases, internal auditors, 'principal support person to respective Nazim', were not appointed. If appointed, they were not of requisite quality or did not have the extensive and important mandate that the law envisioned. :

Zila Council was supposed to serve as the main oversight forum for the district executive. This did not happen in most cases. Discussion and debate often centred on patronage to be delivered to nazimeen. Development planning remained mostly perfunctory with nazimeen insisting on allocating UC-wise resources to be spent on schemes of their choice in their jurisdiction. ADB (2004) mentions that ADPs were being formulated with discrete sums allocated to each member to be spent on small projects of the member's choice. Major projects were hard to fund. In many cases, ADP contained large amounts of un-funded blocks to be spent as decided by the Nazim during the course of the year.

Monitoring committees were intended to be major forums of the Zila Council responsible for 'monitoring the functioning of the offices of the District Government and preparing quality evaluation reports on the prescribed format.' In practice, these committees remained ineffective. Where ever active, their role in promoting good governance and effective citizen participation at the district level has been largely questionable.

Local Government Commission remained largely inactive. Very few cases of disputes between provincial and district government were sent to the Commission for resolution. Very few cases of dispute between DCO and Zila Nazim was ever referred. Village and neighbourhood councils, a major LGO plank for grassroots mobilization, were not activated. District cadres were not formed. Musalihat-i-Anjuman for dispute resolution did not gain wide currency.

4.4 Why did Reversals Happen?

Why did reversals happen and why did important provisions of the law remain unimplemented? One reason may be that the LGO emerged in a political vacuum. The military government needed legitimacy and sharing some power with the local government. It suited the military government because the power being shared was not the power being exercised by the military. The power to be transferred belonged to the provincial governments (which at that time existed only as an extension of the federal government). With the provincial governments in place, political space became contested, as pointed by several writers reviewed in Chapter 2.

LGO and the related laws provided for a system of indirect elections against the initial wishes of NRB. This was a major fault. It was patently clear to most observers, and perhaps even to the framers of the law, as noted by ICG, that it would be easy to manipulate the system thus breaking the basic notion of citizen accountability and democratic process. This room for manipulation also provides leeway to the provincial political executive to exert pressure on the district political bosses and ensure their compliance. More often than not, Nazims know that keeping a handful of UC Nazims happy, through grant of patronage or even outright cash, and keeping the provincial executive happy would be the easy option. With indirect elections, he does not have to face citizen pressure.

Several NRB assumptions about the new political, administrative and financial architecture and political economy of local and provincial politics were optimistic. NRB assumed that provincial government would not resist losing a major share of its source of power, prestige and patronage. Sharing or passing on power to districts becomes especially difficult given that federal government did not pass on its powers to provincial governments as originally promised. Transfer of power from the federation to the provinces was an integral part of the devolution scheme; there was even talk of abolition of the concurrent list. .

Elected leaders want to dispense development and good government since they are elected to do so, dispense patronage if that is what they plan to do or any combination of both. They would not be held back by NRB admonitions. A major advertisement blitz in Punjab on health and education reforms before the election was a case in point. The then Chief Minister wanted to project his achievements to the citizens after five years in power, and get re-elected on the basis of the results shown. He did not want to share credit with Zila or Tehsil Nazims.

NRB advocated that provincial and federal legislators 'should' only be interested in legislation and they should leave local development issues to local government. Legislators were most likely going to pay heed to this advice. All over the world, legislators attempt to bring 'pork' back to their constituencies. There was not going to a notable exception in Punjab. The case of 'interference' in local postings and transfers is similar. These are major sources of patronage – and to be fair to legislators a major demand of voters -- and it is impossible to ask legislators to stay away from these areas just because technical advisors on local governance think that it should be like that.

In the same vein, NRB assumed that provincial government would loosen its grip on provincial finances and the related power. Funds are the most important source of power. Even after PFC awards, Provincial government retained enough funds to continue to use its leverage in the form of tied grants. This aspect had played an important role in the assumption that somehow provincial governments would impose hard budget constraints on district governments, thus making sure that they raise their revenues and allocate their resources prudently. Hooked on the possibility of extra-PFC transfers in the form of tied grants or other funds, local governments,

already least interested in extracting more from their meagre resource base, would rather approach the province for more funds – as much as possible – instead of managing their financial situation properly.

It was also wrongly assumed that local governments would welcome transparency and control measures. The reality has been that no Zila Council or Zila Nazim has aggressively asked for implementation of Zila Mohtasib provisions. It may also be in the interest of district political executive that monitoring committees and Zila Councils remain pliant and inactive. Also, as was the case with the second round of Local Government elections, Nazims looked to the CM for nomination rather than their respective electoral college. The accountability mechanisms, as foreseen by NRB, thus simply failed to take its roots.

There are major challenges with regard to assumptions about some of the functional jurisdictions assigned to district governments. It is widely recognized, including by a recent report by National Commission for Governance Reforms, that quality of revenue records and related judicial processes were seriously undermined by the intense political interference seen at local government level. Land revenue recovery plummeted in most cases. The usefulness of entrusting land revenue functions to district government was, therefore, questionable.

It was also wrongly assumed that major development areas like health and education would dominate the development agenda of districts. The fact is that discretionary development budgets of districts are mostly spent on small schemes distributed among councillors as patronage. This also necessitated extensive vertical programs. District governments are unlikely, in the short-term and also in the medium-term -- to display the kind of vision that provincial government is expected to have.

The question of education and health being entrusted to district governments is much more complicated. International theory and commonsense appears to dictate that these are functions best handled by local governments. The assumption is that district governments would immediately be interested in extracting greater efficiencies out of existing health and education set ups, based on citizen demand. Several studies and on the ground experience attests to the fact that citizens are mostly interested in individual patronage. They judge their political leaders on the basis of help provided on these immediate personal matters. They are, no doubt, also interested in health care and better education for the children. But political leaders know that these are not vote getting areas. Most of the major programs undertaken in recent years have all been planned and funded by the provincial government. Water and sanitation, roads and electrification, unlike health and education, appear to be areas of greater citizen interest. Because of this pressure, it is evident from initial results that local governments have responded to these requests.

Experience with local governments, appears to suggest that tardy improvements in service delivery in education and health have been rather tardy. Political leadership of district governments, including the Zila Nazim and Zila Council members, appear to have shown keenness in some of the districts in attempting to improve service delivery through better monitoring and extraction of efficiencies from within the system. But the pattern has not been uniform all over. In case of colleges, provincial government had to take back this tier to the province ostensibly because of intense bouts of political interference by the district governments.

The assumption that local elites would not hijack ideas like CCB was also optimistic. Though some good projects have also been executed, overwhelming evidence from the field says that vast amounts of funds have been pilfered by CCBs. Often the local elite diverted CCB resources for his own narrow benefits.

The concept of district cadres is important to provide autonomy to district administration – as also emphasized by ADB (2004) and USAID (2006). However, given the challenges of capacity, and the current civil service structures in districts, it was always going to be very difficult to implement it. And if implemented, the consequential worsening of partisanship would also have been grave. Most importantly, implementation of district cadres would erode structures of the provincial political and bureaucratic executive. Resistance from these quarters was, therefore, natural.

Intra-district coordination, especially with TMAs, was supposed to be organized with nazims of UCs represented in Zila Councils and Naib Nazims represented in tehsils and towns. More often than not, this mechanism of integration did not work and there appeared to be little civic coordination between these two important bodies. Turf wars, in cases where opposition factions led these bodies, was also regularly seen. Countersigning of ACR of the TMO by the DCO is not a sufficient linkage. The district Mushavirat committee failed to deliver in most cases. The hypothesis that Naib Nazims on the same panel functioning at the tehsil level would work for better district coordination did not materialize. Better intra-district linkages at civil service level are needed. Division of TMAs in City Districts, where it is not possible to bifurcate city services, also appears to have created planning and implementation problems. Absence of coordination with TMAs in other districts has also led to major civic coordination problems – massive increase in encroachments because of very weak regulation and district oversight quoted be cited as an example.

Capacity of local governments became a major issue because the devolution concentrated massive administrative and development functions in the district governments. But, there just was not enough quality human resource available at the district level, especially in case of small or remoter districts. Most of the finance and accounts offices are being run by officers on contract after their retirement. Close to a dozen key postings are unmanned in most of the smaller districts as very few willing officers are available to take these positions in rural districts. Several major

capacity building and technical assistance programs have been launched but such efforts just cant cure the structural lack of capacity in most districts.

There was also this assumption that officers in higher grade would do the job better. This was wrong. Among other things, this introduced major grade inflation. The work that used to be performed by grade-17 or 18 officers was entrusted to grade 19 officers. This problem was especially acute in smaller districts like Pakpattan for example. Introduction of new offices like EDO Community Development, IT, and Literacy resulted in promotions on a phenomenal pace. Some offices like District Officer Enterprise Promotion with a team of Deputy District Officers for every tehsil clearly led to major bloating of bureaucracy and grade inflation. Abolition of sub-division level also multiplied the number of officers needed to man the tehsil level. Grade inflation was also caused by massive increase in layers of civil service at the district level. Too many layers of bureaucracy were introduced without any regard for local, regional, or functional differences. Revenue bureaucracy with the traditional two major administrative layers was increased to four tiers. Same was the case of Works and Services, Agriculture, education and health in almost all districts.

ADB, World Bank, ICG and several other reports have asked for further deepening of the devolution reforms so that intended results of the scheme are realized. However, any discussion of further reform has to take into account these factors if serious workable solutions are to be devised. Models built on wrong assumptions, as was the case with devolution, are likely to face immediate resistance.

4.5 Current Status

Local governments may not have the kind of powers NRB originally envisioned after amendments in law and administrative instructions, but did they have sufficient powers do substantially advance the development and governance agenda. The answer is clearly yes.

In districts and tehsils, it is clear that the Nazim is the boss. He had to share this power with the provincial chief executive (and indirectly with local legislators). In most cases a *modus vivendi* developed between the two based on mutual interests. Other than the some notable exceptions civil servants, including the DCOs, were always fully aware that the Zila Nazim was the clear number one in the district and his orders had to be obeyed. Same was the case with tehsils.

The best indicator of the high level of power and prestige attached to the position of Nazims is the fact that many legislators chose to given up positions in the National Assembly to become Zila Nazims. And it was widely recognized that any politician given the option would rather become a Zila or Tehsil Nazim than becoming an MPA or an MNA. Though in most cases, major political families fought pitched political battles to claim turf within the district as well in the provincial and national assembly. Even in the historical local government setup, the position of Chairman District

Council and Mayor Municipal Committees were hotly contested because of the fact that large amounts of development and patronage could flow from these positions. The new role of district government added to the traditional basic municipal functions and many additional service delivery and regulatory responsibilities matched with adequate funding.

Many political parties also chose to aggressively contest local elections, violating local election rules. SPDC lists many reasons for this. 'First, the stature of District Nazim, in terms of political and financial powers, exceeds that of the MPAs and MNAs. Second, following devolution, local representatives, not provincial legislators are responsible for the provision of basic services, which impact on the quality of life of the voters. Third, there is not direct chain of command on top of a District Nazim as she/he is not answerable to any MNA and MPA. Finally, the increased interaction with people enhances the chances of re-election.'

As shown elsewhere, local governments were provided unprecedented amounts of funds. They had complete discretion in determining their ADP. They had complete discretion in initiating efficiency and discipline proceedings for the vast bulk of their respective employees. As mentioned above, Nazims were powerful vis-à-vis the bureaucracy. College education and certain other functions may have been taken away from districts, but the list and the significance of their functions was still extremely impressive. What did local governments do with these impressive powers? Chapters following this one attempt to answer this critical question.

4.5.1 February 2008 elections

Sustainability of the Devolution Plan, as discussed above, was always open to many questions. The results of February 2008 elections, however, dramatically increased the odds that this Plan would either be scrapped, or at the minimum undergo major changes. In the days leading up to the elections, Mr. Pervez Elahi, the Chief Minister of Punjab and leader of the Q-faction of the Pakistan Muslim League, himself not a fervent supporter of the Plan during his days at the helm, threw his political weight behind the Plan in an attempt to co-opt the strong constituency of local government Nazims. His political party, strongly aligned with President Musharraf, however suffered heavy defeat. The legitimacy and political power of President Musharraf – and his much trumpeted brain child – the Devolution Plan – also suffered a great set back.

Worse, it was widely perceived, in the days leading up to the elections, that Nazims used the massive machinery and resources of local government at their disposal to influence the elections in favour of PML-Q candidates. Opposition parties repeatedly appealed to the Election Commission and the Government to suspend local governments to provide a fair field to all candidates. European Union Observer Mission noted in its report (European Union Election Observation Mission 2008) on the elections: 'There is considerable evidence, including direct observations by Long Term Observers, of the misuse of state resources, predominantly by

nazims of all three levels, as well as district government officials. These state officials were directly involved in campaigning in their areas, mostly on behalf of PML-Q candidates. This misuse, sometimes a result of undue pressure from candidates, included the provision of offices, vehicles and employees in support of particular candidates. District and tehsil nazims also appeared in publicity materials (e.g. Attock, Lodhran and Sargodha) and attended rallies on behalf of candidates, often family members (e.g. Nankana Sahib, Jehlum and Okara).

Predictably, the newly formed coalition government in the Punjab, led by Nawaz Sharif faction of the Pakistan Muslim League, having won in the general elections even in face of election such odds and misuse of resources, has been critical of Local Governments. The Local Government Ordinance could not be amended because of the constitutional requirement of President's assent which he was unlikely to give. Provincial government, therefore, resorted to roundabout ways to 'neutralize' the role of nazims. Key officers were posted out or reshuffled to communicate the message that the nazims were not the bosses any more. In a couple of districts, no-confidence motions were initiated to impeach certain hostile nazims. Government ministers repeatedly stated in public that the local government system would be scrapped, or completely altered, at the first opportunity. It was argued by senior government leaders in public forums that the local government system had failed to deliver. Most damningly, it was argued, that local governments had indulged in massive corruption. A wholesale special audit of local governments was, therefore, launched.

This state of acrimony came to a head in June 2008 at the time of preparation of budgets of local government. Billions of rupees of local government development funds, doled out in the last few years by local government nazims and councils to their voters as favours, were at stake. The provincial government was naturally reluctant to allow its opponents who dominated the local government to extract such mileage. It wanted the treasury legislators, instead of the nazims and the house, to identify the recipients of these development funds. In some districts and tehsils, provincial government successfully dominated local councils. In others, this was not the case. Some nazims even went to the High Court to block this alleged 'illegal interference' by the provincial governments.

Chapter 5

Diversity in Uniformity – Inter-district and Intra-district Comparisons

This chapter aims at defining the point from where all local governments started in terms of the financial freedom and administrative autonomy they had; and then at examining how the district governments in study districts have treaded along the last seven years. The main issues that this chapter aims to address are whether the local governments, which were born and took off under the same law, have developed and moved along a similar path, or if there are any variances. If the latter is true, an effort is made to identify the causes of this variance based on the evidence generated through the surveys and interviews discussed earlier. The chapter concludes with a discussion on whether the variance observable in development patterns of various study districts is an essential part of the LGO package or is an aberration. In other words is it hampering the overall development of devolution of powers objectives or is promoting them?

This chapter is divided into four sections. The first section explains the starting point, i.e. LGO 2001. It defines the law and rules which gave birth to the local governments as autonomous entities. Section two identifies the variance amongst the study districts, whilst also determining the depth, scope and reasons for this. Section three constitutes an assessment of key questions enumerated above, and section four concludes this chapter highlighting the main observations.

5.1 The Autonomy Provided by LGO, 2001

This section is primarily dedicated to defining the point where it all started, i.e. the autonomy and independence that the basic law and legal regime (the LGO, 2001 and rules made thereunder) afforded in theory to each district. The next section will argue and conclude as to why and how this variance has emerged and occurred in practice despite the uniformity in the statutory framework that defines the autonomy and independence of local governments.

The legal basis of functional autonomy of local governments lies obviously in the LGO, 2001. For the purposes of this discussion, functional autonomy is understood to include, by definition, operational, administrative and financial independence. Similarly, 'autonomy' is meant to have the ability to act in a given situation free of external controls, influences or answerability.

It is also pertinent to point out that any objective discussion on functional autonomy of one unit from another is not complete without a discussion on the nature and dynamics of their bilateral

mutual relationship. For instance, degree of functional autonomy of district governments cannot be gauged only from a survey of legal provisions that indicate the independence of action of the former from the latter. In this case, the study of the nature and dynamics of relationship between the Provincial Government on one hand and district governments on the other is equally important. Nonetheless, this section addresses only the functional autonomy and NOT the dynamic relationship between the Provincial Government and the district governments. This particular relationship, along with many others, is examined in a later chapter of this report.

The order of this section is straightforward. The following lines present a survey of statutory provisions of the LGO 2001 which relate to the functional autonomy of local governments (with special emphasis on district governments and tehsil administrations). Relevant provisions of Local Government Rules of Business, by far the most important set of rules framed under the Ordinance, are also presented. Although the impact of each particular provision is discussed as it is highlighted, the section ends with a broad note and comment on state of functional autonomy afforded to the local governments.

In general terms, the tone and tenor of the LGO 2001 dictates that local governments are independent, free and autonomous units of governance, headed by their own Chief Executives (elected Nazims), possessing their own legal, administrative and financial wherewithal to run themselves. The local governments are active organisms inasmuch as they are fully capable of receiving and generating resource, and then using it as they like. How this autonomy is created, crafted and guaranteed is discussed in the following survey of relevant statutory provisions.

- a. The prime institution and instrument that the LGO 2001 has created, in order for the local governments to function independently, autonomously and with freedom from interference, is the Provincial Local Government Commission (LGC) (section 131). The LGC is an independent body manned by a Minister and a Provincial Secretary, and including independent and neutral members. The basic aim of LGC is to resolve disputes amongst local governments and between a local government and the Provincial Government. Albeit those drafting the LGO 2001 had created the institution of LGC with a view that it will act as a neutral and non-aligned buffer between Provincial Government on one hand and local governments on the other, later amendments, as shall be discussed later in Chapter 9, have attempted to change its character into a body that is tilted more towards the Provincial Government than assuming a neutral and non-partisan role between the Provincial Government and the local governments. Nonetheless, despite the change of orientation of LGC, it remains the primary institution to ensure that Provincial Government does not interfere in the operations and management functions of the local governments.

- b. The LGO 2001 opens up with investing full legal personality to the district governments (section 13(2) of LGO 2001³). It empowers the district government with full powers to acquire, hold, dispose of, alienate all kinds of property and enter into contracts, as deemed fit. Analogous provisions grant analogous independent legal persona to tehsil/town administrations.
- c. One of the most important indices of independence and freedom of action for any institution, be it a government department, an autonomous corporation, a local government, or for that matter, even a subsidiary of a private company, is its power, and the scope of its power, to manage its properties and assets *independent of its principal*. Seen from this viewpoint, the district governments and tehsil/town administrations seem to be fully competent and omnipotent to manage their movable and immovable properties as they like. Chapter XIII of LGO 2001 vests the ownership of movable and immovable properties at the disposal of local governments *in* these local governments and empowers them to manage these properties as deemed appropriate. Thus, the local governments can acquire new properties, dispose them off, alienate and lease them and even write them off. These powers are qualified only by broad principles of propriety and prudence (the condition of open public auction etc.) and approval by respective councils.
- d. Similarly, section 16 defines the 'authority' of the district government as to its powers to operate, manage and control the offices of departments entrusted to it' (section 16). This authority is qualified with only one provision, which is that this authority shall be exercisable by the district government 'in accordance with the general policy of the Provincial Government. Many later sections of the LGO 2001 and District Government Rules of Business clarify this further. Vast powers in terms of performance evaluation, transfers and postings and recruitments of officers and officials working in the district government have been devolved downwards. Thus section 34 provides the details of how performance of senior district officers is to be evaluated and recorded. The Zila Nazim, Chief Executive of the district government, bears immense statutory influence on performance evaluation in respect of all these officers who otherwise are permanent employees of provincial or federal government.
- e. Similarly, the powers to transfer and position officers, yet another important instrument to control and manage the public servants, are devolved to the district governments (Rule 16, District Government Rules of Business 2001). The Zila Nazim is further empowered by Section 30 to have the DCO or an EDO in his district transferred back to the Provincial Government if their performance is not satisfactory.

³ All cited sections are of Punjab LGO 2001, unless specified otherwise

- f. Besides the administrative and managerial functions highlighted above, the local governments enjoy complete freedom of planning and action in their financial matters as well. The LGO 2001 not only places their financial independence and autonomy on statutory footing but also sets in place mechanisms, institutions and rules to preserve it. Foremost amongst these is the Provincial Finance Commission (PFC) constituted under 120A. In contrast with LGC, the PFC is a body wider in its membership but narrower and more important in its mandate. There is only ONE main function of the PFC; to allocate resource between the Provincial Government and local governments after it has devised a formula. This mechanism is intended to remove any potential arbitrariness in size of allocations by Provincial Government to local governments based on political or extraneous considerations. To further institutionalize the system, the LGO 2001 stipulates that in no subsequent year the funds allocated to a local government shall be less than the ones which were allocated to it in 2001. Thus, the 2001 allocation has been set as a minimum to ensure that the Provincial Government, even if it does not want to promote a particular local government, does not attempt to strangle it financially.
- g. The LGO 2001 extends the same autonomy to financial management as well. The local governments are free to propose, levy and collect new taxes (Section 18(h), 39b). This power to tax, which was originally unqualified, was later made subject to vetting of the tax proposal by the Provincial Government through an amendment. This mandatory vetting by Provincial Government (which, if not done in time, is deemed to be done in time) obviously reduces the local government's unbridled power to impose taxes. But it is noteworthy that the Provincial Government's power, which can also be used to shoot down a tax proposal by delaying it, modifying it substantively etc., is only an oblique influence and not a direct power to stop or refuse. Whether Provincial Government's check on a local government's unbridled power to impose local taxes is necessary is a moot that is debatable. In a way, such a provision is helpful for the local governments as vetting process by local government or finance departments can make for gaps in legislative or policy-making capabilities of local governments. Introduction of new taxation proposals or any such activity represents an important area of public financial management which may have far-reaching implications for the concerned local governments as well as for the provincial governments. It is, therefore, prudent that process of imposition of tax proposals by local governments may be provided with a safety net of provincial review and approval to bring it in conformity with the provincial fiscal and taxation policies.
- h. Besides the above, the local governments are given total and absolute control over their resources and budget. It is the local government that decides how much to spend on what and when. The Provincial Government does not have any direct, indirect or oblique

role in this decision making. This unlimited power of a local government to budget its resources is only qualified by certain principles of good financial prudence. For instance, local governments are specifically barred from transferring any of its funds or resources to a higher government (Provincial Government and District Government in cases of District Government and Tehsil/Town Administration respectively) (Section 109(3)). Main aim of this provision is to protect the local governments from any pressure, incentive or coercion meant to withdraw their resources by a government at a higher tier. Certain good practices like prohibition of deficit budgeting by local governments have also been given a statutory basis by the LGO 2001 (sections 109(8) & 112(4)). This prohibition is off-set by the fact that the monies in Local Funds (owned and operated by local governments) do not lapse at the close of a financial year and are carried over to the next financial year.

- i. As indicated above, Tehsil/Town Administrations are also legally and statutorily independent entities. They enjoy their operational, financial and functional freedom, not only from the Provincial Government just like the district governments, but also from the district government of their district. There are not any worthwhile operational or legal linkages between the two. In resource allocation terms, they receive their funds from the Provincial Government (as calculated by the PFC) directly from the Provincial Government and not through the District Government. A provision to the contrary in the LGO 2001 was amended in 2002 to sever the financial dependence of tehsil/town administration on the respective district government (section 55).
- j. In regulatory affairs, enforcement of local laws and by-laws, the local governments are fully independent entities. They can formulate, frame, draft, promulgate, implement and enforce their by-laws by themselves (section 39a). Even town/tehsil administration is fully independent in applying and enforcing land use laws, building regulations and dozens of other municipal laws. The land-use plans are also prepared and finalized by the tehsil administrations (sections 53(4) and 54).
- k. The above package of devolved freedom of action and planning is fully reflected in local government's mandate to conceive and execute development schemes and plans. As indicated above, no superior tier of government can intervene in the resources allocated to any local government. Perhaps, the epitome of the development autonomy afforded to the local governments is in the institution of CCB (Citizen Community Boards). CCB is a new concept incorporated into the local government regime by LGO 2001. It is based on bottom-up planning and ownership-incentive system. Local governments are encouraged to promote CCBs in their areas, which in fact amount to further devolution of development initiative to the union councils' level. CCB funds, like all local government

fund are non-lapsable; and under no circumstances can be used for any other purpose even by the Provincial Government or any local government.

- I. Yet another indication of level of trust and autonomy afforded to the local governments (tehsil/town administrations) lies in their power to indulge in corporate and commercial activities (section 54(2) d-f).

The above survey has highlighted legal provisions that provide basis for financially, operationally and administratively autonomous local governments. As is evident, the extent of freedom of planning and action available to the local governments is quite deep and broad. They have sufficient powers to manage people under their command, utilize resources for local development, and authority to administer, regulate and enforce their by-laws and policies. Two primary institutions, in the legal shape of autonomous, free-standing commissions, as examined earlier, ensure that the allocation of resources amongst the Provincial Government and local governments are distributed equitably, and intra-government disputes resolved in a free, fair and impartial manner.

It is obvious that vide the LGO 2001, the Provincial Governments were made to abdicate enormous administrative and financial authority in favour of local government. Nonetheless, it is equally pertinent to note that certain indirect and oblique controls still remain in the hands of Provincial Government, howsoever insignificant they might be. These relate to local government's proposals for taxes, posting of officers into or out of a district, a slightly lop-sided LGC (in favour of the Provincial Government) etc.

The above was an overview of what the law provides to ensure financial and functional autonomy of local governments. Before we see how these provisions have fared in practice, it is pertinent to have a look at how this freedom is perceived by the end-users, practitioners, oblique observers and the general public.

Perception survey conducted as part of this research has indicated that there is almost a consensus of various sub-groups of target population on the fact that the district government enjoys reasonable and considerable budgetary freedom in allocating funds according to its priorities. Predominant parts of all sub-groups believe that the DGs are considerably and reasonably equipped with the legal space and ability to adapt themselves to their needs and agendas; and this belief is present all across the spectra. As shown by table 5.1, in all of the groups of target population, nearly half of the population in each group believes that the DGs have 'total 'freedom' in allocating their financial and budgetary resources.

Table 5.1

Do you think the DG enjoys reasonable and considerable budgetary freedom in allocating funds to its various development / non-development priorities?

	<i>Opinion Leaders</i>	<i>Non-Elected District Government Officials</i>	<i>Legislators</i>	<i>Elected Officials of the District Government</i>
Yes, it has total freedom	49	47	50	46
Yes, but more freedom is required	38	36	37	36
No, more freedom is required	11	9	7	13

(all figures in percentages)
(not all options given to the respondents shown)

The size of population in each group that believes in the total freedom of the DG in allocation of funds, but believes that more needs to be done in this respect, is also fairly same in each group. Similarly, the sub-groups that want more freedom for the DGs in handling their financial allocations and priorities are of the strikingly same size in each population.

Getting deeper into this analysis, Table 5.2 presents how urban and rural population in each individual group has responded to the question of financial independence of DGs.

Table 5.2

<i>Do you think the DG enjoys reasonable and considerable budgetary freedom in allocating funds to its various development / non-development priorities?</i>								
	<i>Opinion Leaders</i>		<i>Non-Elected District Government Officials</i>		<i>Legislators</i>		<i>Elected Officials of the District Government</i>	
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
Yes, it has total freedom	48	59	51	10	44	57	43	50
Yes, but more freedom is required	39	32	30	80	44	14	35	35
No, more freedom is required	11	5	10	10	6	14	15	12

(all figures in percentages)
(not all options given to the respondents shown)

In addition to confirming the strong cross-cutting belief in 'total freedom' of financial decision making of DGs, the above table also indicates a strong perception of the need to do something more in non-elected officials of DGs in rural areas; 80% of these, in frank departure from other groups, believe that although DGs have financial freedom, but still more needs to be done. This departure carries weight since the holders of this perception are no oblique or distant observers

of the local government system, but are part of it. Perhaps, their strong belief in financial independence and desire to have more of it, unlike their urban counterparts, has something to do with urban-rural divide that the DG system intended to wipe out. This shows that people in rural areas still feel the need of more financial independence, which perhaps stems from an urban bias on part of financial decision makers in the district governments.

An important index of administrative freedom of a district government is its ability, if at all, to adapt its organizational structure according to its peculiar needs, requirements, priorities and development agenda. The perception of four population groups was also tested on this question and the following results were returned.

Table 5.3

Do you think the organizational structure of the DG is adaptable, as per the law as it stands today, to its particular needs and circumstances?				
	<i>Opinion Leaders</i>	<i>Non-Elected District Government Officials</i>	<i>Legislators</i>	<i>Elected Officials of the District Government</i>
They are capable to a large extent	47	49	50	53
They have little capability and more is needed	40	27	27	21

*(all figures in percentages)
(not all options given to the respondents shown)*

The above table indicates a neatly uniform trend in response to this question. Nearly half of the population, irrespective of which group they belong to, believes that the DG is capable of changing itself and its structure according to its needs and priorities. Nonetheless, a parallel and fairly strong perception that more needs to be done to empower DGs in this respect also prevails, the data indicates. Given the predominance of responses in favour of option one above (about 50%), one would not have expected the half of the remainder to seek for more ability to adapt. Perhaps, this has occurred because people have viewed this ability of DGs to adapt themselves to local needs and requirements differently. Different readings of the law are possible; and at the same time, some people know the law only through how it is in fact practiced. Since the disparities in the black-letter law and its practice in reality are observable quite often in our country, it is not strange, at best, that different people, after having looked at the law, have found it satisfactory on one hand, whereas others, looking at the ground reality, have called for 'more.'

Table 5.4

<i>Do you think the organizational structure of the DG is adaptable, as per the law as it stands today, to its particular needs and circumstances?</i>

	<i>Opinion Leaders</i>		<i>Non-Elected District Government Officials</i>		<i>Legislators</i>		<i>Elected Officials of the District Government</i>	
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
They are capable to a large extent	43	56	54	30	56	29	50	54
They have little capability and more is needed	30	30	24	30	22	29	17	37

*(all figures in percentages)
(not all options given to the respondents shown)*

Table 5.4, broadly, confirms the trends emerging from Table 5.3. However, what is remarkable is the equally divided opinion in rural population amongst the non-elected DG officials and legislators. This raises a question as to why these two groups in rural areas are finding it difficult to reach at a clear cut conclusion in this respect unlike other groups surveyed. The answer perhaps lies in the sense of remoteness of non-elected officials working in the rural areas and legislators belonging to rural areas, which the LGO 2001 has failed to address. It may be indicated that the LGO 2001 does not differentiate between the urban and rural areas insofar as the local government system, its legal structure and administrative institutions are concerned. It was one of the presumptions of the LGO 2001 that doing away with the old local governments (under Local Government Ordinance 1979) having separate systems for rural and urban areas. Although the data presented above has not been collected in order to test this presumption and this presumption is not the focus of this discussion, but, it is pertinent to mention that there has been a broad consensus of researchers that LGO 2001 has not been really able to overcome the urban-rural divide. Perhaps, this data is also reflective of this trend. Irrespective of what data or responses might indicate, the issue of urban-rural divide has emerged as a recurrent theme during the present research. The design of LGO 2001 conveniently presumed that ending urban rural divide would somehow automatically iron out inadequacies and biases in resource allocations. However, what has subsequently emerged (and also corroborated through present research) is the fact that ending the so-called divide has benefited none. While the peculiar and fast-track developmental needs of urban areas have been compromised on account of purported equity of resource sharing between urban and rural areas, surplus funds required for rural uplift have also remained elusive. In this way, the ending of urban-rural divide has, on the one hand, deteriorated the quality of urban services, and on the other hand, has led to a situation where critical resource inputs for rural uplift have been denied. It is, therefore, critical that the whole notion of urban-rural divide is revisited and a practical solution is agreed upon.

Similarly, in subjective interviews, there appears to be a total consensus on the fact that the district governments and all local governments are absolutely independent in allocating their resource to whatever they feel like or deem fit. Remarkably, there have been no two opinions on this. People from various sub-groups, the nazims, the local legislators, officials of the local governments, seem to be cognizant of the financial and administrative power of the local governments.

The discussion in this section has highlighted the range of mechanisms, legal provisions, instruments and institutions that the LGO 2001 has put in place to ensure functional autonomy of the local governments – and how various stakeholders have perceived it. It is now necessary to have a look at how district governments in our study districts have evolved in fact.

5.2 Inter-district Variance

This section, in the backdrop of legal provisions and public perceptions described above, attempts to see how various district governments have fared so far in the last seven years. Although, in this respect, each of the 35 district governments and 105 tehsil/town administrations would have a different, and equally significant narration, our focus mainly remains on the six study districts.

As indicated above, a study of perceptions and discussions with legislators from these districts, elected and non-elected officials of local governments, leaders of civil society, and members of general public have revealed that nearly everyone is aware of the fact that all the local governments in the province were offered the same package under the law, nearly all the responders in subjective discussions and interviews have observed that no discrimination has been exercised by the Provincial Government in dealing with various district or local governments. Broadly, all have been provided similar administrative structures, financial resources and package of legal and administrative powers. Needless to emphasize that after all, the amount of funds transferred to the district governments and tehsil/town administrations are determined on the basis of a formula by the Provincial Finance Commission on the basis of their population, local resources, needs and existing infrastructure. Barring the legitimate discrimination exercised by the PFC, there appears to be a broad consensus amongst all those surveyed and interviewed that no distinction has been made by the Provincial Government whilst it created administrative structures, new posts, departments, distributed existing resources etc. for the local governments.

But the story does not end here. The plot thickens as the analysis gets a bit deeper. A totally different picture emerges when one attempts to see how the above legal and administrative regimen has been put to practice in various districts.

The six study districts did not fare in the same manner and on the same pattern. Some of the districts received more than their share of funds, administrative powers and mandate; whereas, some did not even touch the bar defined very clearly by the law and rules discussed above.

Kasur was a notable example.

The question as to why Kasur remains a bit different from the rest of the districts in this respect is not very difficult to answer. The subjective interviews from the parliamentarians, opposition members in the local governments, opinion leaders and members of general public very clearly indicate the exact reason of this unique treatment, i.e. its Zila Nazim and one of the Tehsil Nazims belonged to a party which was in opposition to the treasury benches in the Punjab Assembly. In other words, this ZN belonged to the opposition party in the provincial government; and hence, he failed to get even what was due to him and his district government from the Chief Minister. However, it is also pertinent to look deeper into this question. Plain reading of LGO 2001 (as already referred to) does not provide for any situation where an arbitrary or discriminatory treatment may be meted out to any district, purely on account of political affiliations. The real reason for what has happened in Kasur may be traced into the nitty gritty of bye laws and consequential legislation. Evidently, despite categorical provisions regarding administrative or financial autonomy, provincial government (through local government or finance department) can still wield substantial clout with local governments under several provisions of consequential legislation. Hence the functions like formal approval of budgets, actual release of allocated moneys, approval of developmental initiatives beyond certain limits, or even placing of suitable officers are, indeed instruments with provincial governments through which any opposing local government can be obstructed. Such a situation may also be termed as a manifestation of the larger atmosphere of mistrust between the provincial and district governments, which owes its genesis to hasty operationalisation of LGO 2001 by NRB. Hence the Kasur like situation is actually a reminder of this design flaw in LGO 2001 which made it readily susceptible to male fide manoeuvrings by provincial government departments.

The evidence to establish this acrimonious relationship and its impact on the working of district government is not hard to find. It remained public knowledge and was reported time and again in the press. During our survey, one of the councillors in the district Kasur remarked that '*hamaray tenure main to zila chal hi nahin saka ... hamara zila nazim opposition ka tha, usay subai hukumat nain chalnay hi nahin diya.*'⁴ Another Nazim in Kasur put this fact very straight and compared two districts as well:

jis tarah zila Gujrat aur Kasur hain, Gujrat main Chaudhrioun nain apnay zila honay ke waja say arbon rupai ke funding kee .. hamaray Zila kay nazim ARD kay Rana

⁴ Translation: our district could not get ahead during our tenure. Since our Zila Nazim was from opposition, the Provincial Government did not let him work – Zahid Saleem, UC, Kasur

*Hayat thay, un kay funds freeze kar diye .. is main nuksaan 100% awam ka hua hai.*⁵

Muzaffargarh, a district in south Punjab, though not a study district, remains yet another example of this trend. This state of affairs in this district was obliquely referred to by a lady parliamentarians from Multan, who said that:

*mukhtalif azlaa' ko mukhtalif siyasi, zaati aur niji tarjehaat ke bunyaad par ikhtiaaraat aur funds haasil hue hain ... Muzaffargarh main nazim ko funds nahin diye aur Multan main man pasand nazim ko funds.*⁶

The same comparison was also drawn by another parliamentarian from Multan, ex-tempore, when he stated:

*manzoor e nazar ko kaha, jo chahain wo karain .. jo manzoor e nazar the, Nazim Faisal Mukhtar manzoor e nazar ... jab keh Nazim Muzaffargarh ko chalnay na diya gaya ... DCO Muzaffargarh hi ikhtiaaraat istimaal kartay rahay*⁷

Interestingly, this equation is not limited only to the 'handling' of district governments by the Provincial Government. The same equation is duplicated on lower levels too. In case of an opposition nazim in tehsil/town or even in a union council, the same strings (mostly comprising of provision of development funds) have been pulled by the Provincial Government and District Government respectively. On the other hand, a UC Nazim, who belongs to the ZN's group in the District Assembly, receives far more development funds than the one who does not. One of the UC Nazims in Lodhran confirmed that if the UC Nazim belongs to the Nazim's group, he gets more funds and vice versa.⁸ The same principle (sic) applies in districts like Rawalpindi, which have otherwise been smooth sailors. One of the UC Nazims, who belonged to the Zila Nazim's opposition, stated that:

mujhay meri ADP nahin de gaye .. hukumat badlay jaanay kay baad koi scheme nahin de gaye ... jo aik scheme thi us ka iftitah bhi wazeer e aala kay musheer nay

⁵ Translation: See the districts of Gujrat and Kasur. In Gujrat, the Chaudhries awarded funds worth billions of rupees because it was their own district. Our Zila Nazim belonged to ARD and therefore, his funds were frozen. 100% loss in such cases is of the general public – Chaudhry Naveed Majeed, UC, Kasur

⁶ Translation: In different district, funds have been allocated on the basis of political, personal or private considerations. In Muzaffargarh, no funds were given to the Nazim, whereas funds were given to Nazim in Multan because of personal liking (of the Chief Minister) – Zaib un Nisa Qureshi, MPA(?), Multan

⁷ Translation: The favorites were allowed to do whatever they wanted to. Faisal Mukhtar, Nazim Multan was such favorite, whereas Nazim Muzaffargarh was never allowed to work. The DCO Muzaffargarh kept on exercising all the powers.

⁸ Malik Mohammad Akhtar, UC Nazim, Lodhran

*kiay jis ka koi concern nahin tha ... zulm ke baat to dekhien kay meray aur meray naib nazim kay paas aik din bhi sweeper nahin aaya.*⁹

Further, evidence suggests that even the general public knows what is happening around them. This was established during the household survey in Kasur. For instance, one of the respondents, a private person, knew well that their ZN was prevented from working effectively because of his being from an opposition party at the provincial level and he was not given funds to execute his or his government's development agenda.

Before we have a look at another district government, presenting atypical situation, it is pertinent to have a brief look at the government's perspective in case of districts like Kasur. During the field research, one of the MPAs from the treasury benches, belonging to Kasur, on the question of his government's policy towards Kasur district government argued that since the ZN was not using the development funds properly, the DCO had to be asked to take over the affairs into his own hands. Obviously, such an assertion is not tenable by law or under any other provision of related legislation. For all his misdoing (actual or purported), the Zila or Tehsil Nazim are responsible to the council and the whole range of committees made under LGO 2001. Even if a Zila Nazim has to be unseated, there is a well-defined mechanism for this in LGO 2001. Under no circumstances, these provisions can be stretched to make DCO as de facto head of the district.

How far this rationale or reasoning is in line with the autonomy and freedom afforded to the local governments by the LGO 2001 is too obvious to be discussed in detail. However, it is vital that provincial policy-makers may sit together to carve a reasonable course of action when such a situation actually arises. For instance, in cases a Nazim is considered to have rendered himself or herself liable for government action, the matter may initially be referred to Provincial LG Commission or any other appropriate forum for smooth resolution of the issue. Having recourse to arm-twisting tactics (as was observed in case of Kasur district), can only damage the very spirit of good governance which the introduction of LGO 2001 intended to reinvigorate. Even if the above statement, which actually amounts to a statement of allegations against the ZN, is taken to be factually true, the accountability mechanisms to deal with delinquent and corrupt nazims provided in the LGO 2001 are too clear and crisp to be misconstrued. Neither did the LGO envisage such a rationale for undermining Zila Nazims, nor did it provide such extraneous solutions in instances of alleged misconduct.

⁹ *Translation: I was not given even my ADP. After the new government took over, I was not given even a single scheme. My only scheme, that I was undertaking previously, was inaugurated by an Advisor to the Chief Minister, who had no concern with it. Wasn't it cruel that not even a single sweeper reported to me or to my naib nazim for duty on a single day' – Mohammad Asif, UN Nazim, Rawalpindi*

But before we try to note and conceptualise as to what happens after a Zila Nazim is undermined by design and intent by the Provincial Government, it is pertinent to have a look at yet another atypical case amongst our study districts.

Should we try to conceive the list of study districts in the shape of a spectrum, with Kasur on its one end because of serious conflict between the district government and the Provincial Government, perhaps, Lodhran district will occupy the place on the opposite end. Here, everyone seemed to belong to a single treasury party group. One of the parliamentarians returned from this district presented the 'congenial' atmosphere in the district in the following words:

*tamam log aik hi group say taaluq rakhtay hain, is liye in main kabhi tanazaa paida nahin hua ... agar tamam log aik hi group say taalaq rakhtay hon to phir ikhtiarat aur wasaeel par koi ikhtilaaf nahin hota ... aisa sirf us waqt hota hai jab zilee hukumat aur subaee hukumat mukhtalif groups say taalaq rakhtee hon.*¹⁰

What happens in such circumstances when 'all' belong to the same 'group', or what happened as a result of this linear pattern of political alignment was summed up very well by a common citizen in Lodhran, when he stated:

*nizaam to theek hai, magar us ka istamaal ghalat hua hai ... ikhtiarat nichli satah par muntaqil to hue hain, lekin yahan Lodhran main sab Sidiq Baloch kay paas hain .. Nazim koi aur hota hai, pichli dafaa Ghullo sahib thay, lekin ikhtiarat nahin .. ab Asghar Shah sahib hain, qalam un ke chalti hai, lekin dori haveli Naseer Khan say milti hai ... Marzi chalti hai Sidiq Khan ki, jisay chaahta hai, banata hai, jisay nahin chaahta, nahin banaata.*¹¹

What happens in such atypical situations and how power relationships are redefined and redesigned, is a question that we will now seek to answer. We, therefore, deal with the examples of Kasur and Lodhran in order.

What happens in a situation when the Provincial Government is all out to 'fail' (sic) the Zila Nazim? Many respondents have given precise answers to this question too. For instance, it could not have been better put than by one of the parliamentarians from Jhang, who stated that if the relations between the ZN and Provincial Government are good, then all is fine; but if they are not good, the DCO becomes the de facto Zila Nazim and exercises the latter's powers without any interruption or intervention by anyone. One of the UC Nazims in Kasur put this in these words:

¹⁰ Translation: *since all (of the nazims and parliamentarians from the district) belonged to the same group, therefore, no dispute ever arose. If all such people belong to the same (political) group, then no dispute as to the resources or powers ever arises. Such disputes only arise when provincial and district governments belong to different groups* – Khan Sidiq Khan Baloch, MPA

¹¹ Translation: *The system is alright, but it has been implemented in a wrong manner. Authority has been devolved, but in Lodhran, all of it vests with Sidiq Baloch. Nazim is someone else, like last time, it was Mr. Ghullo, but he is powerless. Now the Nazim is Mr. Asghar Shah, but the real power is exercised through the residence of Naseer Khan. Sidiq Khan is the real man, he promotes whomever he likes and vice versa* – Riasat Ali, a businessman in Lodhran

*jahan zila nazim government ka hai, wahan zila nazim aur DCO kay apnay ikhtiyaar hain ... aur jahan zila nazim opposition ka hai, wahan DCO hi nazim hai ... jis tarah hamaray zila Kasur main nazim Rana Hayat kay saath hua hai.*¹²

This argument is quite understandable. Since it falls within the competence and purview of the Provincial Government to appoint the DCO in a district as head of the district administration, invariably, this office can be used to undermine the Zila Nazim. This is what precisely has happened in Kasur. As the registered evidence indicates in such situations the Provincial Government even allows the DCOs to go out to their way to exercise the powers that otherwise would exclusively fall into the statutory realm of the Zila Nazim. This invariably leads to slowing down of development initiatives, bad governance, maladministration, arbitrariness and perhaps, unchecked corruption. But unfortunately, the Provincial Government allows this to happen for the sake of its own political expediency and keeps on doing this. It may also be added that lacunae in rules or bye-laws also facilitate such a thing to happen. For instance, DCO is the Principal Accounting Officer and can thus exercise decisive clout in all developmental activities through the forums of DDC (District Development Committees). Similarly, bye-laws are not very clear on what matters are mandatorily to be brought to the notice of Zila Nazim. Technically, DCO may dispose much of the official business at his level without necessarily bringing Zila Nazim in picture. It is such lacunae in the rules of business covering the day to day working of local governments, through which provincial government may frustrate any Nazim who dares to disagree with its whims and policies.

As indicated above, the law does not provide any significant check to control or prevent this unwarranted interference by the Provincial Government. The only institution created by the LGO 2001, meant to regulate these affairs, is the Local Government Commission. This Commission, as discussed in section one of this chapter, is again a subset of Provincial Government and its independence, objectivity and freedom of action, which was one of the sine qua non in the minds of the drafters of LGO 2001, is yet to see the light of the day.

This discussion raises a fundamental question as to whether it was true to presume (as the drafters of LGO 2001 did) that efficient, vibrant and thriving local governments are possible under a hostile provincial government, and that sufficient theoretical checks and institutions would be sufficient to maintain a check and balance between competing provincial and local governments. This presumption, the discussion of which will be dealt with in a later chapter of this report, was perhaps based on another equally significant presumption that it is possible to have non-political local governments by holding non-party elections on local level. As will be discussed in the next

¹² Translation: Where the Zila Nazim is from the Government, there is a distribution of powers between the Zila Nazim and the DCO. But where the Nazim is from opposition, the DCO is the Nazim, like what has happened with Nazim Rana Hayat of our district – Zahid Saleem, UC Nazim, Kasur

section of this chapter, it is the operation of this assumption that had resulted in different scenarios in different study districts.

The situation in Lodhran, evidenced above, has resulted in a context altogether different from the one in Kasur or from any other 'normal' district. It is obvious that in districts like Lodhran, the power and authority has shifted elsewhere from the political offices of the district government. Where all are aligned towards a single locus of power, obviously, the one which is closest to it, exercises the highest amount of authority available locally, irrespective of whether he is entitled to do so by law. In such situations, it is but natural that the one who is the most powerful will even encroach upon the offices of local governments notwithstanding his being or not being a part of the local government. This has happened in Lodhran, where an MPA, had actually taken over the affairs of the local government.

The above inquiry into the affairs and local power politics in the districts of Kasur and Lodhran leads us to the common denominator in both, and widely, the remaining districts in this study. A broad hypothesis can be drawn from the above analysis, which is that irrespective of position or office, the most important determinant of a person's influence in the affairs of the local government is his proximity and influence on the Provincial Government (or its Chief Executive, i.e. the Chief Minister). A simple application of this principle may well explain different growth patterns of various local / district governments. For instance, where the ZN is quite close to the CM, he is given a free hand (as was the case in Multan). In cases, where a local parliamentarian has stronger ties with the CM than the Zila Nazim has, the former is to exercise broader authority over the local government affairs than even the Zila Nazim (as in Lodhran). In Rawalpindi, we have observed that even a person, who is not even a parliamentarian, may interfere with local government affairs provided he can boast of his proximity with the CM. And in extreme cases, where the Zila Nazim is at loggerheads with the CM (as in Kasur and Muzaffargarh), the DCO is empowered by the Provincial Government to even go out of his way to undermine the Zila Nazim.

The above discussion shows that the most important factor in successful exercise of power and authority in the local governments remains the derivation of that power from the Provincial Government through its Chief Executive, the Chief Minister. This principle can also be shown empirically.

It is quite understandable that once the Zila Nazims start deriving their authority and power from the Provincial Government, it becomes less important and increasingly insignificant for them to attend to their original constituency, i.e. the District Assembly. It is but natural that a rational actor will be attracted less towards a source that is less important for him to hold his position; and instead, he will be drawn more to the real source of his power and legitimacy.

In conclusion we can say that there are visible variances in growth patterns of district governments in study districts.

Chapter 6

Administrative and Human Capacity

'Capacity' in the context of any government organization or entity may be termed as its ability to perform and undertake its mandated responsibilities in accordance with the standards and benchmarks laid down by relevant laws and/or authorities. Capacity in any government organization could, therefore, cover the non material aspects (including enabling legal and policy framework, mandates, rules, regulations, socio-cultural norms including work ethics etc.) as well as material aspects (including human, physical and financial resources etc.), which facilitate the discharge of functions and duties in any tier of government (and which are increasingly being termed as service delivery). However, in actual practice, the compartmentalization of capacity in administrative, human and/or financial blocks is perhaps artificial as oftener, all three represent different manifestations of a single phenomenon. Similarly, the relationship between the different components of capacity may actually be complimentary in nature. The deficits in one aspect may also impact the strengths in another aspect of the capacity in any governance unit. Any assessment of capacity in local government may, therefore, not only entail looking at these features individually but will also require an analysis of the mutual relationships between these aspects of capacity in different situations. As a matter of fact, it is the administrative and human capacities taken together, which in the final analysis form the notion of 'government' for an ordinary citizen. Viewed from this perspective, government capacity actually transcends the stand alone notions of human or material resources and usually takes the form of public perceptions of government as a set of probable and likely abilities which state may exercise. Government capacity is thus not only confined to what the state machinery is mandated to perform but also covers what state machinery is expected to be capable of doing. However, the chapter will not focus on the later aspect of capacity. Administrative and human capacity in local governments will be primarily described and discussed in this chapter as having three critical components as follows:

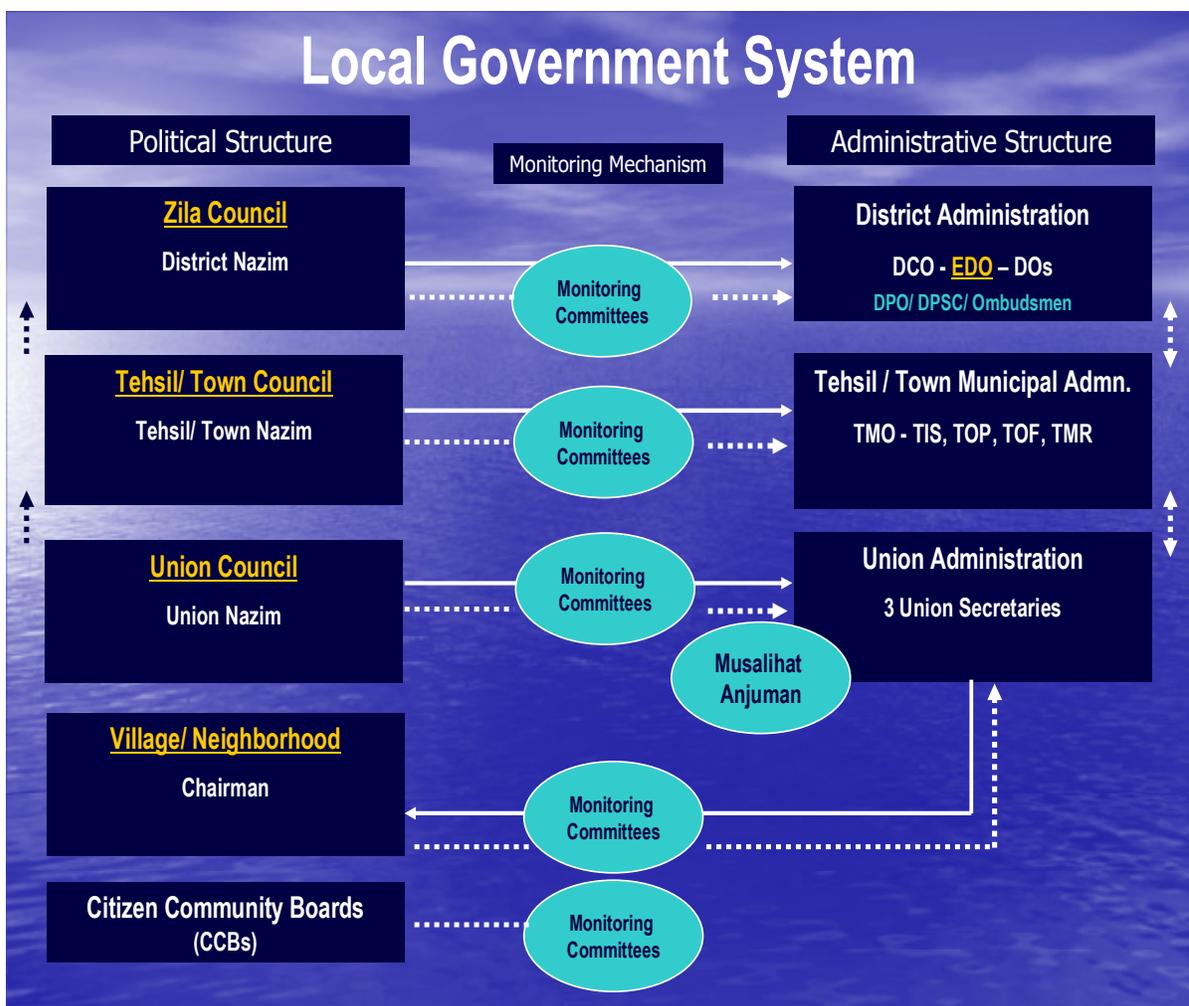
- a. Human Resources available to various tiers of the Local Governments;
- b. Enabling Legal and Policy framework, empowering the Local Governments to perform their mandated functions;
- c. Physical and material resources provided to various tiers of local governments to translate mandated functions in actions.

This chapter is designed to look at the human and administrative capacity in different tiers of Local Governments established under LGO 2001. The chapter begins by identifying the broader categories of functional responsibilities associated with various tiers of Local Governments under LGO 2001 requiring matching human and administrative capacities. This discussion will be further elaborated in the next section by identifying the major sources of Human and Administrative Capacity which are available to the Local Governments since 2001 for discharge of these mandated functions. By identifying the mandates and by relating capacity definitions with these mandates, the discussion in these sections is meant to provide the conceptual background for assessing the human and administrative capacity questions under LGO 2001. The third section explains the wide range of Capacity Building opportunities provided to Local Governments through various in-house, government or donor-funded initiatives since 2001 for augmenting administrative and human capacity. These sections will be followed by the section covering the stakeholder perceptions elicited through questionnaires and structured/semi-structured interviews in the sample districts. All these sections will enable an actual assessment of capacity issues and gaps in different tiers of local governments under LGO 2001, which will be followed by the final section presenting key recommendations developed for addressing capacity gaps in administrative and human capacity in line with mandated functions of various Local Government tiers. (The topic of financial capacity is not discussed in this chapter.)

6.1 Functions of the Local Government Tiers

Functions associated with local governments under LGO 2001-The Add on and the Traditional Roles: It may be interesting to look at the functions as well as sources of these functions under LGO 2001, ascribed to various tiers of local governments before actually enumerating the components of existing and requisite administrative and human capacity to match these functions. It is only through a clear identification of the functions ascribed to various tiers of local governments that an assessment of the availability or otherwise of requisite capacity may be justifiably made out. Such functions may be identified in terms of the offices as well as institutions provided for in the local Government Ordinance at various levels. As a general rule, LGO 2001 follows a uniform scheme in describing the functions associated with Local Councils at District, Tehsil and Union levels. LGO 2001 invariably describes these functions at three distinct levels in terms of the respective Councils, Administrations and Nazims. Hence the functions of District Administration, Zila Council and Zila Nazim have been separately described in chapter III and IV of LGO 2001 (Sections 16, 18 and 39). Similarly, the functions of Tehsil Administration, Tehsil Council and Tehsil/Town Nazims have also been described separately in chapter V and VI of LGO 2001 (Sections 54, 54-A, 57,67 and 67-A). Lastly, the functions of Union Administration, Union Councils and Union Nazims have been separately mentioned in chapters (Sections 76, 80

and 88). Hence LGO 2001 comprehensively mentions the functional responsibilities of the councils, administrations and Nazims in the respective tiers of local governments.



These three aspects of functional responsibilities may be logically related to two different facets of capacity in local governments. These include the legal/policy based capacity (relevant to District/Tehsil/Union Councils) as well as administrative and human capacity (relevant to District/Tehsil/Union Administrations and government functionaries including District/Tehsil/Union Nazims). The sum total of functional responsibilities in all of the above-mentioned components under LGO 2001 may be viewed as an appropriate yardstick for discussing questions of administrative and human capacity. Administrative and Human Capacity in Local Governments should therefore be the ability in each of these components of LGO 2001 to perform the mandated functions in an effective and smooth manner.

Another useful perspective to look at the functions associated with local governments under LGO 2001 could be obtained by attempting to look at the genesis of these functions. Theoretically,

local governments under LGO 2001 represent a substantial 'add on' on the erstwhile local government system under LGO 1979. Unlike LGO 1979, the scheme of local governments under LGO 2001 delegated several of provincial government functions to the local government authorities in addition to the ones usually associated with local governments. Consequently District, Tehsil and to a lesser extent, Union Administrations are presently required to perform many additional administrative and governance functions as compared to the Zila Councils and Municipal/Town Committee's functions under LGO 1979. These functions owe their historical origin to various provincial government departments and agencies which stand delegated to local governments under LGO 2001. In addition to these delegated provincial government functions, the different tiers of local governments under LGO 2001 are also expected and mandated to undertake several new and innovative functions which were also missing in LGO 1979. Examples of such new functions may include social mobilization, public private partnerships, community based dispute resolution, decentralized budgeting and planning, public safety, gender mainstreaming and legislation etc. Generally speaking, majority of these functions were also, by and large, not even fully reflected in the domain of provincial governments and represented innovative ideas and notions promoted by an active civil society in recent decades. To these two categories may be added the third and historic or traditional functions associated with local governments in Pakistan involving provision of municipal services (Water Supply & Sanitation etc.) and local level development. It is this last category of the functions, for which local governments have been historically designed and equipped with capacity wherewithal. Last but not the least, the local governments (and especially the district tier) under LGO 2001 have also been mandated with performance of several regulatory functions which were originally performed by what was known as 'District Administration' as personified in the offices of Deputy Commissioners and Assistant Commissioners before 2001.

It is therefore clear that LGO 2001 clearly describes the functions and mandates of the elected as well as administrative tiers of local governments at the district, tehsil and union levels. These functions and responsibilities also include the delegated functions from provincial governments as well as several innovative functions and mandates. The capacity assessments of devolved local governments must, therefore, be undertaken in the light of these parallel streams of mandated functions which represent varying nature of capacity requisites.

6.2 Sources of Capacity in the Devolved LGs

Sources of capacity in devolved local governments-: Besides mapping the broader functional framework of devolved local governments under LGO 2001, it is also pertinent to look at the sources of capacity which were and continue to be available to various local government tiers as capacity for discharging their mandated responsibilities. Firstly, local governments under LGO 2001 may be deemed to be the recipient of the residual capacity of erstwhile local governments

under LGO 1979. This would imply that the human and material resources from previous system were transferred to newly established tiers of local governments in 2001 for performance of their mandated responsibilities. This would logically mean that local governments under LGO 2001 should exhibit the administrative capacity of their predecessor (erstwhile local councils under LGO 1979) at the minimum. Hence the officers and staff of erstwhile Zila Councils Governments, Municipal Committees and Union Councils were transferred to the newly established local councils under LGO 2001 as major contributors to human capacity. Secondly, Local Governments under LGO 2001 were also able to receive comprehensive additional capacity in terms of human resources as mandated by various provisions of the ordinance for performance of their municipal functions. Hence, the office of Chief Officers was replaced with almost five offices of similar nature including Tehsil/Town Municipal Officer and four Tehsil Officers for essentially looking after the municipal functions of TMAs. Additionally, many TMAs have also retained the office of Chief Officers as CO Unit in addition to having the new tehsil level offices as provided by LGO 2001. Similarly, Union Administrations have also been provided two to three positions of Secretaries for smoothly performing their functions. The District/City Governments have also established the offices of EDO Municipal Services, retained the offices of ADLGs besides also receiving the human resources from civic bodies (Development Authorities) as well as WASA. Quite often, the budding local governments also made sporadic efforts to address capacity challenges through local adjustments and placements. Hence officers/officials from different organizations were transferred/relocated/inducted to fill critical positions in these local governments without really caring about job-capability matches. Consequently, a mixed bag of human resources was associated with local governments which, despite lapse of several years, continue to be associated with various tiers of local governments. (Examples of positions including PSO to Nazims, Advisor to Nazims, Administrative Officer, Coordinator to Nazims etc. may be cited in this regard which have been and continue to exist in various districts, even today). Obviously, such capacity add-on also covered the lower and technical streams within these local councils as additional lower staff was also provided to attend additional functions.

Thirdly, local governments under LGO 2001 received additional capacity as associated with the devolved authority delegated from the provincial governments. The presumption associated with such delegation was rather simple as it meant to delegate several functions of provincial governments to the local governments at the district—and to a lesser extent—the tehsil level. In other words, the newly established District governments were structured to perform several of the roles of provincial governments in addition to the municipal and developmental functions. For this purpose, a large majority of provincial government departments were allocated to over a dozen groups of offices as Executive District Offices within the framework of District Governments. Such delegation also brought a large number of hitherto provincial government employees under the direct control of local governments along-with allied resources. Last but not the least, many of the

regulatory powers and authorities of the erstwhile district administration have also been transferred to different components of local government. Generally speaking, the transferred and delegated capacity of the provincial government is considered to be amongst the most critical aspects of the capacity of local governments, especially at the district levels. Equally important in terms of effective capacity may be the perception, which the common public had of the erstwhile district administration and which was received by local governments (especially district tier) as heirs to the offices of Deputy and Assistant Commissioners. Although the clout of erstwhile district administration has not been received by all local governments in an even manner, yet it does represent a critical pillar of the perceived capacity of the local government tiers. Very significantly, the uneven accrual of the clout of erstwhile district administration may not be attributed to any doubts about legitimacy amongst common citizens regarding local government functionaries. It is perhaps more a result of the clouded perception of the provincial governments which rightly or wrongly felt dis-empowered by LGO 2001, and hence manoeuvred the availability of the powers of erstwhile district administrations to local governments on pick and choose basis. Hence any District Nazim with closer link to the provincial government has hardly felt any capacity constraints in implementing the writ of the local government while it has not been the case with any District or Tehsil Nazim on the wrong side of the provincial government.

Last but not the least, source of capacity in local governments may be cited as the whole range of legislation, laws, rules and other such statutory instruments which empowered the local governments in different areas of governance under LGO 2001. It can actually refer to the whole range of enabling legal/policy/statutory framework, which carried the administrative authority of the government and which may have been ascribed to local governments since 2001. Most critical part of this capacity may be termed as LGO 2001 which serves as the bedrock of whole system of decentralized governance. Besides the provisions of LGO 2001, reference may also be made to the whole range of consequential legislation, by laws, rules, regulations etc. which may have been made by the provincial legislature or the local governments on their own to manage the affairs of local governments. This source of capacity represents the enabling legal and policy framework which strengthens the capacity of the local government for discharge of their mandated responsibilities.

Reference in this context may also be made of the broader role of provincial government in strengthening the administrative and human capacity of local governments as an on-going phenomenon. Firstly, Provincial Governments are connected with various tiers of local governments through Provincial Local Government and Community Development Department. This relationship has several aspects. For instance, LG&CD department fulfils critical human resource requirements of local governments from amongst Local Council Service officials. As a matter of fact, LG&CD department has a critical importance in terms of meeting personnel and training needs for meeting critical capacity requirements local government tiers. Secondly,

Provincial Governments are also responsible for providing human resources for manning all delegated departments at the levels of DGs and TMAs through S&GAD. Similarly, Provincial Governments also fill the critical positions of DCOs in the DGs besides posting TMOs in the province. The other critical role of Provincial Government in supporting administrative and human capacity in local governments pertain to their role in legislation and rules making whereby critical aspects of local government capacity are addressed through appropriate legislation. Last but not the least, the provincial governments exercise critical control over the capacities of local governments by timely provision of financial and material resources through different instruments. All these aspects of the control of provincial government over local governments have direct and important bearings on the administrative and human capacities of different tiers of local governments.

Several conclusions may be drawn from the discussion regarding the functions and available sources of capacity in local governments under LGO 2001. Firstly, LGO 2001 comprehensively explains the mandates, functions and responsibilities of various tiers and components of local governments. This should actually help the local governments to assess their capacity requirements and work towards strengthening it in a manner which follows the scheme of LGO 2001. Secondly, local governments under LGO were able to receive inherent and additional capacity from a diverse range of sources within the provincial government since 2001. Thirdly, provincial governments have comprehensively addressed the legislative and policy based capacity issues in local governments through development of a comprehensive body of bye-laws and rules/regulations to serve as models for smooth implementation of LGO 2001 at various levels. Lastly, the local governments have also been able to enjoy seven years of almost blanket support and approval from the highest political offices in the country which must have contributed to the perception of their capacity amongst common public in a big way. It can thus be concluded that local governments under LGO 2001 have abundant clarity in terms of functional responsibilities; these have received comprehensive support from provincial and federal government for capacity augmentation; the capacity of local governments under LGO 2001 has also received substantial boost even in terms of purely municipal functions ; and lastly and quite necessarily for public perception about the capacity, the local governments have received the authority which was once enjoyed by district administration.

In addition to all these inherent and acquired sources of administrative and human capacity, there is yet another source of capacity which has been available for local governments since 2001 that needs particular attention. The next section is devoted to a discussion about this peculiar source of capacity for local governments under established under LGO 2001.

6.3 Capacity Building Initiatives to Support the Implementation of LGO 2001

Ever since the inception of Local Government Ordinance in 2001, generous and unprecedented resources have been provided by government as well as bi-lateral and multi-lateral donor agencies for supporting capacity building activities for local governments. These capacity building initiatives may be divided in two different categories including the government-led and the donor-driven. The former refer to those initiatives which were undertaken through the regular capacity building outfits of Local Government Departments or the Provincial Government Departments. These included the activities undertaken by Directorate General of Training at Local Government Academies of Lala Musa and Bahawalpur, both as pre-service and in-service training activities. Such activities were usually focussed at the employees of local council service, and generally focussed at the level of TMO, tehsil Officers and ranks lower to these. Second level of activities were undertaken at premier public sector training institutions including NIPA, Pakistan Administrative Staff College (renamed as National School of Public Policy) as well as at campuses of Civil Services Academy. These capacity building initiatives focussed the Zila/Tehsil Nazims, DCOs as well as TMOs of larger cities.

6.3.1 Government-led capacity building initiatives

The Government led capacity enhancement initiatives focussing local governments under LGO 2001 have been designed to inject appropriate human and institutional capacities in all critical actors under LGO 2001. Local Government and Community Development Department has been playing a central role in such capacity enhancement initiatives which have focussed elected representatives as well as government functionaries in devolved local governments. Following is a summary of salient initiatives launched by LG&CD Department since 2001.

- An orientation program for Zila Nazims was conducted by LG&CD Department during September 2001 to enable them to fully understand and grasp the management challenges associated with their roles;
- Targeted training courses for local government functionaries were conducted in the areas of accounts, budget and planning in twelve (12) separate batches during 2002;
- A Management Training Program for Tehsil Nazims/Naib Nazims was conducted at NIPA Lahore during 2002-03;
- A similar Management Training Program for Zila Nazims was also conducted at NIPA, Lahore in 2003;
- One week course, specifically designed for lady councillors and female officers of local governments was conducted during April 2006;
- A comprehensive Capacity Building and Training course for elected councillors from various tiers of local governments was conducted between 2005 to 2007;

- A detailed , five week long capacity building course for Zila/Tehsil and Town Nazims was conducted at NIPA Lahore during 2007;
- A comprehensive capacity building program for newly recruited Union Council Secretaries (1362) across Punjab is in an advanced stage of implementation.

It is evident that Provincial Local Government and Community Development Department has been implementing targeted capacity enhancement initiatives for all tiers of local governments in Punjab since 2001.

6.3.3 Donor–led initiatives for capacity building in local governments

Besides these typically government led capacity enhancement initiatives, an extensive range of capacity building programs were and continue to be undertaken by several bi-lateral and multi-lateral donors and development partners for strengthening decentralization in Punjab. Following is a selected list of the thematic areas where such initiatives have focussed for various tiers of local governments.

- Local Government Regulation and Inter-Governmental relations;
- Fiscal transfer and Local Revenue Generation;
- Performance Budgeting and Service Delivery;
- Audit and Accounts;
- Communication, Strategic Monitoring and Social Audits;
- Political and Institutional Arrangements;
- Administrative Restructuring;
- Public Access and Information;
- Internal Audits and Quality Assurances;
- Public Grievance Redressal;
- Alternate Dispute Resolution;
- Internal Administrative Process and Functionality Improvement;
- Alternate Dispute Resolution;
- Gender Justice and Mainstreaming.

In terms of geographical spread, these activities were conducted in the districts of Lahore, Gujrat, Jhelum, Gujranwala, Faisalabad, Sialkot, Multan, Qasur, Attock, Hafizabad, Mandi Bahauddin, Jhang, TT Singh, Bahawalnagar, Khushab, Bhakkar, Sahiwal, Vehari, Rajanpur, Chakwal, Khanewal, Layyah, Sargodha, PakPattan, MuzaffarGarh, Lodhran, Rawalpindi, Narowal, Shiekhupura, Mianwali, Rahim Yar Khan, Bahawalpur, and Okara. Similarly, in terms of generic

nature of capacity building initiatives, these activities may again be divided in the following categories.

- Research;
- Policy Formation and Action Foras;
- Networks;
- Revision of Rules;
- Drafting of legal instruments;
- System Design and Procedures Development;
- Strategic Planning, Management Reviews;
- Software/Database Development;
- Institutionalisation of Systems;
- Exposures and Mentoring;
- Monitoring and Evaluation of Systems.

All these activities have been undertaken by over a dozen Pakistan –based organizations in Punjab, besides a whole range of international donors, including UNDP, ADB, CIDA, DFID, USAID, The Asia Foundation etc. (DSP 2006).

A cursory review of the above-mentioned capacity building initiatives (which are not exhaustive) targeting the local governments reveals interesting aspects for discussing capacity issues under LGO 2001. Firstly, it can be safely presumed that such in-depth tackling of capacity issues finds no match under any of the previously promulgated local government systems in Punjab. Secondly, the geographical and thematic coverage of these initiatives is also unprecedented in that almost all districts of Punjab and all possible thematic areas have already been exhausted. Thirdly, it may also be argued that nearly all categories of Human Resource associated with local governments (Nazims, DCOs, EDOs, TMOs and lower staff) have been comprehensively covered by these initiatives. Similarly, these initiatives have been implemented from local government academies to the most prestigious capacity building institutions in the public sector in Pakistan. Last but not the least, almost all important donor agencies as well as creditable NGOs in Pakistan have contributed to the design and implementation of these initiatives. And these initiatives do not include capacity building activities undertaken by various Provincial Government Departments to the extent of their functionaries who have been placed in various tiers of District Governments and TMAs in the province. It may also be mentioned that several of these capacity enhancement initiatives resulted in the production of model laws, rules and other pieces of supportive legislation which may ultimately have added to the administrative capacity of local governments. Taken together, the overall intellectual, material and resource investments made for strengthening administrative and human capacities in local government capacity under LGO 2001 is unprecedented both in terms of volume and diversity. This factor also needs to be kept in view

that alongside the conclusions of previous sections regarding diverse sources of capacity, there is a clearly laid out as well as comprehensive functional mandates provided by LGO 2001 to various tiers of local governments in Punjab. In other words it may be concluded that, a) LGO 2001 comprehensively identifies functions associated with various components of local government tiers for gauging the actual capacity requirements to perform these mandated functions, b) Various tiers of local governments have been recipients of administrative and human capacities of erstwhile local governments, district administrations and provincial government departments, and c) Various tiers of local governments have been provided comprehensive and unprecedented capacity enhancement opportunities both in terms of scope and resources by donors as well as by the government. It can, therefore, be safely argued that any sub-optimal performance or perception of such performance may not be attributed solely to issues and constraints in human and administrative capacity. The real capacity related problems or perceptions commonly held about the local governments under LGO 2001 may, therefore, be related to some other limitations or design faults which could be hampering desired performance despite optimal human and administrative capacity.

6.3.4 Critique of capacity building initiatives launched since 2001

Despite the very impressive nature of the above-mentioned capacity building portfolio, several issues and limitations may be identified which might have led to less than expected outcome and impact from these initiatives, Firstly, the implementation of these initiatives, without a comprehensive capacity requirement framework covering District Governments, TMAs and Union Councils appears to have led to many gaps, duplications and omissions in these activities. These capacity building initiatives appear to have viewed the exercise as a mere knowledge imparting and skill building function. What has not been realized is the fact that new offices and functions also needed such activities which could have enhanced their very legitimacy and public acceptability. In other words, for the TMO of EDO to be effective, it is not merely an issue of his having requisite skills as per his mandated functions. What is of equal importance is the fact that the clients and common public also need to be made cognizant of the importance and relevance of this or that office under local government dispensation. So ideally, the holistic framework of capacity building should have included an outreach and dissemination component towards client communities in each component of capacity building, focussing various offices and functions. This would have meant that not only the concerned officers knew what to do and how to do, the clients and citizens also knew what to expect from new offices. This seems to be the first major missing link and gap in the capacity building initiatives launched in recent years for the local governments under LGO 2001. Secondly, the manner and content of these capacity building activities also left many gaps and distortions. For instance, most of the donor funded initiatives focussed on various tiers of local governments, as passive recipients rather than as pro-active

partners. Hence, modules and courses were developed by the consultants without proper TNA and even the course participants were decided in a mechanical manner without consulting the local governments and their legitimate requirements. Such an approach based upon 'one size fits all' methodology hardly allowed the capacity building initiatives to fully address the specific and articulated capacity requirements of various tiers of local governments resulting in wastage of precious resources as well as time since government functionaries had to leave their offices for longer durations of time. Thirdly and more importantly, no follow up strategy was developed or recommended by the organizers of capacity building initiatives for sustainability or follow up of investments made in these areas. What was needed was a system where trained officers should have been clearly identified, tracked and constantly focused to ensure their becoming 'resource persons' for their specific areas of expertise to train and build capacity of other functionaries in various levels of local governments. Unfortunately, majority of the development partners only focussed on capacity building regime as an easy and quick mode of using resources without any thought or strategy for sustainability or follow up. As a result, massive investments for capacity building in recent years have failed to bring about any lasting improvements either in local government training institutions or in various tiers of local governments where officials were trained without any follow up or evaluation. Last but not the least, in terms of themes, a greater focus was laid on generic or softer areas as against focussed and targeted training to match the actual needs of various tiers of local governments. Hence, bulk of trainings were based upon the themes of 'advocacy', 'sensitization', 'awareness' etc. and critical areas of say municipal finance, audit, engineering quality control, asset management, etc. etc. (which could have addressed the critical issues directly) were rarely touched. In brief, it can be argued that the development partners and donors should have organized their act in consultation with the provincial and local government, and implemented their activities in a prioritized and needs based manner. Similarly, well thought-out selection of officers and officials from local governments, subsequent follow up for using them as Master Trainers as well as impact assessment in local governments covering such initiatives could have made a huge difference in terms of enhanced capacity within local governments.

Before exploring these gaps and constraints, it would be appropriate to provide a brief resume of stakeholder perceptions regarding the capacity issue in local governments established under LGO 2001. This forms the principal theme of the next section of this chapter.

6.4 Description of Key Stakeholders' Perceptions on Capacity Requirements and Gaps

An interesting insight to the capacity issues in local governments has been obtained through the field research conducted as part of the project design for this work. The empirical data and information related to this chapter has been sifted from the comprehensive field work conducted for this project. (The details of the research design, statistical features and other relevant

information have already been provided in Chapter I of this report). Following is the gist of the findings and conclusions from the field research relevant to the questions of administrative and human capacity in local governments.

In order to get stakeholder perspective, semi-structured interviews and survey questionnaires were used. As many as three direct questions in survey and several indirect questions in semi-structured interviews were included for specifically covering the administrative and human capacity issues in local governments. The questions were asked primarily from eight different categories of respondents including Government/Private employees, farmers, small businesses, housewives, small artisans, professionals and large businessmen. Similarly, interviews were also held with a cross section of opinion holders including the elected Nazims, politicians, government functionaries etc. The feedback from the stakeholders has provided interesting viewpoints on the whole issue of capacity in local governments. Firstly, for majority of target audience (relatively less educated), the question of capacity in the context of district or tehsil governments was confusing as the mere notion or existence of a government entity itself tantamount to capacity. Secondly, what was also abundantly clear was that for ordinary respondents, district government was an entity in itself, capable of doing its job, and they did not perceive three tiers (district, tehsil and union) as separate units. As a matter of fact, out of a total of 433 respondents asked about adequacy of district government apparatus in handling its mandate, 63% termed it very capable or largely capable while only 4% thought of it as having 'no capacity.' This perception of capability was highest in large businessmen (92% of the respondent in this category), followed by small businessmen (71%) and farmers (70%). The perception about capability in local government was found to be lower in professionals (50%) and housewives (33%). In other words, majority of the private entrepreneurs and farmers had little doubts about the capacity of local governments while a majority of housewives and professionals (with palpably specific needs and requirements) had a low opinion about the capacity of local governments. Similarly, the perception about lack of capacity in local governments for performing their mandates was considerably higher in more educated sections of the sample population (40 % in case of graduates and 37% in case of post graduates). Another measure of the capacity of local government could be the satisfaction of the common people in terms of ability of local governments to solve their problems. In this regard, out of a total of 1354 respondents, 65% expressed the view that problems were being solved easily (very easily to somewhat easily) as compared to previous systems. On the other hand, out of the same sample, 30% were of the view that solution of problems under LGO 2001 dispensation had become more difficult. Rather alarmingly, the percentage of respondents expressing dissatisfaction with the new system was highest amongst farmers (41%) and unemployed (38%). Lastly, the percentage of respondents considering new system as facilitating redress of public problems easier was highest in government employees (74% amongst 131 who were asked this question). Lastly, the general impression from the semi-structured interviews also corroborates

the same findings of the perception survey. Firstly, ordinary citizens and even the elected representatives are often not very clear about the issues of administrative capacity. For majority of respondents, capacity was something that went with government and there was this expectation that the mere existence of a government structure must be delivering as per its mandate. More importantly, common citizens are not particularly concerned or clear about the distinct roles, functions and expected capacities as related to District/Tehsil/Union Councils/Administrations/Nazims. For majority of the citizens, administrative and functional compartmentalization of mandates and capacities under LGO 2001 is rather irrelevant. For most of the ordinary citizens, District Governments imply a unified, monolithic and compact entity which should somehow address their problems and improve their livelihoods. This may perhaps be considered as necessitating deeper and broader functional linkages amongst different tiers of local governments so that their combined capacities could be used and utilized for solving problems of common people. Similarly, the challenges of capacity gaps need to be studied in depth to ascertain the root causes of problems. Rather than lumping all issues together as capacity challenges, it could be more practical to identify whether capacity issues pertain to a) provincial government or non-devolved departments, b) district/local government or devolved departments c) elected components of local governments or Nazims etc. c) legal and policy challenges or implementation matters. Another important conclusion that stakeholder interaction as indicated, relates to the role of provincial government in capacity building of local governments. It is invariably the district or the tehsil tier which is the closest to the people and any weakening of district based governance to strengthen provincial government's presence at the local level could actually be counter-productive. It can thus be concluded that capacity building measures by provincial governments in isolation from concerned local governments are actually eroding and weakening the existing administrative and human capacity in local governments rather than strengthening it. Another important conclusion suggested by interviews concerns the dual nature of perception about government's capacity held by common citizens. Hence on the one hand, administrative or human capacity in local governments would be needed to strengthen regulatory or preventive functions at the local levels. On the other hand, the same administrative or human capacity would have to play a facilitative or affirmative role especially in the social sectors. This perhaps is what appears to have resulted in a somewhat confused response of common citizens to the questions of administrative capacity in the present survey. This brings the local governments in a challenging situation where elected and non elected components of one government unit (District Government or TMA) have to simultaneously exhibit a capacity for articulating citizen's voice as well as performing regulatory or coercive roles. One final and important conclusion which can also be drawn is the overall satisfaction expressed by majority of respondents from the social service delivery role of the local governments as opposed to the regulatory functions. The survey results reveal that 71% of the sample population expressed

'minor to major improvement' in health sector under LGO 2001 at the local level. Similarly, 81% of the same sample population expressed 'minor to major improvement' in education sector under LGO 2001 in the local governments. But the overall response from semi-structured interviews during research was not as positive or clear when it came to regulatory or purely administrative aspects of local government system. If these broader results are compared with the scheme of LGO 2001 which suggests a uniform scheme of District/Tehsil/Union Administration under elected leadership, an argument for separating the development and regulatory functions in various tiers of local governments for optimal utilization of human and administrative capacity may be made. Lastly, using public perceptions as a yardstick, any future capacity building initiatives for local governments may also be configured to specifically address the weaknesses in regulatory capacities in addition to social service delivery capabilities. It can thus be argued that the level of satisfaction and confidence with LGO 2001 based dispensation and its capacity to fulfil mandates varies with different categories of respondents. For instance, members of opposition, small traders as well as some of the parliamentarians tend to highlight the problems and constraints resulting from post-2001 LGO system. On the other hand, the government functionaries, elected Nazims and opinion leaders generally tend to give LGO 2001 the benefit of doubt and usually highlight the positive aspects of the system with a hope that things would improve with the passage of time. Similarly, it is also important to note that common public appears to be less informed about the capacity issues within local governments purely in the context of LGO 2001. Perhaps perceiving these local governments as legitimate heirs to erstwhile district administration, it is expected that new local bodies will somehow be able to exhibit requisite capacity for fulfilling the LGO 2001 mandates. This brings forth a critical challenge for aligning the existing and added capacities in local governments in a manner which restores the confidence of common citizens with the kind of legitimacy and certainty that was enjoyed by pre-2001 district administrations. Lastly, the administrative and human capacity in local governments will always be challenged to come up to the diverse expectations and biases of its stakeholders and clients who would be looking at the system from their own and peculiar perspectives.

6.5 Capacity Gaps at Various Levels of Local Governments

The discussions in the previous sections may be used to identify and enumerate major challenges and gaps with regard to administrative and human capacity issues in local governments established under LGO 2001. The capacity gaps may be divided in three categories with respect to their nature and impact in the overall scheme of LGO 2001. The first category may include the constraints and challenges which the devolved local governments face while performing such functions which have been delegated from the provincial governments. In the second category may be included the functions related to discharge of municipal services and mandates. The third category includes the functions related to legislation and policy making.

Alongside these three categories of constraints in administrative and human capacity, certain cross-cutting challenges related to design of LGO 2001 may also be included. For instance, LGO 2001 typically requires any local government to simultaneously perform legislative, implementation and supervisory functions. Similarly, a single level of local government is expected to simultaneously undertake processes and activities which are related to social service delivery as well as regulatory or punitive functions. Hence any level of local government (District Government or TMA) is at once political (Zila or Tehsil Assembly), administrative as well as regulatory. Such complicated configuration of functional responsibilities tends to over strain the human and administrative capacity of different local government tiers for discharge of their mandates in an effective manner. It may be argued that local councils under LGO 1979 also performed administrative as well as regulatory functions. However, one must remember that capacity is not constrained merely by multiplicity of functions as the same is catered for (at least theoretically) by creation of scores of offices and group of offices. The critical change lies in the fact that local councils under LGO 2001 are mandated to discharge these varied functions for the whole district including all municipal and provincial government department, unlike in the past when only municipal functions fell in the purview of local governments. Similarly, the so-called abolition of urban and rural divide has also multiplied the challenges for TMAs in particular, which have now to perform the combined mandates of erstwhile municipal and town committees through a single platform. This invariably leads to confusion, duplications and distortions by overstretching the capacity of local governments where Nazims, in particular, and local administrations in general, fail to prioritise capacity utilization for performing diverse functions and mandates.

Capacity Gap-An example from EDO Education office, Chakwal

EDO Office in Chakwal has 42 posts of Deputy and Assistant Education Officers as sanctioned posts. However, as many as 20 of these positions are presently lying vacant. And very importantly, most of these posts pertain to field level AEOs who are mandated to ensure on-ground quality of education. Similarly, out of 196 sanctioned posts of Subject Specialists, as many as 144 are lying vacant. In the same fashion, out of 172 sanctioned posts of Headmasters/headmistresses, as many as 92 are lying vacant.

What is critical to note is the fact that dearth of human resources for administrative as well as core teaching functions in Chakwal has a direct bearing on the capacity of District Government in meeting the challenges of quality assurance for education. If this acute shortage of human resources is coupled with political and managerial issues (including pressures for transfers, lack of basic facilities, lack of focussed training opportunities etc.) the enormity of capacity challenge would become obvious.

Following is a detailed description of each of these components which need to be addressed for optimal utilization and up-gradation of human and administrative capacity of local governments under LGO 2001.

Amongst the functions devolved from the provincial governments, the areas of health, education, revenue, agriculture, budget/planning, literacy and social welfare may be termed as the more robust of the functions delegated to the local governments. Before 2001, the provincial governments performed these functions through a mechanism of district and divisional officers. In such a system, all decisions regarding day to day management, planning, development implementation and supervision were directly performed by the attached provincial departments through the district and divisional tiers. However, after the introduction of LGO 2001, these subjects were brought within the purview of District Governments which were made directly responsible for administration, management, development and supervision of these subjects to the exclusion of the provincial governments as well as the regional level (The Divisional tier stood abolished). For each of these subjects, a chain of Deputy District Officers and District Officers was established within the districts. Additionally, the office of Executive District Officer for each of these departments/group of departments was also established for performing the kind of functions which were earlier discharged by the regional or divisional tier. Different offices were clubbed together under each EDO on the basis of functional similarities. The Executive District Officers, District Officers and Deputy District Officers are appointed by the Provincial Government but after posting in a district, they directly report to the District Nazim/DCO.

Several constraints may be pointed out in the above-mentioned scheme of things with regard to the capacity issues. Firstly, the creation of a large number of offices of EDO/DO/DDO resulted in a situation where provincial attached department simply did not have officers in requisite numbers to man these positions. Secondly, the scheme of grouping of different departments under one EDO also results in inter-departmental rivalries as officers from diverse departments are placed under one EDO who may belong to one or other of these departments. As a result, the staffing and resource allocation decisions are likely to be impacted by the preferences and likely biases of the EDO who may assign a greater priority to his parent department. Similarly, placing both the DO and EDO under one district set up invariably erodes the supervisory capacity which was earlier exercised by the regional tier. Another pertinent question in terms of administrative capacity refers to the ability or otherwise of the EDO who may have to deal with a diverse range of Provincial Government outfits about which he may have very limited knowledge/exposure. Hence, the scheme of EDO and DO in the district government needs to be revisited in the context of their capacity to act as custodians of the devolved functions from the provincial governments. Similarly, the supervisory capacity of the district governments (to the extent of the devolved subjects) as well as the capacity for performing monitoring roles appears to have been compromised as DO, EDO, DCO and District Nazims are part of one government unit. To

develop dual capacities of implementers as well as supervisors has not been very successful in majority of district governments in Punjab. Another important capacity gap in this context may be termed as a weaker capacity for benchmarking and standardization of service delivery associated with devolved functions. In recent years, the provincial government has completed a comprehensive standardization and benchmark development exercise at the provincial level. However, there appears to be a weak district based capacity (both in government functionaries as well as elected representatives in local councils) to appreciate and operationalise the comprehensive benchmarking and standard setting regime at the district level. Operationalisation of benchmarking regime would need capacity both in terms of identifying reform champion as well as reform implementers which in the existing situation does not appear to be available within various tiers of local governments. These are some of the important capacity gaps which need to be addressed in the context of the working of devolved provincial government functions at the district levels.

The second major area for assessment of administrative and human capacity in different local government tiers concerns the ability to perform municipal functions. LGO 2001 has tried to comprehensively address the capacity issue in this critical area through provision of the office of Tehsil/Town Municipal Officer as well as four separate Tehsil/Town Officers. Similarly, the provincial government has also recently created the office of EDO (Municipal Services) in the five major cities of the province. The purpose of these dual arrangements in LGO 2001 was to ensure an appropriate level of human and administrative capacity for performance of municipal functions at various levels. However, a range of important capacity gaps may also be identified in this important functional area in different tiers of local governments in the province. Firstly, there has been a dearth of qualified officers/officials in Local Council Service (LCS), which is presently providing bulk of human resources for manning the positions related to the discharge of municipal functions. Very often, lower grade officials with very limited relevant experience from amongst LCS cadre have been assigned the critical positions of TMO and Tehsil Officers to the detriment of the municipal service delivery. Another critical capacity question regarding municipal service delivery functions is related to the confusion and anomaly regarding the role of WASA and Development Authorities in the larger cities which are functioning side by side the tiers of EDO (Municipal Services) and TMO/TOs. The technical personnel from LCS as well as other provincial government departments (related to discharge of municipal functions) are virtually scattered in major cities in WASA, Development Authorities and DG/TMAs. Due to lack of clarity and ambiguity of respective roles of these institutions, the service delivery capacity of district governments for municipal functions in bigger cities is suffering. Last but not the least, the administrative and human capacity of local governments is also compromised due to non-clarity and ambivalence about the future prospects/role of LCS (Local Council Service), and the on-going debate about establishing the cadre of District Service. The existing capacity deficit in the

district governments with specific regard to critical municipal service delivery may be largely attributed to the absence of a trained and job specific district cadre with clear career progression and growth prospects. Another capacity restraint often confronted in local governments stems from the fact that there is virtually no functional relationship between District Governments and TMAs. In terms of capacity, it deprives the TMA in executing and implementing several of its mandated functions as it cannot bank upon the execution capacity of District Governments in terms of support of revenue officials, police as well as other provincial agencies. This creates serious capacity issues specifically for the functions of Tehsil Officers Regulation and Planning who could benefit immensely from some of the coercive powers presently available at the district tier of the local governments. A related issue may also be highlighted at this point which pertains to absence of system of sharing the available human resources within one district (among District Government, TMA and Union Councils) or across adjoining District Governments. The capacity of at least adjoining local government tiers could easily be rationalized if some region-based sharing arrangements are in place and whereby under-worked human resources from one local government may be shared within or across the districts for the benefit of all. This could certainly curtail costs, provide critical capacity injects as and when needed besides ensuring optimal utilization of available human resources within local governments.

The third important area of concern for capacity discussion in the context of LGO 2001 may be cited as the capacity issues regarding legislation and legal/policy matters in elected local governments. This issue has two-pronged implications for the smooth working of the local councils. Firstly, as members of Union/Tehsil/District Councils, Councillors and Nazims face serious hurdles in fully understanding the provisions and implications of legislation as an instrument for enhancing the Capacity of the local councils. In this way, even for the areas, where LGO 2001 empowers local councils to undertake legislative steps for strengthening various aspects of their working, limited legislative capacity seriously constraints the effectiveness of local councils. Secondly, the same limited capacity results in a situation where local councils are unable to appreciate and safeguard their legitimate concerns whenever any province based legislation or rule making is introduced in any area of their concern. In other words, the limited legislative and legal capacity essentially leaves the elected local governments at the mercy of provincial government departments who may have an incentive to curtail the effectiveness of elected local councils in various areas of concern.

Another critical area of capacity limitations in local governments under LGO 2001 (which is clearly articulated in field research) is the limited capacity for performing the regulatory functions. This capacity gap exists both in terms of administrative as well as human aspects. The former refers to the absence of an enabling policy or legal framework which could strengthen the regulatory capacity of local governments. The later pertains to lack of training or capabilities in local governments for implementing regulatory functions as prescribed under LGO 2001.

Limited Legislative Capacity and Consequences

District Government Chakwal and the Local Government and Community development Department had notified the sanctioned strength of staff for offices of Zila Nazims/Naib Nazims in 2001. However, several District Governments undertook upward revision of these strengths through Zila Council Resolutions, thinking this valid under section 39 (n), (o) and 109 (8) of LGO 2001. Due to ban on fresh recruitments, these additional posts were filled from within available staff within District Government. However, the revised and additional staff has been withdrawn in 2008 as Zila Councils could not have done it without seeking approval of the provincial government and it tantamounts to audit objects. Obviously, lack of clarity about understanding provisions of LGO 2001 has resulted in an awkward situation in 2008 whereby Zila Council Secretariats have suddenly become handicapped in performance of their duties.

In addition to the above-mentioned capacity gaps regarding the performance of devolved municipal, legislative and regulatory functions, another important constraint having direct bearing on capacity of local governments concern the indigenous capacity building framework available to the provincial local government departments which has been largely by-passed during the donor-driven capacity building initiatives in the recent years. This refers to the existing capacity and quality of local government training institutions which are presently operational in the province. Most of these are in the form of Local Government Academies, owing their genesis to mid sixties in the times when system of basic democracies was being introduced. With passage of almost four decades and with massive transformations in the whole notion of elected local governments, the academies have not been able to improve and re-adjust for meeting the modern management challenges effectively. More specifically, since the introduction of LGO 2001, the mandates and responsibilities of local government functionaries have seen a sea change necessitating a major overhaul of local government training institutions in Punjab. In the similar fashion, the institutional arrangements of Placing 'Local Government Training' as one of the directorates in Provincial Local Government and Community Development Department also needs to be reviewed as in its present shape, it is entirely unsuitable for the demands and challenges of catering to capacity requirements of LGO 2001. Last but not the least, the existing manner and mechanism of enlisting the support and cooperation of international development partners and bilateral/multilateral donors is seriously flawed. While an impressive portfolio of donor-led capacity building interventions may be identified in recent years, there appears to be a serious lack of focus and prioritisation in implementing this impressive capacity support regime by the provincial governments. The training activities have been scattered everywhere, in all areas and subjects and across all cadres of elected and government functionaries. There is virtually no medium to long term plan to rationalize, prioritise and organize the management of this donor-led capacity enhancement resource pool as per the felt needs of various tiers of local governments. Similarly, there appears to be little thought having gone into timing and sequencing of the whole

range of capacity building activities which are being implemented with little regard for time of the year and the priorities of the local governments. Hence, incidences are common when budget and planning officers have gone out for trainings right in the midst of budget preparation or when health officers have left their headquarters during immunization campaigns. For instance, during the anti-polio campaign during first week of 2008, all EDOs in the Punjab were invited for a workshop in Lahore while they would have done more useful work back in their districts. All this points to lack of planning and coordination amongst the training wings of Local Government Department as well as other nation-building departments. As a result, liberal resources mobilized by international development partners and donors have failed to make the kind of impact, which would have resulted in meaningful capacity enhancement of various local government tiers.

6.6 Policy Recommendations for building the administrative, human and financial capacity of the local governments

The previous sections have clearly described the capacity issues in devolved local governments both in terms of human as well as administrative capacity. The following portion provides key recommendations to address the capacity issues for improved performance of local governments in short as well as long term.

- In order to ensure optimal use of the administrative and human capacities in various local government tiers, it is proposed that a clearer and closer functional linkage between District Governments and TMAs may be put in place. This would ensure availability of combined strengths of District Governments and TMAs for effectiveness of implementation strategies in local governments.
- The provincial government led capacity building initiatives should not focus the devolved department alone. These should be designed in a holistic manner for catering to capacity development requirements of the district governments as one entity (realizing the simultaneous capacity challenges for District Governments, TMAs and Union Councils).
- Administrative and human capacity requirements and strategies in local governments should be separately assessed and developed for their mandates entailing regulatory and enforcement functions; The administrative and human capacity of local governments for regulatory functions may be enhanced at two levels. Firstly, issues concerning the absence of an enabling policy or legal framework which could strengthen the regulatory capacity of local governments may be addressed from the provincial level. Secondly, the issues relating to dearth of training opportunities for relevant EDOs, TMOs, Tehsil Officers and Union Council Secretaries may be addressed on priority.

- The number of Executive District Officers as well constituent departments with each EDO needs to be revisited and rationalized. The exact number should be flexible and as per the actual needs of the district. For this purpose, all district in the province may be grouped in, say, three categories including metropolitan or city districts, medium size cities and the smaller districts. Provincial Government may develop a yardstick for rationalizing the strength of EDO and DO offices in such districts. A somewhat similar exercise has already been conducted by Public Health Engineering Department which has used a similar formula for putting back PHE staff in different sized districts.
- Combining 'Supervisory Tiers' as well as 'Implementation Tiers' (especially in cases of mandates associated with social service delivery) in one government unit (e.g., EDO and DO or TMO and TO) tends to compromise an objective oversight regime within a District or Tehsil Government. In order to ensure an objective assessment of performance as well as adherence to quality benchmarks, an independent monitoring and quality assurance regime at the regional level or through an independent mechanism within district could provide a logical solution for this problem.
- Capacity of local Governments and Associated bodies (e.g., Monitoring Committees) needs to be enhanced for successfully operationalising a benchmarking and standardization mechanism. This would ensure proper assessment of capacity requirements and performance for adequate re-adjustments in local governments as an on-going process.
- Local Council Service (as it exists today) needs to be completely overhauled. Its existing organizational set up, rules, procedures and mobility features need to be revamped either on the lines of PMS (Provincial management Service) or the long overdue exercise of developing a district cadre for providing suitable HR for local governments may be completed on urgent basis. Revamping of LCS may be a critical boost for human resource based capacity enhancement in local governments;
- Office of DO (Human Resource Management) is generally an ignored outfit in local governments. It is critical that office of DO (HRM) may be made the principal HR related focal authority within a local government. More specifically, DO (HRM) may be assigned the complete human resource related tasks across all local government tiers in a district (including District Government, TMA and Union Council). This would result synergies and complementarities within a district for improved HR management for better output. Similarly, office of DO (HRM) may also be made a focal office for coordination and liaison regarding enhancement of administrative capacity in local governments.
- Legislative and policy based capacity of local governments needs to be massively enhanced on priority basis. This would enable better legislation within District/Tehsil/Union Assemblies

as well as improved capacities within local governments for understanding and appreciating province led policy and legislative initiatives to their better advantage.

- With reference to training institutions of local government departments, a massive overhaul is badly needed in terms of curricula, training techniques as well as trainers who will have to be responsive to the requirements and challenges of modern day management of local governments in the province.
- Last but not the least, the existing manner and mechanism of enlisting the support and cooperation of international development partners and bilateral/multilateral donors for boosting administrative and human capacity in local governments is seriously flawed. It is necessary that provincial government may agree on a comprehensive and prioritised donor support strategy in different thematic areas for enhancing the administrative and human capacity of local governments. Such an exercise should be undertaken through joint efforts of Management & Professional development Department, Local Government and Community development Department as well as the relevant DO (HRM) in all district governments. Such measures should be flexible and made responsive to the changing requirements of local governments related to enhancing administrative and human capacities.

Chapter 7

Impact on Service Delivery – Let the Data Speak

This chapter examines how the empowering of district governments through fiscal and administrative decentralization has impacted the delivery of selected services in health, education, water supply, sanitation, and agriculture. Although the devolved local government system is relatively new and a definitive judgement on its success or failure is difficult to make, yet the period is long enough to discern certain trends of service delivery. The chapter starts off with a methodological note leading to discussion on service delivery indicators and expenditure in each of the afore-mentioned service areas. This is followed by a description of vertical programmes started by Provincial and Federal Governments and finishes off by highlighting the issues of ascription of improvement in services to appropriate level of government.

7.1 Methodological Note

The methodology for this chapter was devised on a simple assumption that perceptions of end-users must be separated from actual performance on indicators to assist in the assessment on service delivery. A discussion on the psychological nuances of public opinion is beyond the scope of this chapter but the underlying differences between reality and perception must be underscored. Unarguably, perceptions of end-users of services are crucial and important determinant to formulate a final judgment. However, at the same time it cannot be denied that factual position can only be ascertained by looking at hard numbers on various indicators of service delivery. Perceptions, at worst, can be divorced from reality and at best mirror the reality; mostly, it is somewhere between the two ends as it can be affected by multiple factors besides actual delivery of services.

The IPP team held various brain storming sessions and conducted desk research, banking on international literature and research on devolution, to identify a list of indicators pertaining to each of the six services. The idea was basically to gather the data on each indicator for the period between 1995-2007 to ascertain trend of indicators and evaluate it in juxtaposition to budgetary allocations for each of the six study districts. The hypothesis was that an increasing rate on positive indicators e.g. net enrolment rate in primary schools would indicate improvement and a decreasing rate would imply vice versa. Similarly, a declining rate on negative indicators e.g. infant mortality rate would signify progress and an increasing rate would suggest vice versa. At

the same time, allowance was to be made for interventions through the vertical programmes. A final list of indicators was developed and request was sent to the Punjab Government for provision of data from the study districts. These indicators are listed in the box heading 'Indicator Data Requested from the Punjab Government.' The reader is at liberty to formulate an opinion about the appropriateness of these indicators as they may not be mutually exclusive and

Indicator Data Requested from the Punjab Government

Water Supply & Sanitation

- *Number of households with water supply*
- *Number of water schemes initiated*
- *Number of water schemes completed*
- *Number of water schemes handed over to community for operation*
- *Number of non-functional water schemes*
- *Water charges recovered during the year*
- *Water charges outstanding at year end*
- *Proportion of households covered by sanitation services*
- *Volume of solid waste collected*

Agriculture

- *Number of farmers provided with laser levellers*
- *Number of farmers provided with other agricultural machinery*
- *Number of farmers visited by Agriculture Officers*
- *Number of farmer meetings held*
- *Number of field pilots set up*
- *Number of farmers provided improved seed (any crop)*
- *Number of cases of spurious pesticides sent to courts*

Small & Medium Enterprises

- *Number of SMEs in the district*
- *Area of land granted or identified for industrial area*
- *Number of students in training institutes managed by district government*
- *Average fee for professional license*
- *Approval time for a license to carry out a profession*
- *Number of encroachment removal operations in business areas*
- *Total expenditure on roads in business areas*

collectively exhaustive. But one would bear out that surely they provide some basis to determine the position on ground. Furthermore, the team adopted a modest list keeping in view the capacity of the districts to provide the information. The data was, however, not made available and subsequent attempts by IPP team revealed that management information systems in the districts were not designed to provide the required information about indicators. Interestingly, the requested information did not consist of complex or sophisticated indicators and availability thereof would be reasonably expected because of its necessity for measuring performance or formulating policy.

Education

- *Gross Enrolment Rate*
- *Number of Primary Schools*
- *Number of Middle Schools*
- *Number of High Schools*
- *Number of Teachers*
 - *Girls Primary School*
 - *Girls Middle School*
 - *Girls High School*
 - *Boys Primary School*
 - *Boys Middle School*
 - *Boys High School*
- *Number of Teachers' Posts lying vacant at yearend (Male & Female)*
- *Number of Students*
 - *Girls Primary School*
 - *Girls Middle School*
 - *Girls High School*
 - *Boys Primary School*
 - *Boys Middle School*
 - *Boys High School*
- *Number of Schools without Building*
- *Number of Schools without Boundary Wall*
- *Number of Schools without any Teacher*
- *Number of Students dropped out before completing primary education (Boys & Girls)*
- *Number of Monitoring Visits by District Officers to Schools*

Health

- *Number of Hospitals including Beds*
 - *Number of Dispensaries including Beds*
 - *Number of Rural Health Centres*
 - *Number of Basic Health Units including Beds*
 - *Number of TB Clinics*
 - *Number of MCH Centres*
 - *Number of Indoor Patients in all Health Facilities*
 - *Number of Outdoor Patients in all Health Facilities*
 - *Number of Doctors*
 - *Number of Dentists*
 - *Number of Nurses*
 - *Number of Paramedics (excluding nurses)*
 - *Number of ambulances*
 - *Number of deliveries in health facilities*
 - *Number of births attended by skilled birth attendants*
 - *Number of cases of malaria*
 - *Number of children inoculated under EPI*
 - *Number of infants died per 1000 live births*
 - *Maternal mortality*
 - *Number of visits by District Officers to BHUs*
 - *Number of posts of MOs vacant at year end*
 - *Number of posts of paramedics vacant at year end*
 - *Number of households visited by lady health visitors*
 - *Number of new posts created*
- Another issue pertained to the timeline of data. The district government system did not come into existence until 2001 and was a cataclysmic change in the administrative set up. The jigsaw of district government was put together by virtually breaking up and rebuilding every functional entity and business process previously in fashion in the district. The complexity of district administration reticulum increased as a result of decentralization of certain functions previously in the domain of provincial government. Resultantly, it was found that given the time & resources available it was not possible to build a picture of the financial resources available for various functions in the districts before devolution. Had scalable and flexible management information systems been in place, this challenge would not have presented itself to IPP team and collection of data would not have proved elusive.

- Lastly, certain functions such as enterprise development i.e. development of small & medium enterprises were newly introduced in the district after implementation of devolution plan and, therefore, a comparable history did not exist before devolution. Furthermore, even the data about civic services in business areas only was not available in the districts.
- An effort to collect data from certain vertical programmes such as Punjab Education Sector Reform Programme (PESRP) about the state of service delivery did produce numbers for some indicators e.g. education, but again the effort ran into the problems of limited timeline. For example indicators pertaining to education were obtained but they were only from 2003 onwards. Thus, from the perspective of discovering a trend or absence of it sufficient data was not readily available.

Apart from highlighting deficiency and inadequacy of management information systems available in the districts, the exercise forced IPP to change its methodology for determining factual position on the delivery of services. Before finalising the modified approach, the team attempted to gather information from various sources including:

- Planning and Development Department
- Public Health and Engineering Department
- Punjab Bureau of Statistics
- Industries Department
- Agriculture Department
- Finance Department
- PESRP Project Unit
- Punjab Municipal Development Fund Company
- Other Research Reports
- Districts Lodhran, Multan, Rawalpindi, Kasur, Jhang and Sialkot

The exercise revealed certain limitations with data that have been discussed in the box. Keeping in view those limitations, the modified approach entails the following:

- All services have been included in evaluation except services pertaining to small and medium enterprises because no relevant data is available at the district level or provincial level pertaining to these services. Their evaluation has been carried out in the next chapter using the results of perception survey.
- Adopting a top down approach, service indicators at the Punjab level have been evaluated to determine performance on service delivery. However, where possible district level data has been evaluated to illustrate a point or highlight a particular reference. At the same time,

provincial allocations for various services have been evaluated to determine the trend over the years.

- Some information collected from households through perception survey such as duration for which clean drinking water is supplied by Tehsil Municipal Administration (TMA) has been used as a proxy for actual indicators because responses are fact-based and not shaded by opinion of the stakeholders.
- The timeline used for analysis of performance on education indicators has been squeezed, wherever necessary, as opposed to 1995-2007. The reduced timeline ensures that the data collected by a single source i.e. EMIS is used for evaluation. In respect of health and agriculture, relatively clean data is available from 1995 onwards, which has been used in the analysis. However, in case of water & sanitation services, data of TMAs was used even if they were not located within the six study districts.

Limitations of Data

- Data was not available for all the indicators requested from the Punjab Government even at the Provincial Level e.g. number of non-functional water supply schemes
 - Information about certain indicators was available only for certain years. e.g. drop out rate was not available from 1995-2003
 - Some irregularities were observed in respect of few indicators e.g. Punjab Development Statistics 2004 data indicate that number of middle schools dropped by almost 27% from 7488 to 5496 from between 1997 & 1998. The reason for this drop is that the statistics from 1998 onwards were provided by EMIS (Education Management Information System)
 - Consolidated data about the expenditure of TMAs was not available at the provincial level
 - No information was available regarding the services in respect of small and medium enterprises
 - Patchy data on certain indicators was available for study District and certain TMAs.
- An analysis of budget of a study district has been carried out to determine the preferences and resource availability for the improvement of services. The purpose is to ascertain that extent of increase in funding for the provision of services. District level priorities have been discussed wherever possible. The timeline used for analysis of budgets starts from 2001 i.e. the year in which devolution was introduced in the districts.
 - The final section highlights a vertical programme initiated by the Punjab Government and discusses intricacy and complexity in ascription of benefits to appropriate level of

government. The spending on the programme has been compared with provincial budget for the same service in to get a sense of drivers of impact.

7.2 Performance on Service Delivery Indicators

Strategic view of outcomes on key indicators does not reflect noteworthy impact of devolution. Despite improvements on certain indicators, the performance on key services has not registered any significant growth after devolution. Table 7.1 demonstrates the trend before and after devolution on key education, health, water & sanitation and agricultural indicators.

Table 7.1 Outcomes on Indicators in the Punjab

Indicators	1995-96	2000-01	2005-06	Average Cumulative Growth Rate (%)	
				Pre-Devolution (1995-96 to 200-01)	Post-Devolution (2000-01 to 2005-06)
Literacy Rate	40%	47%	56%	3.3%	3.6%
Infant Mortality Rate ¹	93	85	79	-1.8%	-1.5%
Mortality Rate ²	118	108	99	-1.8%	-1.7%
Life Expectancy	60.9	63	64.9	0.7%	0.6%
Access to Piped Drinking Water ³	19%	20% ⁴	27%	1.0%	6.2%
Wheat Yield ⁵	2118	2465	2588	3.1%	1.0%

Notes:

1. IMR per 1000 live births
2. Mortality rate of children under 5 per 1000
3. Includes % of households having access to piped water both inside and outside the house
4. Author's estimates based on previous and next year's numbers
5. Wheat yield in kilograms per hectare

Source: Punjab Development Statistics, World Development Indicators, World Bank, Directorate of Agriculture Crop Reporting Service, Punjab

Although the literacy rate has improved over the years, but its average cumulative growth rate (ACGR) before and after devolution indicates that only modest progress has been made.

In case of health, growth rates of indicators depict either insignificant increase or deterioration. The growth rate in life expectancy has been meandering at a steady rate irrespective of devolution. Furthermore, despite improvements in infant mortality and mortality rate under 5, their growth rates of improvement have declined since the introduction of devolution.

Data indicates that access to piped water has accelerated at a perceptible pace resulting in high growth rates. However, it must be noted that the base percentage of household population having access to piped water was very low in 2000-01. Therefore, even though the percentage growth rate seems impressive, if the absolute number of households having access to piped water is compared, the situation still remains abysmal.

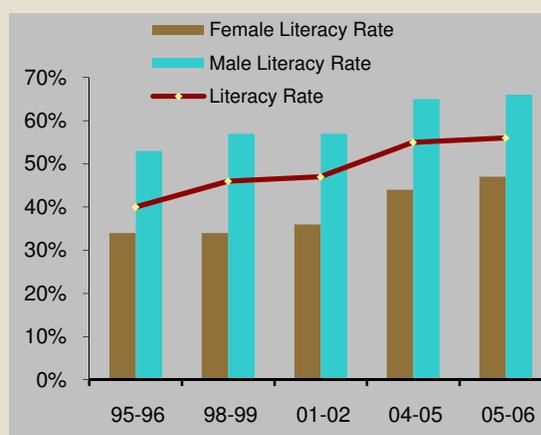
The performance in agriculture has declined if growth in the yield of wheat crop during pre-devolution era is compared with that during post-devolution. From 2001 to 2006, the growth rate in yield has declined by almost 67% from yearly growth rates of 3.1% to merely 1%. Hence, no improvements can be seen in growth rates since the devolution of certain agricultural functions to district governments. The observation has to be viewed with a caveat because the yield depends upon a number of factors, such as price of inputs, availability of water and area under cultivation etc., which are beyond the management control of district governments.

7.2.1 Education

Undoubtedly, services pertaining to education have improved significantly over the years. The advancements in infrastructure and availability of teachers have yielded some positive result as can be witnessed in the increase in literacy rate of both men and women. The average yearly growth in literacy rate has improved slightly in case of male population. However, it has remained the same in case of female population. Thus it can be concluded that the improvements in literacy rate owe to better performance in male literacy.

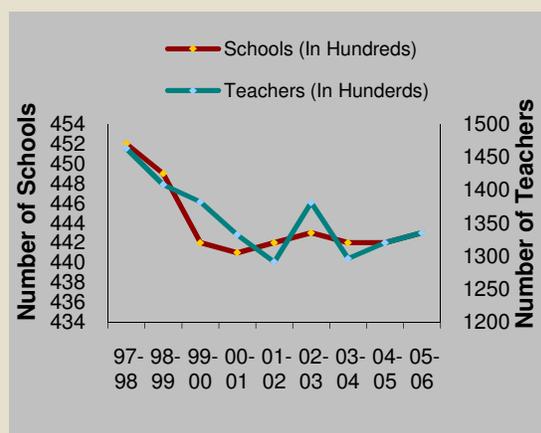
The major inputs involved in the delivery of education services include schools infrastructure, books and teachers. A visible trend can be discerned in case of number of primary schools and primary school teachers in Figure 7.2. It can be observed that the inflection point in the provision of primary education inputs was around 2000-01, when the declining trend both in number of schools

Figure 7.1 Punjab Literacy Rate



Source: Punjab Development Statistics

Figure 7.2 Primary Education



Source: Punjab Bureau of Statistics, PMIU Punjab Education Support Programme

and teachers reversed. However, the trend was merely arrested and the number of primary schools did not grow till 2002-03. Since 2003-04, their numbers have been growing although at a slower pace.

The increase in number of primary schools and teachers has been made possible through massive spending on education.

Consequently, increased outlay on primary education has yielded positive results as suggested by improved enrolment rates in primary schools indicated in Table 7.2. A significant growth can be observed in case of primary level GER and NER, both of which have jumped by more than a quarter over four year period from 2001 to 2005. The private sector is indeed playing an important role in this increase, but the share of primary enrolment in public sector schools remains steady at almost 70%. Hence one can safely conclude that the improvements have been primarily due to progress in public sector education services. Furthermore, the drop out rate before completing primary education has been declining for both boys and girls. For boys, it has reduced from 6.3% in to 4.3% and for girls it has come down from 4.9% to 3.7% from 2003 to 2007.

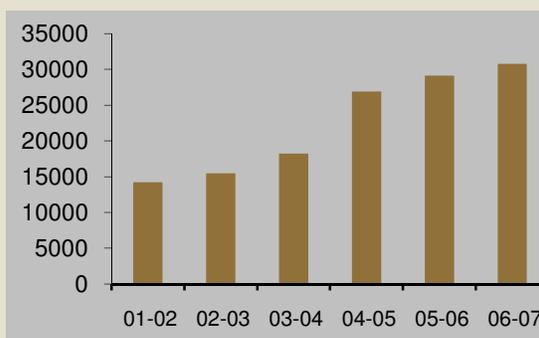
Table 7.2 Gross & Net Enrolment Rates at Primary Level

	98-99	01-02	04-05	05-06
Gross Enrolment Rate (GER)	75%	76%	95%	94%
Net Enrolment Rate (NER)	44%	45%	58%	57%

Source: Punjab Bureau of Statistics, PIHS (1988-99, 2001-02) and PSLM (2004-05, 2005-06)

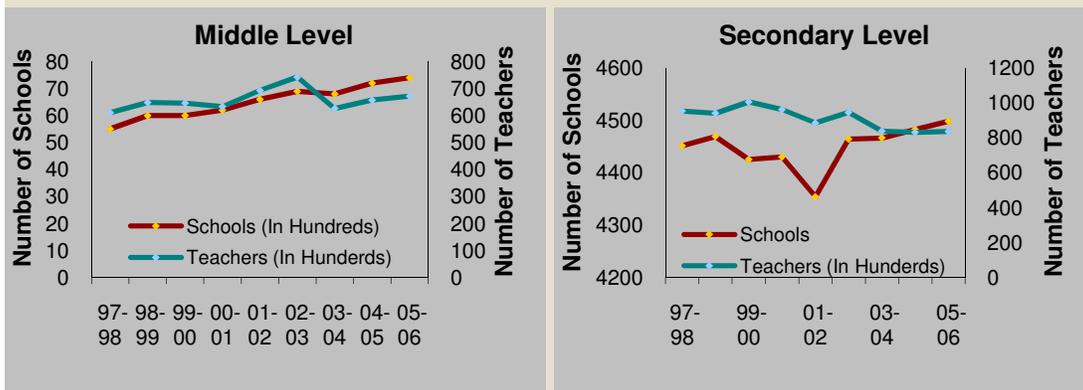
Figure 7.3 Expenditure on Primary Education

All Figures in Rupees Million



Source: SPDC Annual Review

Figure 7.4 Middle & Secondary Education



These improvements are the results of the substantial increase in spending on primary education

Education Level	Gross Enrolment Rate (GER)				Net Enrolment Rate (NER)			
	98-99	01-02	04-05	05-06	98-99	01-02	04-05	05-06
Middle	43%	45%	49%	53%	19%	18%	20%	20%
Secondary	37%	44%	45%		9%	11%	11%	10%

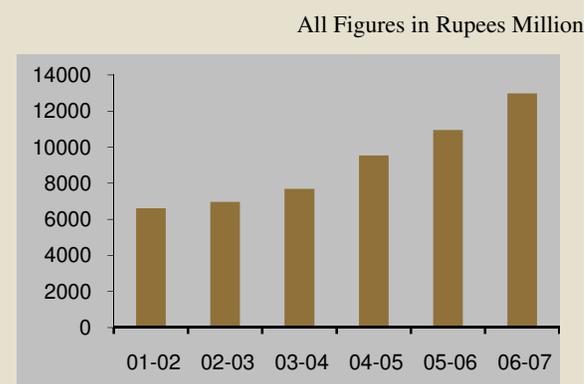
Source: Punjab Bureau of Statistics, PIHS (1988-99, 2001-02) and PSL (2004-05, 2005-06)

since devolution as highlighted in Figure 7.3. The nominal growth in outlay is almost 17%. Although the outlay has increased but Social Policy and Development Centre Report¹³ mentions that 'perhaps contrary to expectations there has, in fact, been a decline in priority for primary education after devolution in all the four provinces. Therefore, in conclusion, the growth in expenditure since 2001 is a reflection of larger transfers to district governments and not due to enhancement in priority for primary education by provincial/district governments. The efficiency of resource utilisation is also low as the expenditure on education has increase at an average rate of 20% since 2001-02 primary school has increased at a rate of 6% during the same period.

In case of middle and high schools, the situation has not exhibited worthwhile improvement. Figure 7.4 indicates that at the middle level both the number of schools and middle level teacher grew at an almost steady rate. This shows that although major emphasis was placed on primary education, middle level education did not receive as much importance. This assertion is further borne out by the fact the number of high schools has remained almost the same during the period. The number of high schools increased marginally from 4451 to 4498, and the number of high school teachers exhibited a decline from 95,000 to 84,000. No visible impact can be discerned that can be attributed to introduction of devolution plan.

There has been significant increase in spending on secondary education as indicated in Figure 7.5. But despite substantial increase in expenditure on secondary education, the NER has not picked up both at middle and secondary levels. Why the net enrolment rate has not followed the increase in expenditure? It is possible that at middle and secondary level most of the children drop out to engage in gainful employment. Nevertheless, gross enrolment rates have picked up and one can only guess that situation might improve in future.

Figure 7.5 Expenditure on Secondary Education



¹³ Social Development in Pakistan, Annual Review 2006-07

In conclusion, one can say that since 2000-01, the availability of education services such as schools and teachers has either improved significantly or the declining trend has been reversed. Whether it is incidental that devolution was introduced during this period or there is a justifiable correlation is considered in later sections of the chapter.

A similar pattern can be observed in six study districts as indicated in Figure 7.6.

In each of the six districts, the number of primary schools and teachers has been maintained since 2003. Although data for the period before 2003 is not available, yet it can be assumed that the trend was similar at provincial level. The emphasis has been on the provision of facilities in schools and providing other incentives such as stipends to increase enrolment. These efforts have generated positive results as the enrolment has grown substantially as indicated in table 7.4.

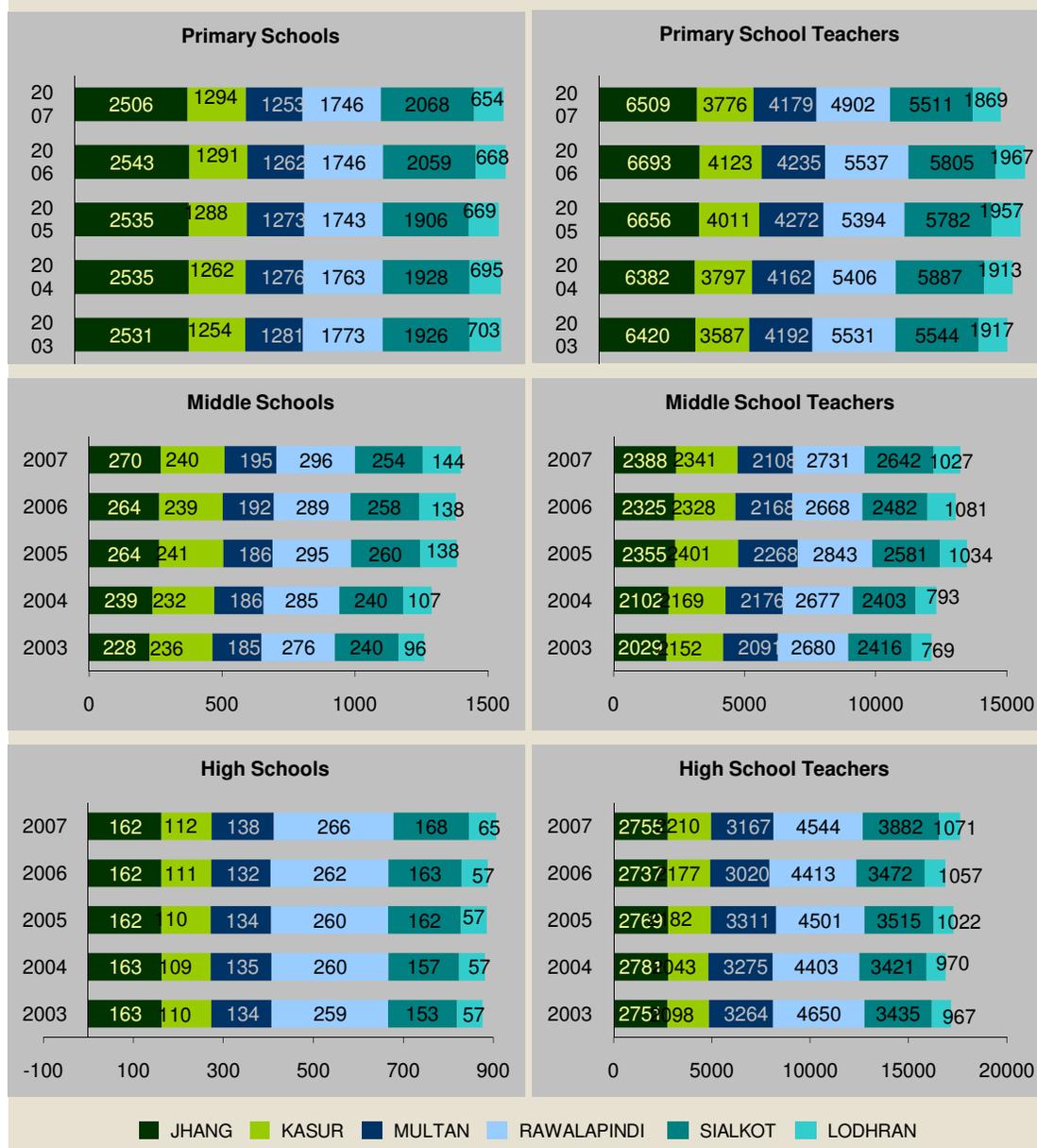
Nearly all districts had a healthy rate of growth in enrolment in primary schools at an average of about 7% more than the population growth rate. However, in case of Rawalpindi, it has been declining at an average rate of -4% despite increase in number of schools and teachers. One possible explanation could be that more and more parents are sending their children to private primary schools, a phenomenon which highlights the importance of private educational institutions and concerns of parents about the quality of education in government institutions. In case of middle and high schools, the numbers have remained almost the same in Kasur, Rawalpindi and Multan but have increased conspicuously in Jhang, Lodhran and Sialkot. In Lodhran, middle schools have increased by almost 50% and high schools by 14%. In Jhang, middle schools have increased by 18% and, in Sialkot, high schools by 10%. The pattern is similar in case of middle and high school teachers; Jhang, Lodhran and Sialkot demonstrated marked increases during this period in line with the increase in schools. The increase was highest in Lodhran probably because it is among less developed districts of the province and, hence, a considerable space for improvement existed.

Table 7.4 Enrolment in Government Schools

	Primary		Middle		Secondary	
	2003	2007	2003	2007	2003	2007
Jhang	191012	254081	49033	77453	84319	100047
Kasur	137451	177036	66147	90045	66557	87818
Multan	136997	176180	57318	71625	105638	111432
Rawalpindi	148214	125189	60591	59767	131346	126688
Sialkot	181063	192604	69753	71022	114663	128452
Lodhran	67846	88203	18562	37546	26794	38294

Source: PMIU, Punjab Education Support Programme

Figure 7.6 Government Education Facilities in Six Districts



However, in Rawalpindi, the number of high school teachers has declined considerably. Thus, in case of secondary education facilities there have been improvements in less developed districts.

Middle level enrolment has witnessed significant growth in case of all six districts except Sialkot and Rawalpindi. It is possible that because of better availability of private schools in these districts, parents are shifting students to those

Table 7.5 Mortality Rate

	Infant Mortality	Maternal Mortality
1997-98	90	-
1998-99	85	-
1999-00	77	-
2000-01	82	-
2001-02	-	-
2002-03	77	351.1
2003-04	73	360.4
2004-05	73	350.2
2005-06	71	360.2

Infant Mortality Rate per 1000 live births
Maternal Mortality Rate per 100,000 births

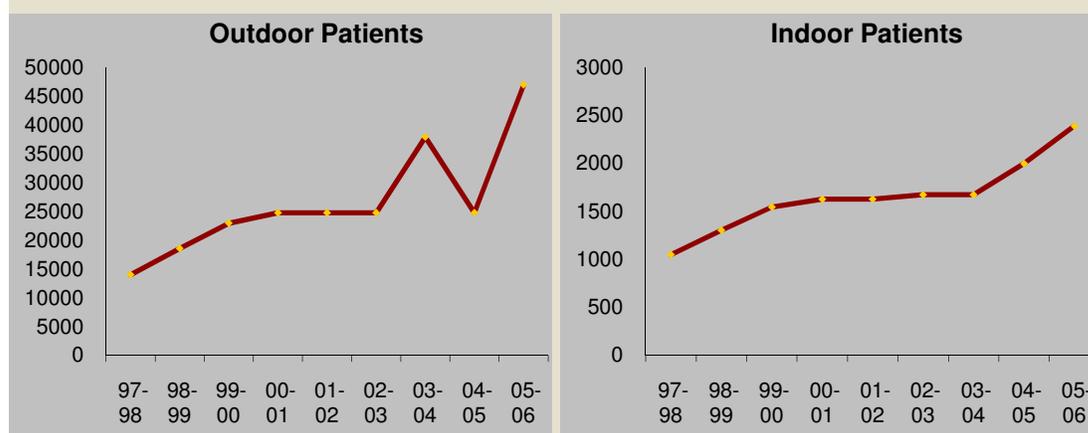
schools. Another reason, specifically in case of Sialkot, may be that after completing primary education, children engage in vocations related to sports, surgical and leather industries which have a major presence in Sialkot.

The secondary enrolment levels suggest that there has been increase in all districts except Rawalpindi where the number has declined by almost 7%. However, except Sialkot, the student to teacher ratio has increased. This indicates that services have not kept up with demand and may have resulted in decline in quality of education in some cases.

7.2.2 Health

At the most aggregate level, health indicators have presented a mixed picture as indicated in Table 7.5. Infant mortality rate (IMR) has declined over the years but maternal mortality rate (MMR) is on the rise. The data for MMR is not available for previous years and it is quite possible that there are distortions in data as in 2006-07, 68% of child deliveries in Pakistan took place at homes, and in rural areas, it was 78% (PSLM 2007).

Figure 7.7 Patients Treated in the Punjab



All numbers in Thousands
Source: Punjab Bureau of Statistics

However, other indicators present a relatively positive picture. For example, the number of indoor and outdoor patients has gone up significantly. The growth in number of patients treated is quite visible since the introduction of devolution.

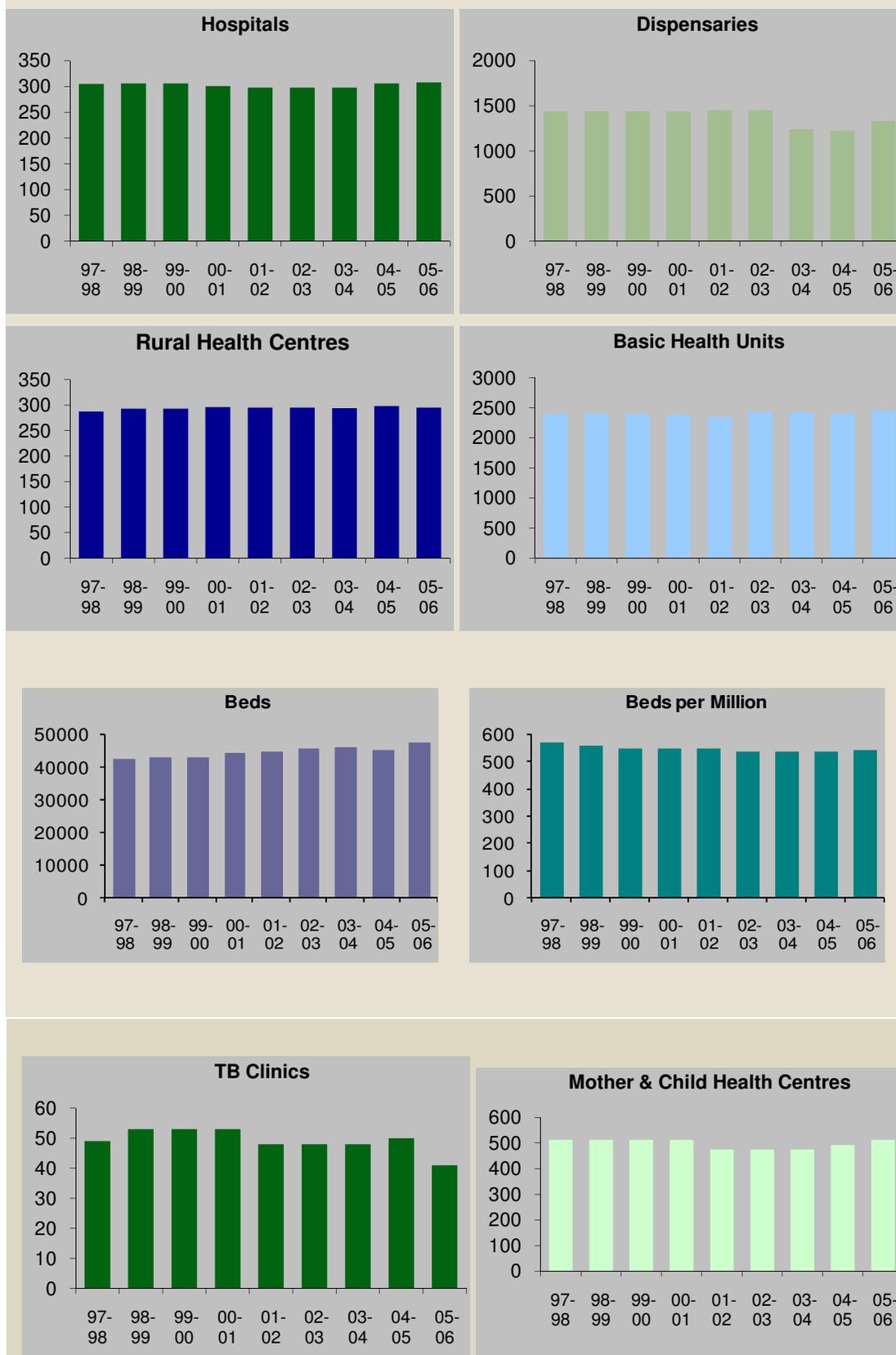
Table 7.6 Patients Treated in District Jhang

	Indoor Patients	Outdoor Patients
1998	21	984
1999	22	1047
2000	26	1201
2001	27	1406
2002	29	1471
2003	31	1879
2004	33	2106
2005	34	2260
2006	39	2411

All numbers in Thousands
 Includes patients treated in DHQ Hospital Jhang, THQ Hospital Chiniot, THQ Hospital Shorkot, RHCs, BHUs, Government Dispensaries, Civil Rural Dispensaries under DOH
Source: District Government Jhang

In District Jhang, for example, the number of indoor and outdoor patients treated in government

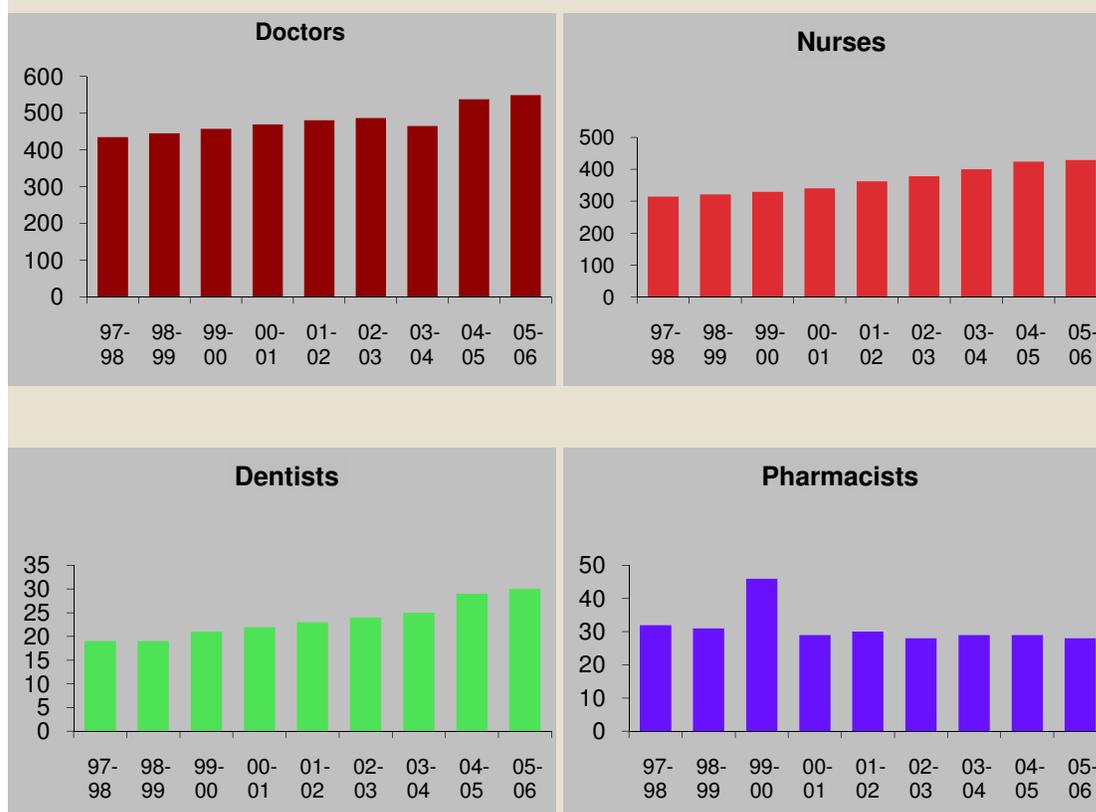
Figure 7.8 Government Health Facilities in Punjab



Source: Bureau of Statistics of Punjab

hospitals and dispensaries or increase in the number of health professionals such as doctors or nurses? As can be seen in Figure 7.8, the number of hospitals, Dispensaries, RHCs, BHUs, TB Clinics and Mother and Childcare Centres have remained at about the same level. The absolute number of beds in these facilities has increased over the years to cater for growing population, but despite provision of additional beds, the number of total beds per million of population for different health facilities, viz hospitals RHCs, BHUs and dispensaries, has remained at about the same level i.e. about 540 beds per million. It is clear that in terms of health infrastructure not much has been added since the introduction of devolution.

Figure 7.9 Health Professional per Million in the Punjab



Source: Bureau of Statistics Punjab

Next we turn to the availability of various health professionals such as doctors, nurses, dentists and pharmacists. Not only has the absolute number of professionals increased over the years but their numbers as a proportion of population has also improved.

Table 7.7 ACGR(%) Health Professionals

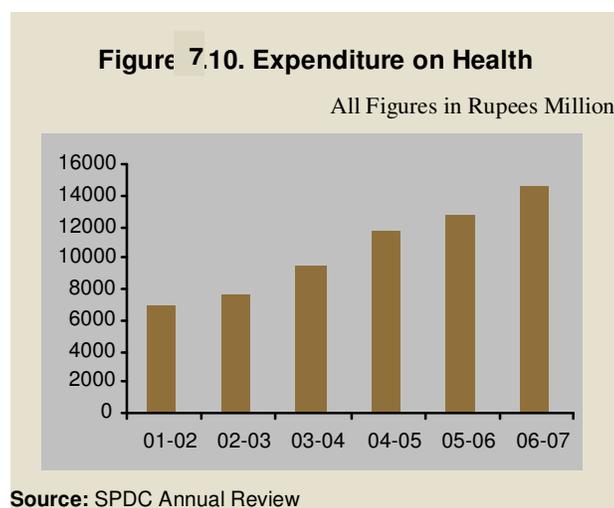
	Pre-Devolution	Post-Devolution
Doctors	3%	3%
Nurses	-1%	3%
Dentists	4%	6%
Pharmacists	-2%	-1%

Source: Authors' Estimates

If a comparison is drawn between the availability of professionals before and after devolution, it is evident that progress has happened in case of number of nurses, dentists and pharmacists. However, the number of doctors has grown at the same rate before and after devolution.

The picture emerging from the health inputs indicate that improvements had occurred which resulted in reversal of declining trend in some cases, while in other cases such there is positive growth. Even indicators on visits by lady health visitors and professional-assisted deliveries have also shown improvements.

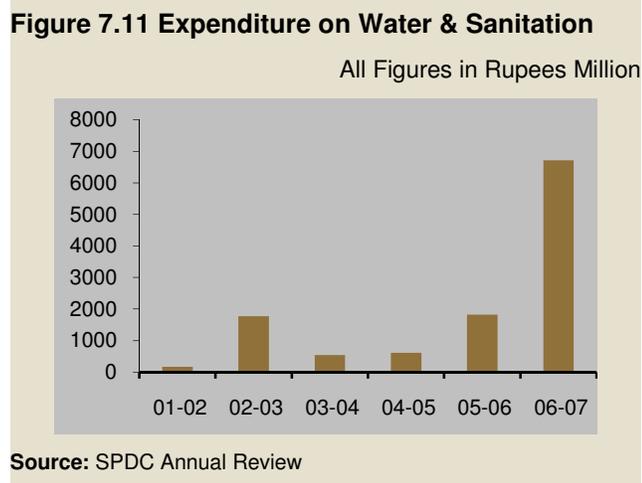
The government has made considerable spending in the area of health services. 'Health expenditure was either stagnant or falling in real terms prior to 2000-01' but since then the trend has reversed. 'Three provinces (excluding Sindh) have reduced the share of allocations to general hospitals and clinics, partly as a consequence of the large-scale entry of the private sector in the area of curative health. The priority in these provinces has shifted towards health facilities and preventive measures, which have historically received very low allocations'¹⁴. This shift is positive because provision of basic health and preventive medicine can result in lesser costs at secondary and tertiary levels.



The substantial increase in health expenditure in the Punjab by almost 112% from 2001 to 2007 is the key driver for modest improvements in health services.

7.2.3 Water & Sanitation

Water and sanitation services are provided by a number of agencies in the district. With overlapping functional jurisdiction that keeps on changing, roles and responsibilities remain unclear. At present, in urban areas, Water and Sanitation Agencies (WASA) are responsible for provision of these



¹⁴ ibid

services which includes both the development of schemes and subsequent operations and maintenance. WASAs existed before devolution and continue to operate as they did. However, in rural areas, Public Health and Engineering Department is now responsible for development of schemes and Tehsil Municipal Administrations operate and maintain the schemes. Yet, TMAs can and they do undertake water and sanitation schemes. In some cases, TMAs are responsible for water supply in urban areas. Still in other cases they, together with community-based organisations, operate and maintain the schemes.

As in other areas, there has been a significant increase in spending on water and sanitation especially since 2005-06. The major expenditure is on the development of schemes, hence spikes exist in expenditure over the years.

Table 7.8 Access to Drinking Water

%age of Household

	1996	2001	2004-05	2005-06	2006-07	Average Cumulative Growth Rate	
						Pre-Devolution	Post-Devolution
Tap Water	19	20	28	27	29	0.9	6.8
Hand Pump	-	-	39-	35	35		
Motor Pump	-	-	29-	33	31		
Dug Well	-	-	2-	3	2		
Others			3	1	3		

Source: PIHS (2001), PSLM (2004-05, 200506, 2006-07), Punjab Bureau of Statistics

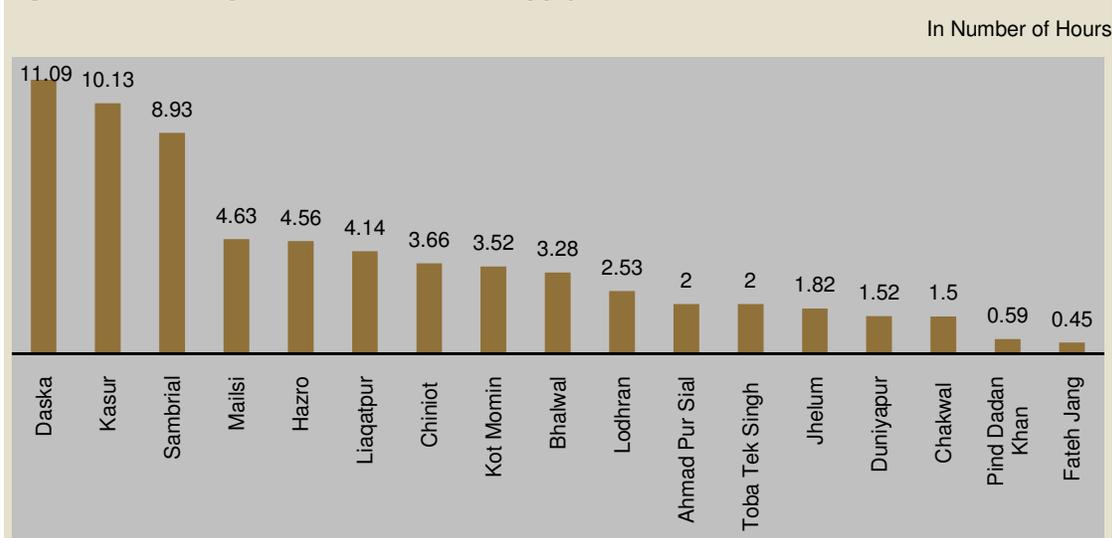
As per the survey results carried out by Institute of Public Policy, only 5% of households were provided clean drinking by TMAs for 24 hours and 53% were never provided access to piped water.

Table 7.8 indicates that since 2001 household access to piped water has grown at 9 times the rate at which it was growing prior to devolution. However, hand pumps and motor pumps continue to be main sources of water supply.

Despite the growth in its distribution network, water is still not available for sufficient duration and there is lack of information about quality of water. The duration for which water is made available in some TMAs is shown in Figure 7.12. The duration is quite variable across these TMAs ranging

from more than 10 hours, in Daska, to less than 1 hour, in Fateh Jang. On average, water is

Figure 7.12 Average Duration of Water Supply to Households in 2008



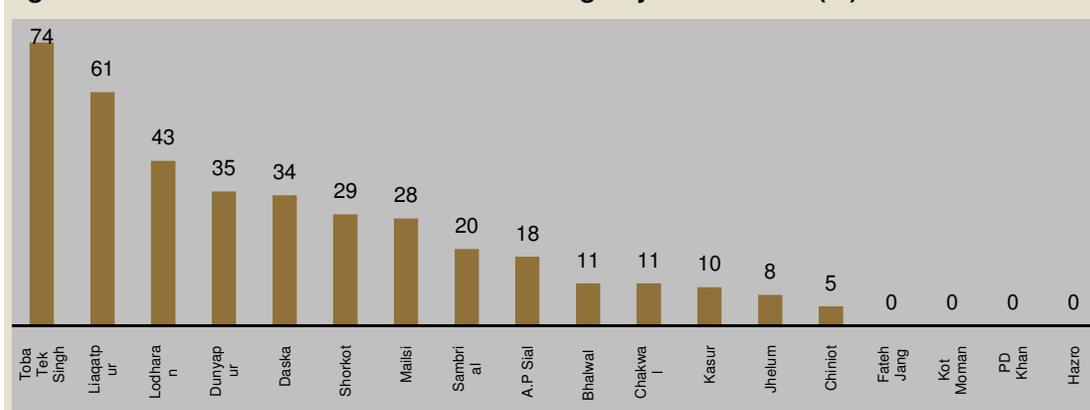
Source: Punjab Municipal Development Fund Company

provided for 3.88 hours to households in these 18 TMAs.

The situation is not much different in terms of access to sewerage and sanitation services. Information about these services shows that there is a significant variation in percentage of households having access to these services.

Figure 7.13 indicates that on average 21.5% households in these TMAs are connected to the sewerage system. However, the spread in %age of households having connectivity is quite significant from 74% in Toba Tek Singh to 0% in Fateh Jang, Kot Momin, Pind Dadan Khan and Hazro.

Figure 7.13 Households Connected to Sewerage System in 2008 (%)



Source: Punjab Municipal Development Fund Company

The data shows that at least some TMAs have successfully managed these schemes to provide better water & sanitation facilities. The need is to emulate their example in other TMAs.

7.2.4 Agriculture

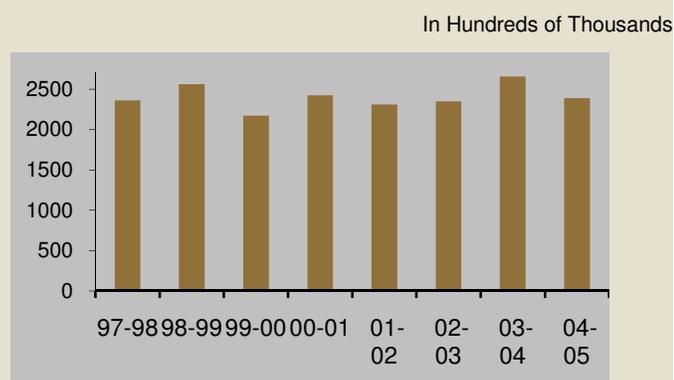
Agriculture constitutes almost 27% of Punjab's economy and has been growing at an average rate of about 3.6%, i.e. at a lesser pace than industry and services. It employed almost 42% of the workforce in 2004-05. Under the devolution plan, agricultural extension was devolved at the district level along with fisheries, forest, on farm water management and soil management. All these functions were collected as a group under Executive District Officer Agriculture.

This section pertains to agriculture extension and on farm water management areas. The primary function entailing agriculture extension is to educate and guide farmers so as to sensitise them with modern research and processes pertaining to farming.

The number of farmers visited by Agricultural Officers has not witnessed any particular increase since devolution. The number has remained between 2.2 M to 2.6 M. In 2004-05, the number of farmers visited was almost same as the number visited in 1998-99. On average the number of farmers visited in pre-devolution period was 2.38 M whereas in post-devolution period it was 2.42 M, presenting an increase of about 1.7%.

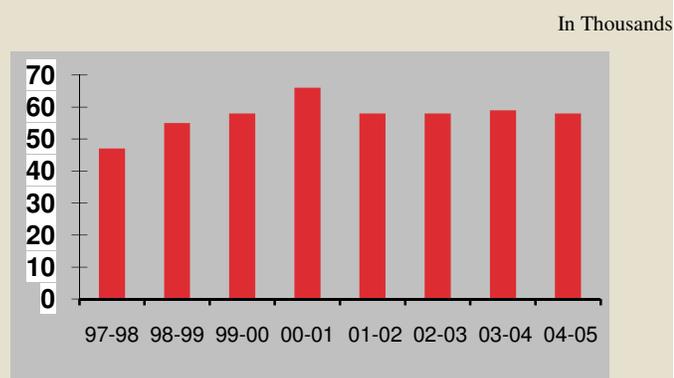
The Agriculture department officials also hold meetings with groups of farmers so that they can provide information and guidance about new research. In this regard, it can be seen that number of meetings held have increased marginally. On average, 57,000 meetings were held annually, and after devolution the number has increased by about 3%.

Figure 7.14 Farmers Visited by Agricultural Officers



Source: Agricultural Department, Punjab

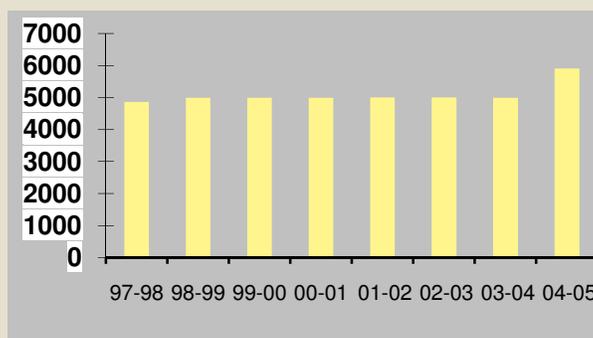
Figure 7.15 Farmer Meetings Held



Source: Agricultural Department, Punjab

Field plots are set up for the purpose of demonstration. It can be viewed as a practical demonstration of the knowledge to support group meetings and individual meetings. As can be seen in Figure 7.16, number of field plots set up has increased at a slow but steady pace with a noticeable increase in 2004-05.

Figure 7.16 Field Plots Set up



Source: Agricultural Department, Punjab

This increase is a result of new provincial level policy whereby at least 2 field plots are set up in every rural union council and, hence cannot be directly attributed to the impact of devolution.

Table 7.9 Pesticide Sampling

Year	No of Samples Drawn	Cases Registered
1998	882	38
1999	710	33
2000	916	55
2001	909	53
2002	1339	37
2003	1677	62
2004	1549	45
2005	1661	56
2006	1891	57
2007	1889	96

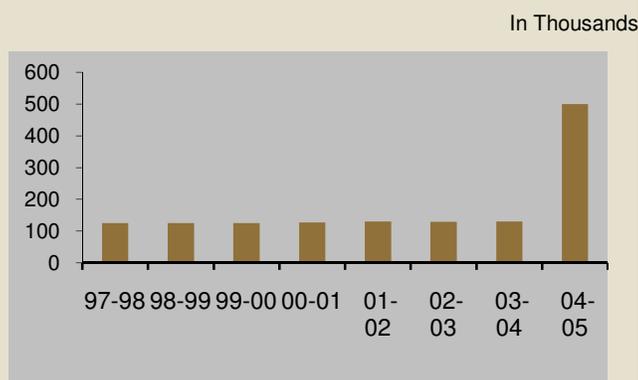
Source: Agriculture Department, Government of the Punjab

One of the main problems faced by farmers is the sale of spurious pesticides by unscrupulous elements. The Agriculture Department is responsible for regulating the quality of pesticides by carrying out inspections of samples. However, there has been almost no progress in this area. Although the number of samples tested and number of cases registered in 2007 has almost doubled since 1998 but given the small base in 1998, this percentage is meaningless. Essentially

no worthwhile progress has been made in this area.

The final indicator pertains to provision of agricultural machinery to farmers. Figure 7.17 exhibits the provision of laser levellers to farmers. It can be evident that number of farmers provided this facility remained almost the same from 1997 to 2004. However, in 2004-05 it increased by almost five fold. This increase in 2004-05

Figure 7.17 Farmers Provided with Laser Levellers



Source: Agricultural Department, Punjab

pertains to provision of capital asset and, hence a significant increase can be seen rather than a gradual improvement.

Summing up improvements in services pertaining to agriculture, one can infer that some progress has been made in provision of machinery and setting up of field plots. However, agricultural extension services have not witnessed any significant progress. Furthermore, it is not evident that this increase was the result of institutional factors pertaining to district government set up or new initiative at the provincial level.

7.3 District Government Priorities

In this section of the chapter, the budget of district Jhang has been analysed to determine whether devolution has resulted in shifting of priorities. The purpose is to assess whether fiscal and administrative decentralization has resulted in greater emphasis on provision of social services.

Table 7.10 Revised Estimates-District Jhang

In Million Rupees

		2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Current Revenue Expenditure	Salary	1,448.772	1,504.028	1,736.262	1,873.698	2,307.176	2,314.429
	Non-Salary	269.068	241.727	202.776	326.780	346.425	414.521
Development Expenditure		335.561	613.554	551.099	727.755	695.702	920.285
Total Yearly Expenditure		2,053.401	2,359.309	2,490.137	2,928.233	3,349.303	3,649.235

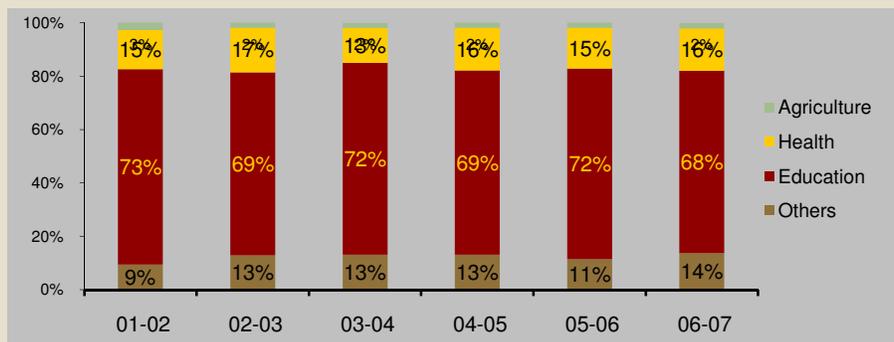
Source: District Government Jhang

Table 7.10 indicates the revised estimates of District Jhang since the introduction of devolution. At the most aggregate level, it can be noticed that non-developmental expenditure constitutes about three-quarters of the total expenditure. Although the expenditure has gone up by almost 77% since the introduction of devolution but salary and non-salary expenditure continue to claim the lion's share.

If we dig down deeper in sectoral allocations, it can be observed that proportion of health services in non-development expenditure has not changed much, whereas in case of education it has dropped. The situation is not much different in case of agriculture which has experienced a decrease in expenditure over the years.

The allocations clearly indicate that current expenditure on education and agriculture has not

Figure 7.18 Distribution of Current Expenditure in District Jhang



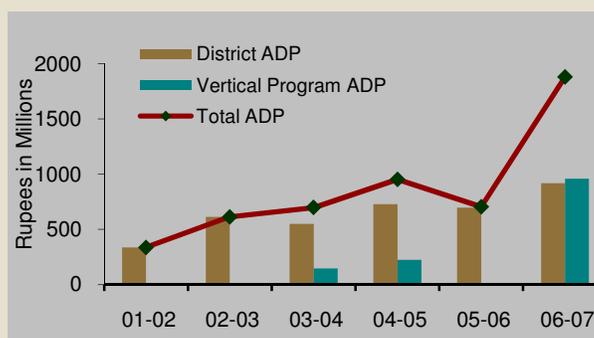
Source: District Government Jhang

shown any significant change since the beginning of devolution.

However, share of education expenditure has reduced by 7% since the introduction of devolution. Based upon distribution of current expenditure one cannot see shifting preferences in favour of social services. It can be argued that it was a strategic decision by the

district government due to the vertical programme on education started by the Provincial Government. This argument indeed holds weight.

Figure 7.19 Revised Estimates-District Jhang

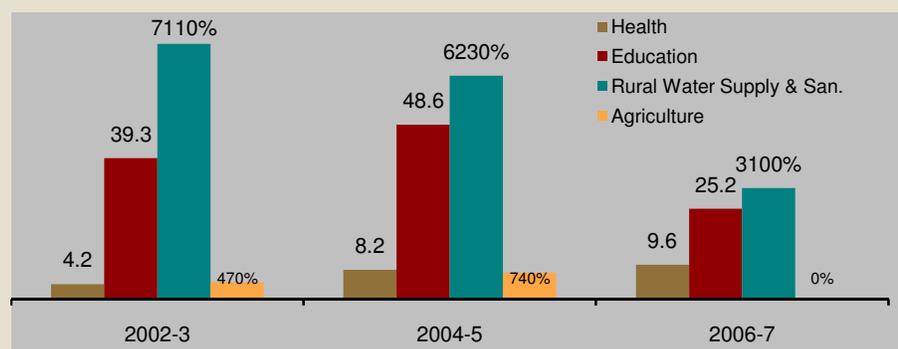


Source: District Government Jhang

Table 7.11 ADP (Including Vertical Programmes) District Jhang

Financial Year	All Amounts in Rupees Millions						
	Health	Education	Farm to Market Roads	Urban Development	Rural Water Supply & Sanitation	Agriculture	Others
2002-3	4.2	39.3	171.4	65.0	71.1	4.7	257.9
2003-4	5.8	184.0	165.2	26.6	33.3	5.9	277.3
2004-5	53.2	228.4	185.6	50.7	62.3	7.4	365.0
2005-6	14.6	21.5	190.3	53.9	6.9	0.5	417.9
2006-7	256.7	438.8	274.9	34.6	31.0	163.7	680.9

Source: District Government Jhang

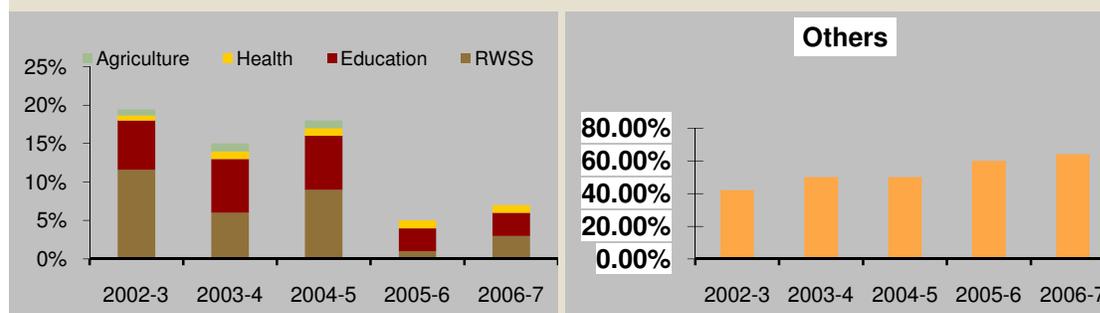
Figure 7.20 District Jhang ADP (excluding Vertical Programmes)

Source: District Government Jhang

Further insights can be gained from the Annual Development Programme (ADP) of the district because current expenditure tends to be inflexible. Table 7.11 suggests that ADP has experienced a threefold increase from Rs. 613 Million to Rs. 1880 Million, including vertical programme allocations, from 2002-03 to 2006-07. This is a substantial increase in development expenditure. Accordingly, substantial increases could be seen in the ADP for various sectors. It can be seen in Figure 7.19 that vertical outlay has been increasingly occupying a bigger space in the district ADP, and by 2006-07 size of vertical programme had slightly surpassed district budget. It may be a unique situation in case of District Jhang only but it does bring out the point that vertical programmes have become an important component in district ADP probably in most of the districts.

The District ADP is exhibited at three different points during the post devolution phase excluding the vertical programmes in Figure 7.20. It indicates that although health ADP has experienced almost sixty fold increase, but it is mostly coming from vertical programmes. However, in case of education and rural water supply & sanitation, even district ADP has dropped over the years. Interestingly, development budget share of agriculture has dropped to almost nil by 2006-07 and, is entirely financed by the vertical programmes. This shows that the districts are relying more and more on vertical programmes for development in social and municipal services.

The question arises what are the preferences of district governments? The sectoral split depicted in Figure 7.21 indicates that social and municipal services have been receiving lesser and lesser share every year reaching about 18% in 2006-07 from a collective share of about 7% in 2002-03. On the other hand, urban development, farm to market roads and other areas have increased their share in the same period. This reflects that priorities of the District Government are not primarily in social and municipal services. Similarly, agriculture has been neglected over the years and has been completely left to vertical programmes.

Figure 7.21 Distribution of Current Expenditure in District Jhang

Source: District Government Jhang

7.4 Issues of Ascription

We have seen that substantial spending carried out in areas of health, education and water & sanitation has resulted in some improvements in these areas. However, it needs to be evaluated where the increase in spending is originating from to identify appropriate level responsible for improvements. The question is whether increased spending is a consequence of reprioritised public finance options, in accordance with aspirations of local communities following devolution, or are the provincial/federal governments the key drivers behind this increased spending.

This section discusses vertical programmes and issues of ascription of assigning benefits. The federal and provincial governments have initiated a number of programmes to improve social and municipal services. In case of these programmes, spending decisions are made by federal or provincial government with little input from district governments. Quite often programmes are implemented directly and, in other cases grants are made available to district governments for specific expenditure. These programmes include the Punjab Education Sector Reform Programme (PESRP), Lady Health Visitors Programme, Devolved Social Services Programmes, Punjab Municipal Development Fund Company to name a few. While presenting a complete itinerary of these programmes is beyond the scope of this report, PESRP is discussed in details as a case study to highlight the complexity in ascription of benefits.

7.5 Punjab Education Sector Reform Programme

Provision of quality education has always been a challenge in Pakistan. Despite efforts by successive governments, the sheer magnitude of this formidable task made the target rather elusive. During 1997-99, a number of initiatives were undertaken, such as approval of the National Education Policy 1998, implementation of Punjab Middle Schooling Project (PMSP) and Girls Primary Education Project (GPEP), BISE examination system reforms, and school councils'

reactivation planning, etc. A situational analysis in 2003 painted a grim picture: 46.5% school going population was not enrolled, primary completion rate was less than 45%, basic facilities like classrooms, electricity, boundary wall, toilets etc. were largely missing in public schools, female enrolment made only 43.8% of total public sector enrolment, qualification of primary level school teachers was predominantly matriculation (secondary), significant number of teaching positions were lying vacant, school management intensity was inadequate and the school monitoring system was in shambles. The institutions of stakeholders' participation in schooling services i.e. school councils were largely inactive, and the primary and middle schools had no mechanism of assured annual budgetary support. Furthermore, low cost private sector, shouldering around 30% of total enrolment load in the province, was not getting due support.

In 2003, the Government entered into a dialogue with international development partners, especially the World Bank, for improving education sector in the province. The result was a holistic, well-coordinated programme. Punjab Education Sector Reform Programme (PESRP) was, thus, designed in order to address access, governance and quality issues in the education sector. At that juncture, the World Bank also committed a three years annual International Development Association (IDA) credit of \$100 million per annum. The programme successfully completed its first phase (2004-06) in 2006. On the basis of PESRP's Implementation, Completion and Results evaluation in 2006¹⁵, the World Bank agreed to continue funding PESRP at \$100 m per annum, under IDA credit facility, for another three years up to 2009.

PESRP has been designed around three major pillars:

- Public finance reforms to increase public spending for education
- Reforms that strengthen devolution and improve the fiduciary environment
- Education sector reforms to improve access, quality and sector governance.

The first objective is to ensure sufficient allocation of public finances to meet Punjab's educational needs. The government has fulfilled its commitment through preparation of a Medium Term Budgetary Framework (MTBF), and has progressively enhanced its educational budget, from FY 2002-03 to 2007-08, by 200%.

The second set of objectives is to facilitate transfer of resources to district governments for improving service delivery, increasing transparency of financial management processes and enhancing provincial and district capacity for monitoring financial flows. Since school education is a devolved function under the Punjab Local Government Ordinance 2001, intervention in the domain of district governments, therefore, is made in an institutionalised manner. Each year, the provincial government enters into 'Terms of Partnership' agreements with the district

¹⁵ Implementation, Completion and Results Report on Education Sector Development Policy Credit for the province of Punjab, Islamic Republic of Pakistan. World Bank Report No. ICR0000434, published on July 31, 2007.

governments for provision of tied budgetary support for the education sector in which annual performance targets are mutually agreed, and largely met. To enhance districts' commitment

Table 7.12 Major Initiatives of PERSP

Project	Expenses (Rs Billion)
Provision of Missing Facilities	11.67
Stipend to girl students	2.54
	2.55
	0.197
	0.81
Support to School Councils	0.966
Awareness Campaign	0.436

towards fulfilling agreed targets, distribution of funds is made on need-cum-performance basis in which the performance factor weightage was enhanced from 30% in the second programme year to 40% from the third year onwards¹⁶.

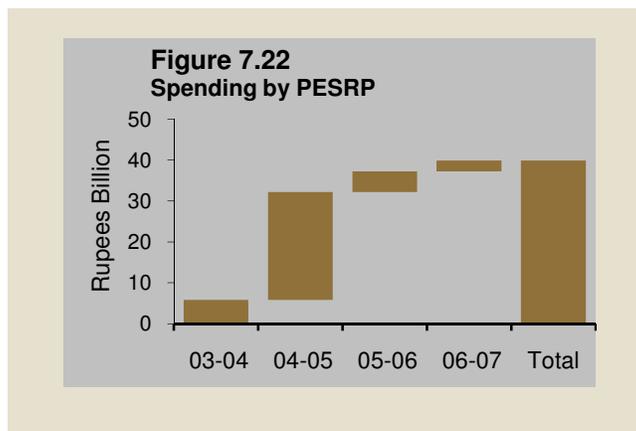
Information flow lines have been operationalised to track districts' educational expenditures for monitoring & evaluation purposes. Special emphasis and process have been established to meet the audit requirements.

The third reform pillar deals directly with hard core educational reforms with the objectives of

a) improving equitable access to education; b) improving teacher capability through continuous professional development; c) improving overall education sector management; d) strengthening monitoring & evaluation in order to gauge educational outcomes and take mid-course corrective measures; e) enhancing stakeholders' participation in delivery of schooling services; f) ensuring quality of education through improved teaching, learning materials and classroom practices, and g) targeting access and quality concerns through innovative public private partnerships. To achieve the said objectives, nine major interventions were planned for PESRP Phase-I namely: a) provision of missing facilities in schools; b) provision of free textbooks; c) distribution of stipend amongst elementary level girl students of fifteen low literacy districts; d) recruitment of better qualified teachers under facility based contract mode; e) teachers training; f) re-activation of school councils; g) re-structuring of Punjab Education Foundation (PEF); h) awareness raising regarding various demand and supply side interventions to convince parents to send their children to school; and i) establishment of an elaborate monitoring & evaluation system for informed decision making built on authentic time series data. A Programme Monitoring & Implementation Unit (PMIU) was established in 2003 to steer the programme activities.

¹⁶ The performance of districts is measured on four grounds: a) increase in districts' own educational budgets b) increase in student enrolment c) reduction in drop out, and d) releasing annual grants to school councils.

This description indicates that the provincial programme for education sector covered almost all facets of the sector. As per the Figure 7.18, the total expenditure through this vertical programme has been almost to the tune of Rs. 40 Billion. This amount represents 27% of the



cumulative primary and secondary spending of Rs. 146 Billion for the same period. This shows that the vertical programme has a major role in the improvements brought about in the education sector. Herein lies the problem of attribution because it is painstakingly arduous task to assess the impact of each areas of spending on the overall education indicators that have exhibited significant improvement over the years. Secondly, it is equally difficult to judge the impact of fiscal and administrative devolution at the district level.

7.6 Conclusion

The data shows that improvements have indeed occurred in the areas of education and health. In case of education, the emphasis has been on primary education, which has exhibited considerable achievements. However, middle and secondary levels still lag behind the counterpart at the primary level and are progressing at the same rate as before. In case of health, administrative measures to control absenteeism and provision of medicines have produced some positive results, but the improvements cannot be definitively credited to devolution. The situation in case of water supply and sanitation as well as agriculture has improved but progressed at more or less the same rate as before the introduction of devolution.

The budgetary preferences of districts seen in conjunction with the vertical programmes indicate that the progress in social and municipal services owes to a significant extent to the substantial increase in spending and vertical programmes started at the provincial level.

The picture emerging from these indicators is that there is no clear or visible evidence which points out that fiscal and administrative decentralized has engendered the type of social change which was envisioned by its framers.

Chapter 8

Perceptions of the End-users

This chapter complements service delivery assessment started in the previous chapter by exhibiting perceptions of various stakeholders about delivery of services in six areas; namely health, education, drinking water, sanitation, agriculture supplies & marketing and small & medium enterprises. The discussion about these perceptions primarily uses the data about services delivery indicators and questions, which were designed by IPP team. The data was gathered in six study districts by the leading research company, Gallup Pakistan during the first quarter of 2008.

The citizen's view is an important yardstick to measure the impact of financial and administrative devolution on service delivery. At times these opinions may be hazy and ambiguous or even contradictory. Nevertheless, the perceived level of improvements in the delivery of service can be equated with effective or ineffective restructuring of institutional mechanisms. Hence, citizens' opinion is an important variable in the equation, in addition to budgetary allocations and actual indicators of service delivery. More importantly, policy making and evaluation processes must incorporate what citizens have to say about services under the new administrative set-up because they are the ultimate end-users of services. A survey of this nature 'provides the 'bottom line' about service reforms from the viewpoint of the intended beneficiaries¹⁷.' It was with this intent that the research study undertook a perception survey in the six priority areas. As opposed to focus groups, emphasis was placed on gathering views of individuals so that they can make their judgment without any external influence of the group.

This chapter is divided into three sections. After discussing the methodology used for data collection, the views of stakeholders about service delivery under the current local government system are depicted in graphical form. The exercise goes beyond mere illustration of data, and attempts to explain the underlying reasons behind particular responses. These explanations may be challenged and contested by the reader but the purpose is to gain richer insights about the data.

An exercise of similar nature to gauge the perceptions of citizens was initially carried out by CIET, funded by Canadian International Development Agency (CIDA) in 2002 and 2004/05. The last

¹⁷ Social Audit of Governance and Delivery of public services, baseline report, Project Report PR-PK-87d-02, page 3

section of the chapter compares CIET¹⁸ survey results with the IPP survey for estimating the trend over the years. Incidentally, such a trend analysis would reflect opinions after every three years over a seven-year timeline.

8.1 Sample Selection, Description and Data Collection Tools

The data for assessing views of citizens was collected through perception surveys and face-to-face interviews. The first step was selection of six districts in the Punjab; the number of districts was specified in terms of reference of the study 'Improving the System of Local Government in the Punjab.' This selection was based on the extent of social development as ranked by Multiple Indicator Cluster Survey (MICS), level of urbanisation, location within the three sub-regions (south, central and northern) of the Punjab, political affiliations of District Nazims and level of industrialisation. Six districts, namely Rawalpindi, Sialkot, Kasur, Jhang, Lodhran and Multan were filtered through the process. This group included districts ranking among top, middle or bottom tiers on the MICS survey, having primarily either urban or rural character, presenting all three sub-regions of the Punjab, and depending upon small and medium enterprises or agriculture for economic output. Furthermore, in at least one district the Zila Nazim had not been politically aligned with the Chief Minister of the Punjab. The next step was the selection of ten tehsils from amongst the six districts. All the principles used for selection of districts were applied *mutatis mutandis* for identifying tehsils.

A total sample size of 1535 was used for conducting the perception survey. The number was not decided on any strict scientific basis but was allocated to decide on a minimum number of interviews keeping in mind budget and time. Gallup Pakistan adjusted the number based on its previous experience so that sufficient number of interviews was conducted..

The sample size in each district and number of different stakeholder groups is provided in Table No. 1. It must be pointed out that although cumulative responses are statistically significant but apart from households, enough sample size was not included for each stakeholder group to have statistically significant results. The amiss was deliberate owing to resource and time constraints in carrying out the survey. A larger proportion of end-users was kept because perception survey is primarily meant to hear what they have to say about the new administrative structure. The number of legislators and elected/non-elected LG officials was deliberately kept low because they are an interested party in the system. Having noted this inadequacy strictly from a statistical significance perspective, the author would emphasize that the purpose of engaging various stakeholder groups was to ascertain their views about different services rather than proving or disproving any hypothesis.

¹⁸ Community, Information, Empowerment and Training (CIET) is an international group of non-profit NGOs, academic institutes and charities dedicated to building the community voice into planning.

Table 8.1 Sample for the Perception Survey

	Lodhran	Multan	Kasur	Jhang	Rawalpindi	Sialkot	Total
Legislators	5	5	5	5	5	5	30
Elected Local Government	12	14	12	12	13	13	76
Non-elected Local Government	12	13	12	12	13	13	75
Households	140	130	140	140	138	137	825
Opinion Leaders	40	50	35	40	44	43	252
Farmers	19	20	20	20	20	17	116
SMEs	25	22	28	25	28	33	161
Total	253	254	252	254	261	261	1535

Furthermore, in theory, every person belonged to household group; therefore, an insightful picture about the citizen's views can be developed from a strategic standpoint. Even if viewed critically, the insufficiency of sample size of some stakeholder groups does not render their views entirely insignificant rather it increases the margin of error for that particular group. The final assessment of impact on service delivery must be made in juxtaposition with the responses to open-ended interviews described elsewhere in the report and the indicators described in the previous chapter.

Table 8.2 Sample for Face-to-Face Interviews

	Lodhran	Multan	Kasur	Jhang	Rawalpindi	Sialkot	Total
District							
Zila Nazim/Zila Naib Nazim	1	1	1	1	1	1	6
DCOs	1	1	1	1	1	1	6
EDOs (F &P)		1	1		1		3
EDOs (Works/Education/Health/Agriculture)	1	1	1	1	1	1	6
Leader of Opposition (District Assembly)				1	1	1	3
ODG (DOs, DDOs, ADOs, Assistants/Clerks)	2	2	2	2	2	2	12
Tehsil							
TMO	1	1	1	1	1	1	6
Tehsil Nazim/Naib Tehsil Nazim	1	1	1	1	1	1	6
Leader of Opposition (Tehsil Assembly)	1	1	1				3
Tehsil Government Officials (Assistants/Clerks)	2	2	2	2	2	2	12
Parliamentarians							
MNAs/MPAs	3	3	3	3	3	3	18
UC Nazims							
UC Nazims	2	2	2	2	2	2	12
Women District Assembly Members	1	1	1	1	1	1	6
Households							
Households	3	3	3	3	3	3	18

NGOs							
NGOs	2	2	2	2	2	2	12
Office Bearers of School Teachers' Associations	1	1	1	1	1	1	6
Office Bearers of Doctors' & Paramedics' Associations	1	1	1	1	1	1	6
Office Bearers of District Bar Associations	1	1	1	1	1	1	6
Office Bearers of Business Associations	3	3	3	3	3	3	18
Total							165

8.1.1 Data Collection Tools

Two types of tools were used for data collection: Perception survey questionnaire and Interview Guide.

8.1.1.1 Perception survey

Seven modules of multiple-choice questionnaire were developed, one for each stakeholder group, to gather their opinions. Some of the questions were common for all the modules specially

Data Collection Process

Data Collection Teams

Gallup Pakistan selected teams comprising of 5-6 persons per district for conducting the perception survey and conducting face-to-face interviews. Each team was headed by a supervisor who met the IPP team for developing a clear understanding of each question. In turn, the supervisors organised training of their respective teams.

After training, mock calls were held under the direct supervision of a fieldwork supervisor. This ensured that the field workers had properly understood instructions and could handle problems that might arise during the interview (in the field). After completion of mock calls, a debriefing session was arranged in which problems faced by the interviewers during the mock interviews were discussed and solutions were suggested.

Initial Checking

During actual fieldwork, the first ten completed questionnaires of each interviewer were thoroughly checked by the supervisor to ensure that the interviewers were performing well. In case the work was not acceptable, the interviewer was replaced.

As the field work proceeded, completed questionnaires were regularly dispatched to Gallup's Lahore Office. Project Coordinators and the Project Manager checked the questionnaires for quality and immediately informed respective Master trainers if any problem was detected.

Continued.....

those pertaining to delivery of services in health, education, drinking water and sanitation whereas others concerning the specific services for SMEs and farmers were included only in their respective module. The questionnaires were designed in a two-stage process: first, the team of IPP developed a pool of questions in English and subsequently, Gallup Pakistan using the pool of questions designed seven questionnaire modules in Urdu, using a multiple-choice format. The reason for designing questions in Urdu was to make it easier for interviewees to grasp the gist of point intended in the question. Various sessions were held between IPP team and Gallup

Pakistan team to refine questions, the possible list of answers for each question and total number of questions in each module.

After the preparation of draft modules, they were tested in the field by both IPP team and Gallup team. Subsequently, the teams reported possible ambiguities in the questionnaires. In light of these discussions, the questions were further refined, resulting in final shape of seven modules of perception survey questionnaires which are included in Appendix A.

Seven demographic indicators namely sex, age, education, profession, income level, residence (urban/rural) and phone connection were collected for each respondent to form a picture about the profile of stakeholder groups. However, complete anonymity was ensured for the respondents.

8.1.1.2 Interview guide

Six modules of interview guide were put together, one for each group. The open-ended questions were finalised by IPP team after detailed discussions among themselves and subsequently, the Gallup Team following the same process as specified for perception survey. These modules are provided in Annex B.

Data Collection Process

Field Edit or Intake Edit

At least 35% of completed questionnaires of each interviewer were visually checked by the supervisor before Data Coding/Entry. The problems or missing information identified during field edit were explained to the relevant interviewer. The interviewer was instructed to rectify the questionnaire, through telephone and/or by physical revisit for clarification of missing information.

Supervision & Back Checking

The supervisor in each region applied stringent field controls including intake edit, back-check and interviewer evaluation. Appropriate care was taken to ensure that quality checks did not interfere with the normal functioning of the interview process. At least 20% back checking was done on completed questionnaires of each interviewer to ensure authenticity of data.

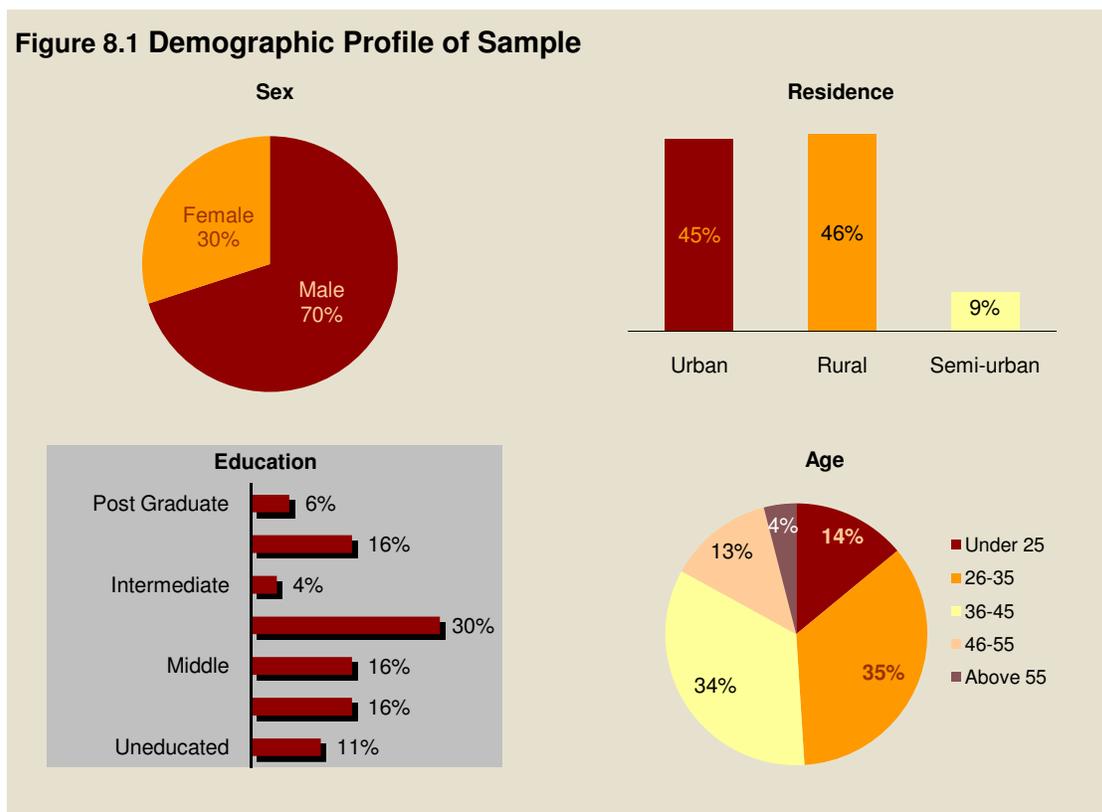
Data Coding/Editing

Data entry operators checked completed questionnaires before data entry. The data was entered using SPSS data entry program and used to implement validity checks and skipping rules. Data was verified by double punching 20% of the data.

After entry, data was cleaned using a data-cleaning program, written in SPSS and customized for this particular project according to the questionnaires need. Data was thoroughly checked for any omissions, displacements and other errors resulting in inconsistencies with the coding scheme. Throughout the process, data entry operators followed detailed quality control manual and check list for handling control, entry and other steps involved in the management of data. About 20% of coding work of each coder was rechecked and verified by the concerned Data Coding Supervisor. Final data was collated and provided to IPP team in the shape of tables for each module cut across various demographic factors. Multi-variate data was provided as requested by IPP team. Furthermore, transcripts of face-to-face interviews were provided. Whenever, permitted by the interviewee, Gallup team recorded the face-to-face interviews and provided recordings of interviews.

8.1.2 Profile of sample

Male respondents dominated the sample (n=1535) for perception survey, and opinions of women were under-reported. Among all the stakeholder groups except households, the proportion of female was very low as indicated in Table no. 3.



The sample had almost equal distribution between urban areas and rural areas. However, apart from households, all other stakeholder groups included either more urban respondents or more rural & semi-urban respondents. In some cases, this distribution was a function of composition of stakeholder group e.g. farmers or non-elected LG officials.

The age profile of the sample was tilted towards population aged more than 25, whereas almost 50% population of Pakistan is aged 25 or less. In case of all stakeholder groups, the majority in each group was aged 36-45 years. However, in case of SMEs, 56% respondents were aged less than 36. Understandably, the respondents were generally more educated than the national averages because it was unlikely that survey could be conducted using a majority of uneducated sample.

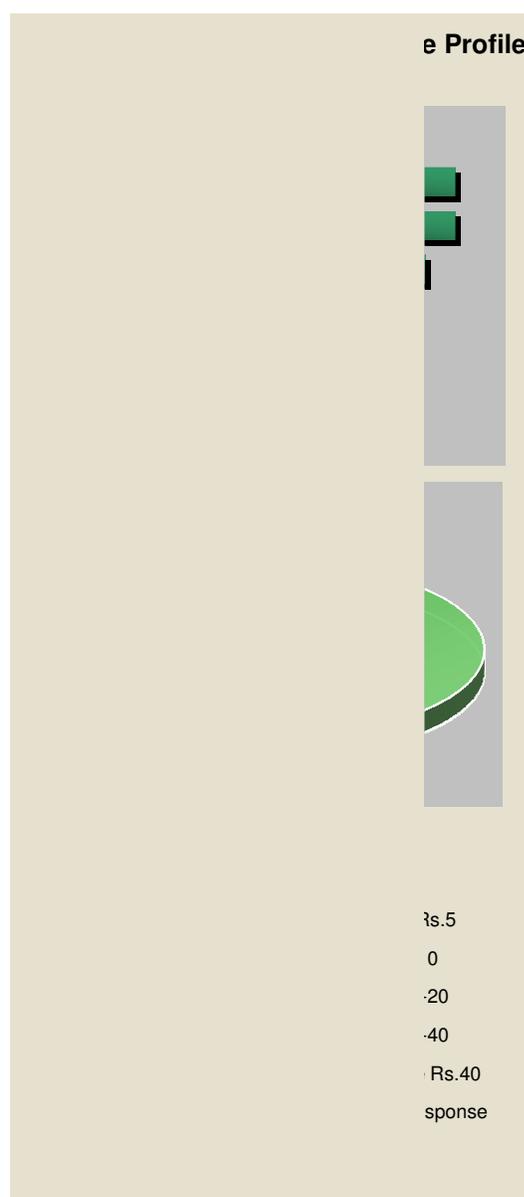
Table 8.3 Sex and Residence Profile of Stakeholder Groups

	Legislators	Elected LG Officials	Non-elected LG Officials	Opinion Leader	Households	Farmers	SMEs
Female	0%	13%	7%	12%	51%	0%	0.62%
Urban	60%	61%	84%	36%	49%	0%	55%

- Legislators were most educated among all the groups with almost 90% having at least graduation. Among their counterparts in local government, only 41% were graduates.
- More than 50% non-elected local government officials and opinion leaders were graduates.
- The level of education among Households, Farmers and SMEs was generally lower than other groups, with most of them educated up to secondary level.

Small business owners, employees and housewives dominated the sample

- Among the employees, two-third were from public sector and one-third from private sector
- Legislators were almost evenly engaged in farming, business and professional services. Hence, certain sections of this group had knowledge about specialized services pertaining to SMEs and Agriculture.
- However, in case of elected local government officials, most were involved in business (48%) and farming (23%).
- Majority of opinion leaders were employees (55%), whereas household respondents comprised of 47% housewives.



The income distribution of the sample traced typical normal distribution while only 27% interviewees reported having a landline telephone at home. Legislators & elected local government officials were relatively more affluent than farmer, households and non-elected local government officials as indicated in Table No. 4.

Table 8.4 Distribution of Monthly Income of the Stakeholder Groups (in PKR)

	Legislators	Elected LG Officials	Non-elected LG Officials	Opinion Leader	Households	Farmers	SMEs
below 10,000	3%	36%	49%	37%	60%	48%	39%
10,000-20,000	10%	9%	40%	44%	31%	42%	44%
Above 20,000	87%	50%	9%	16%	4%	9%	13%
Refused to Tell	0%	5%	1%	2%	5%	0%	4%

Profile of Households

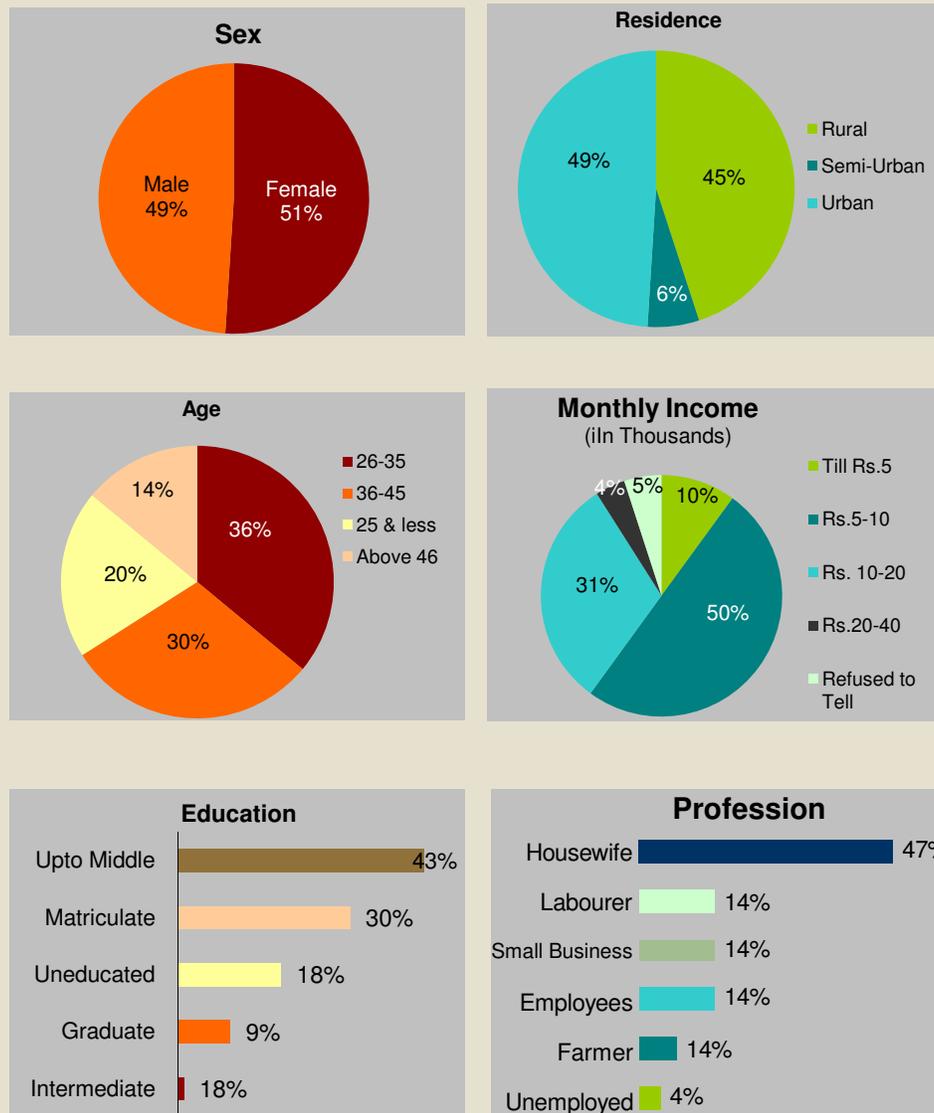
Households constitute the most important stakeholder group in the sample as end users of health, education, water supply and sanitation services. Comprising of 54% of overall sample, 825 households were surveyed to get statistically significant results. The group consisted of a broad mix of demographics as demonstrated in Figure No. 8.3.

- Female respondents dominated the group and almost 84% of them were housewives
- As far as residence in urban and rural areas was concerned, the distribution traced the profile of overall sample.
- With only 20% having a telephone line at home, the monthly earnings of respondents was generally less than that of other stakeholder groups

8.2 Public Perceptions

The opinions of respondents about services are discussed in next section of this chapter. Furthermore, to gain insights into the perspective of different stakeholder groups, the section analyses responses of each group. This illustration is enlightening because the views of, for example, households' responses about social and municipals services allows for a more refined judgment rather than just collective views of the sample. A bottom-up treatment of survey data helps us to answer the fundamental question: Why opinions are the way they are? Moreover, it also facilitates highlighting of possible conflicting views held by stakeholder groups. The exploration of drivers behind divergence of opinions assists in developing a comprehensive picture. Depending upon the information sought, some questions were addressed to all

Figure 8.3 Demographic Profile of Households

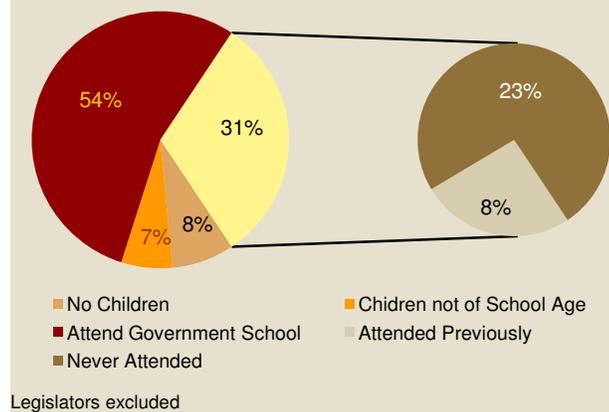


respondents and the others were referred to a subset based on their primary role. While illustrating results of survey, the stakeholder groups responding to a particular question is specified in the graph whenever the total number is less than the total sample size.

8.2.1 Education

All Respondents excluding Legislators were asked whether their children studied in a government school or had previously attended a government

Figure 8.4 Children in Government Schools



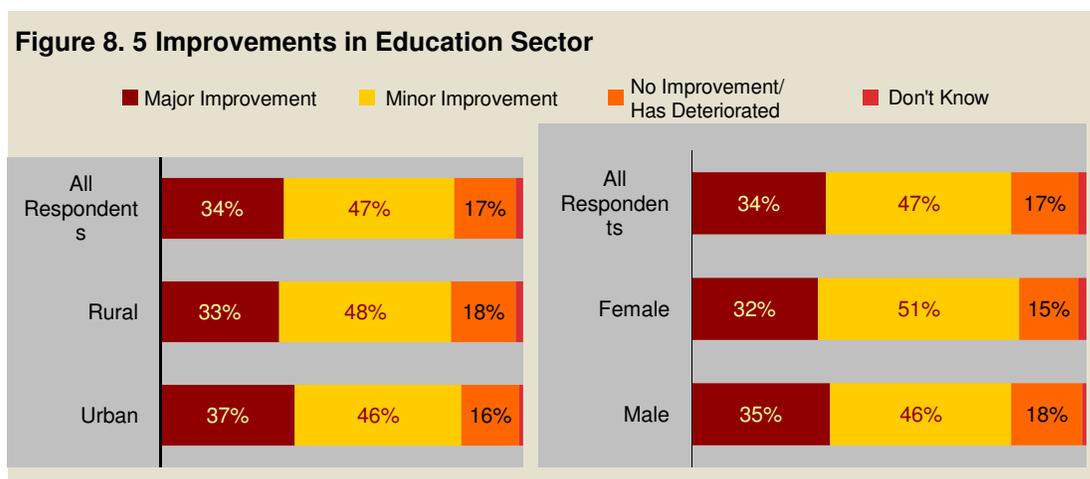
school. Almost 63% of 1505 respondents had experience of educational services offered in government schools. The proportion was almost the same in case of non-elected local government officials, households, farmers and SMEs. However, in case of elected local government officials and opinion leaders the proportion was slightly lower. Although data was not collected in case of legislators, yet one can assume that their children did not attend government schools.

Table 8.5 Use of Government Education Facilities

	Elected LG Officials	Non-elected LG Officials	Opinion Leader	Households
Children in Government Schools	43%	55%	48%	57%
Previously in Government School	8%	7%	11%	7%

Overall 81% respondents mentioned that education sector had improved under the new local government system; however, only about a third rated the improvements as major. Interestingly, the response of citizens in urban and rural areas was almost similar and no significant differences were observed in the opinions of male and female respondents.

Two-thirds or more attributed these improvements to development of school infrastructure, better attendance of teachers, engagement of parents in school management, and accountability of teachers & school staff.



However, a lesser proportion of legislators felt that there had been improvements in education sector and school infrastructure under the new local government system and even lesser ranked it as substantial. The results are consistent for legislators from urban and rural areas. Because it is unlikely that their children study in government schools, their opinions were based on factors

other than using the education services e.g. knowledge about government schools gained from electorate. It is also possible that since their influence has been marginalised in affairs of the district, they are not aware of the actual situation.

On the other hand, elected/non-elected local government officials rated the improvements more favourably than any other group. Not only most of them testified that improvements had occurred but a higher proportion said that major improvements had occurred.

Opinion leaders and households shared the views regarding improvements. However, urban population was relatively more optimistic about the improvements in education sector under the local government; 57% said that improvements were major as opposed to 37% rural population

This trend was not observed in case of households because the results were similar for rural and urban as well as male and female population.

Nonetheless, a majority rated the improvements as minor. Furthermore, only half as many households rated the improvements as major

as in case of elected/non-elected local government officials. This reflects that the end users are

Figure 8. 6 Respondents View on Education Sector

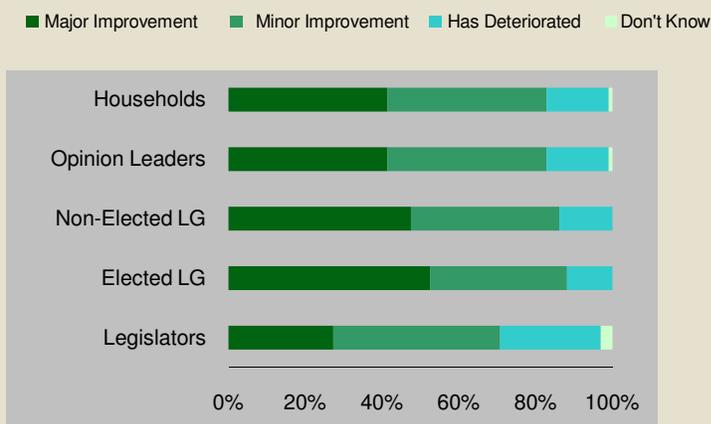


Figure 8. 7 Respondents View on Teacher Attendance

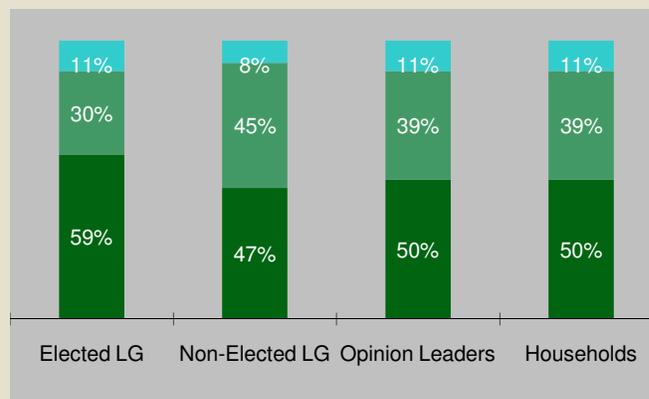
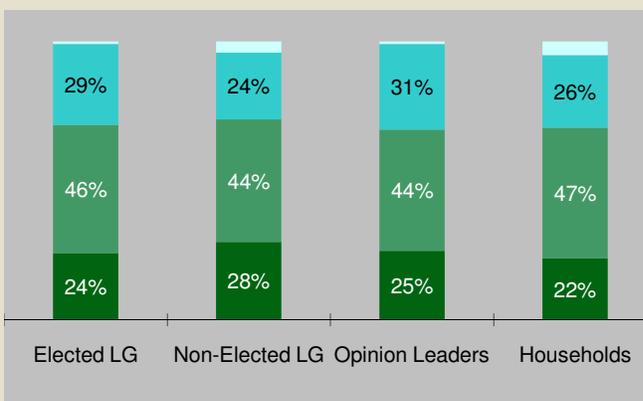


Figure 8. 8 Respondents View on School Discipline, Cleanliness and Availability of Water



less sanguine about education services and the natural bias of the 'interested parties' produces the delusion of overall satisfaction in line with well-know phenomenon called the fallacy of the total.

Households and opinion leaders shared views of elected/non-elected local government officials regarding the improvements in teacher's attendance.

The views of stakeholder groups regarding school discipline, level of cleanliness and availability of clean drinking water were relatively similar. All the groups suggested that these facilities had improved during the last seven years under the local government system. However, compared to improvements teacher attendance, the development of school facilities received lower satisfaction ratings.

Table 8.6 Satisfaction with School Management Committee

	Legislators	Elected LG Officials	Non-elected LG Officials	Opinion Leader	Households
Satisfied to Great Extent	30%	39%	43%	28%	28%
Satisfied to Some Extent	43%	47%	48%	52%	43%
Not Satisfied/Don't Know	27%	13%	9%	20%	29%

School Management Committee

About three-quarters of legislators expressed satisfaction with the performance of school management committee (SMC). However, rural legislators were comparatively less satisfied as opposed to those from urban and semi-urban areas. This is likely because SMCs are a political phenomenon in rural areas, and hence a matter of greater concern for legislators in rural areas. The satisfaction in urban areas is expected because usually facilities and management processes in urban area schools are better than those in rural areas. Furthermore, parents in urban areas

Reasons for Improvements

With a view to ascertain the reasons for improvements in education, the respondents were asked whether monitoring of schools had improved under the local government system. 63% legislators said that it had improved in the last years. Again, only 29% of rural legislators agreed with the group.

As opposed to legislators, a higher percentage of elected LG Officials (77%) and non-elected LG officials (87%) rated improvements in monitoring of school staff approvingly, with about one-third each rating them as major.

One can hypothesize that being directly responsible for delivery of services, their opinions would be leaning towards positive improvements in services under the local government. Undoubtedly, the general direction one gets from the views of these respondents is that education services have improved appreciably in the last seven years, nonetheless, opinions of local government officials seem to be slightly exaggerated.

Opinion leaders (80%) were also upbeat about improvements in the monitoring of school staff but only about 28% rated them highly. However, response of households was somewhat muted as 73% opined that monitoring had improved and only 15% ranked the improvements as major.

are more likely to be involved in managing school affairs not primarily motivated by political factors.

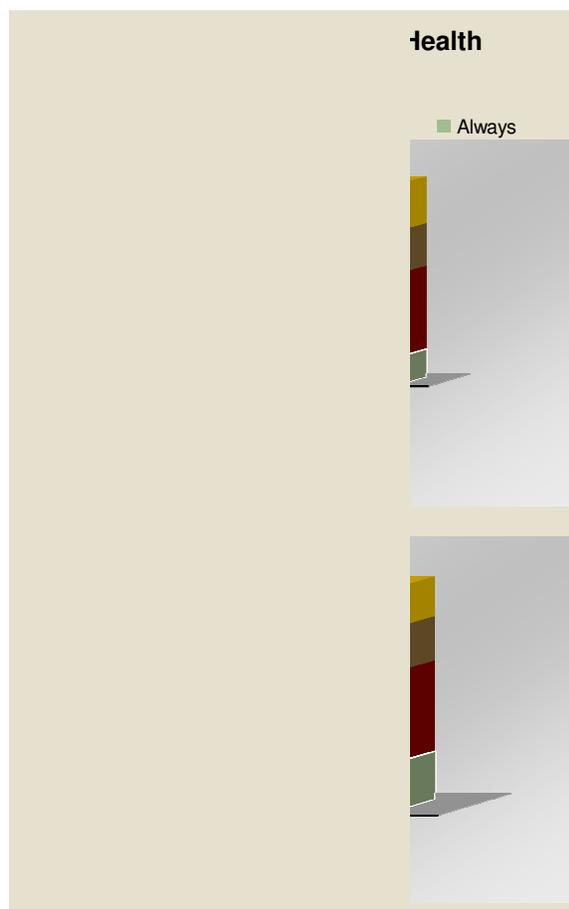
Elected/non-elected local government officials expressed high level of satisfaction with the performance of SMCs. Not surprisingly, their opinions are consistent irrespective of demographic factors. Although overall opinions also indicate a certain degree of satisfaction, yet generally they rated improvements highly. Opinion leaders shared the views of LG officials whereas households were relatively less positive about of performance of school management committee as almost one-quarters did not express satisfaction¹⁹. A high percentage of households were unable to answer questions about SMC because they were not aware. One may argue that it reflects lack of engagement because almost equal number of male and female household respondents did not give any opinion.

8.2.2 Health

At the outset, all respondents, excluding legislators, were asked whether in case of illness they used government hospitals for self of family's treatment. More than three-fourths told that they normally used government hospitals. However, a sizeable number, almost one-fifth, reported that they had never used government hospitals. It is not clear whether this group had no access to any kind of healthcare or just used private health facilities. It would be safe to assume that it included latter category given the income profile of respondents.

Upon further dissection of data, it can be discerned that the pattern of health services usage is not much different in urban, semi-urban and rural areas. Furthermore, male and female respondents reported almost similar pattern.

The usage of government health services is



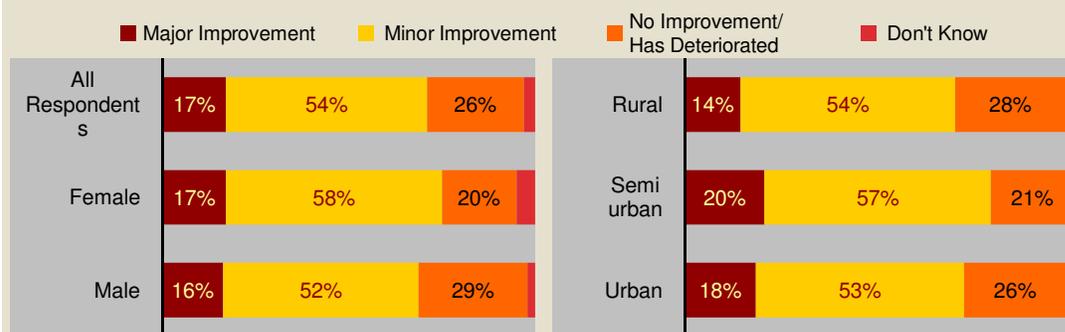
¹⁹ 18% Didn't Know

lower among elected LG officials as more than one-third reported that they never used government health facilities; the proportion using these services is even lower among urban area representatives as 41% informed that they never did.

About four-fifths or more of non-elected local government officials, opinion leaders and households always or occasionally used public health facilities. The use of public health facilities was quite similar among rural and urban households.

A majority of respondents informed that health services had improved over the last seven years.

Figure 8. 10 Improvements in Health Sector



Explaining the Contradictions in Responses

Interestingly, while sampling, each stakeholder group was asked, later during the interview, whether they agreed with the statement that there had been no improvement in health sector and quality of health services had deteriorated, 50% replied in affirmative. Prima facie, the responses seem perplexing because, on the one hand, they had appreciation for service delivery in health sector and, on the other hand, they agreed with the condemnation. On close inspection, there can be several explanations starting off with the obvious one that the respondents probably did not understand the question correctly and design problem in the questionnaire was responsible for these contradictions. Another explanation is that in the latter response, respondents took into consideration both private and public health services. It is also possible that while responding to earlier question, judgement was made only on the basis of a narrower definition of health services, within the purview of District Governments, whereas while replying to the subsequent question, holistic health services were adjudged. The latter explanation seems more plausible because the implication is that while entire spectrum of health services including secondary and tertiary care, environment etc. has largely exhibited a declining trend, basic health services have improved appreciably beneath the surface. By inference one can conclude that citizens generally view that secondary and tertiary care has been declining at an alarming rate.

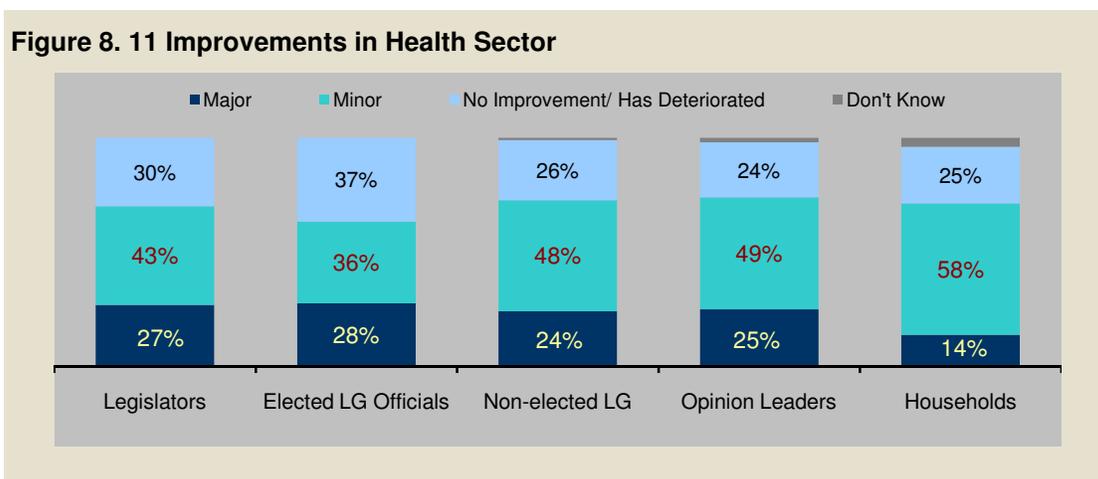
Even male/female and urban/rural respondents gave similar views. However, as opposed to those in education services, improvement rankings for health services were relatively attenuated.

The noticeable betterment in health services is probably a result of reduced absenteeism of doctors and para-medical staff because of increase in number of doctors and medical staff and better monitoring by the district governments. In this regard, the citizens viewed the role of district

assembly's health committee favourably. Furthermore, the respondents thought that the improvements had been augmented by better availability of medicines and medical equipment.

Despite these improvements, district governments have not delivered to their full potential and major improvements have been scuttled probably partly by corruption in procurement of medicines and other equipment (56% respondents) and political interference in the posting of health staff (65% respondents).

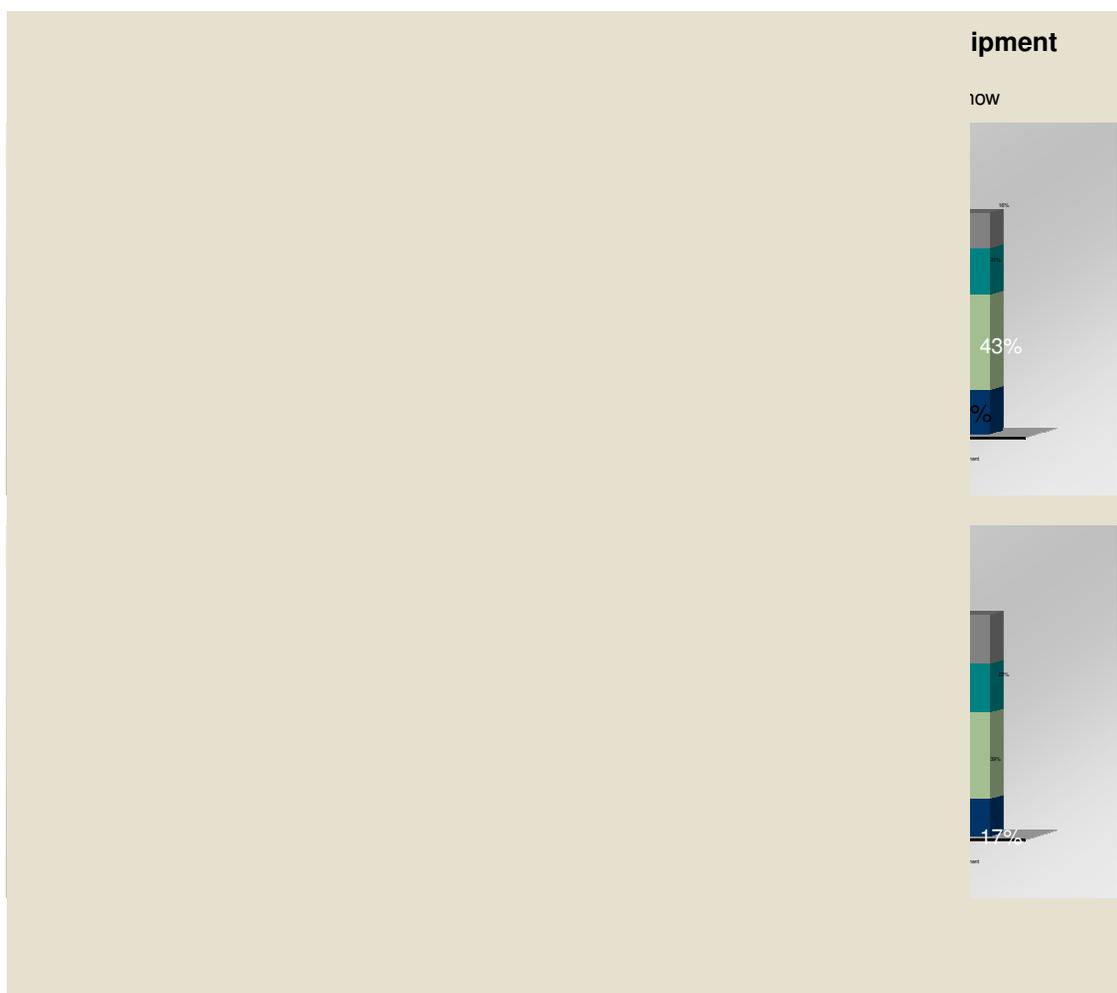
Further inspection of data reveals that all the stakeholder groups generally felt that there had been improvements in health services. However, compared to other stakeholder groups, households' ratings about improvements were towards lower end of improvement continuum. In rural areas, about 30% households expressed dissatisfaction as opposed to about a quarter in



rural areas. Nevertheless, views of housewives and male & female population were consistent with cumulative household results.

Unexpectedly, a sizeable proportion of elected LG officials disagreed with non-elected officials. Their muted appreciation of health services was driven by disapproval from 45% urban representatives- as opposed to about only a quarter each of semi-urban and rural ones-who said that delivery levels had remained static or deteriorated. Incidentally, a majority of them are not users of government health services probably because of access to private health care in urban area and, hence, their opinions are not based on firsthand experience.

Some stakeholders groups were asked to estimate improvements in various components required for the provision of health services. Elected/non-elected officials, opinion leaders and households opined that improvements had occurred in the availability of doctors & medical staff, medicines and surgical equipment under the local government system. Most of the respondents with each stakeholder group ranked the improvements as minor. Availability of surgical instruments & equipment secured lower level of satisfaction.



Surprisingly, a sizeable proportion of non-elected LG officials expressed ignorance about the state of medical equipment availability, and a majority of elected LG officials expressed dissatisfaction with its availability. Regarding the increase in medical professionals including doctors, nurses and other health staff, 80% of both

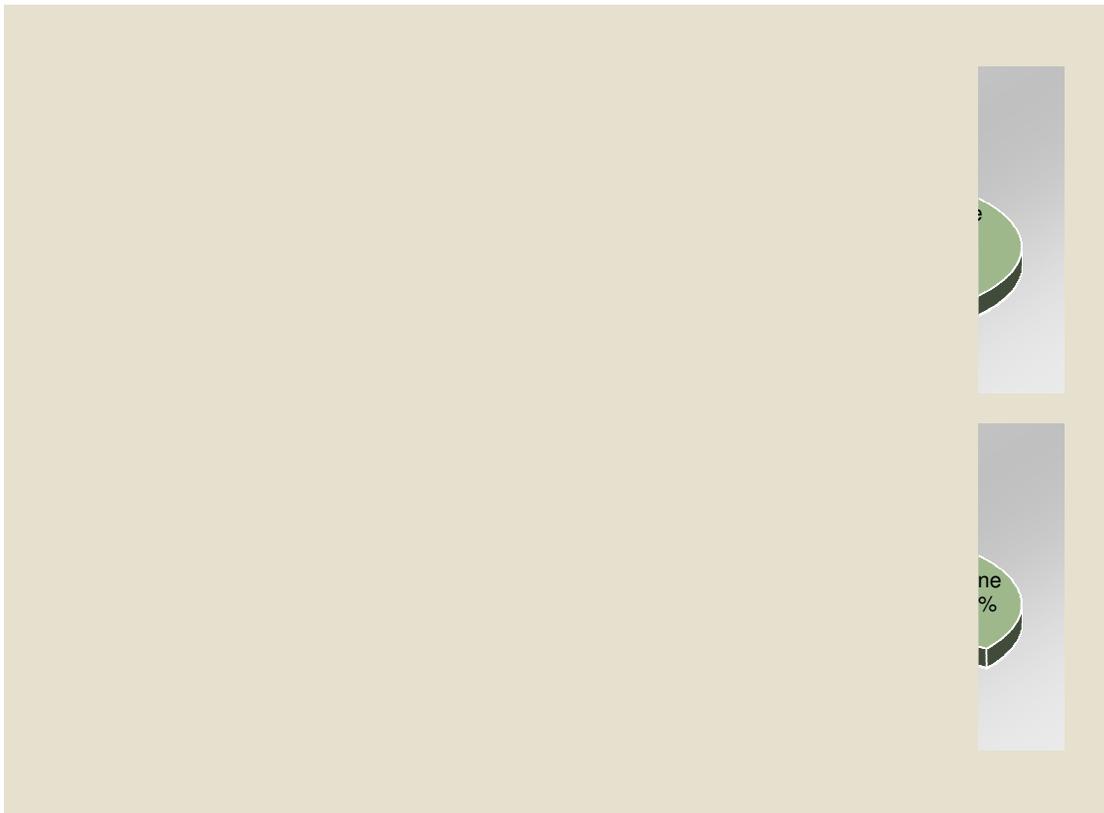
Table 8.7 Respondent's Views on Public Health Services

Public Health Services	Improvement Level	Elected LG Officials	Non-elected LG Officials	Opinion Leaders	Households
Prevention of Epidemics	Major	28%	29%	23%	23%
	Minor	49%	49%	54%	54%
	Nil/Deterioration	24%	20%	22%	22%
Vaccination of Children	Major	74%	59%	53%	53%
	Minor	25%	19%	36%	36%
	Nil/ Deterioration	1%	21%	10%	10%

households and legislators agreed that the increase had been in consonance with the patient population. About three quarters of elected/non-elected LG officials and opinion leaders also agreed. Nevertheless, a majority of all the stakeholder groups declared that the quality of health service had declined despite increased availability of medical professionals.

An overwhelming majority of respondents (70%) agreed that public health services, specifically prevention of epidemics and vaccination of children, had improved under the local government system. All the stakeholder groups subscribed to this view as mentioned in Table No. 7. The appreciation was much higher for vaccination of children. It is important to note that vaccination programme is primarily run and managed by the federal government. Therefore, improvements in this service cannot be entirely attributed to local government.

As opposed to public health, MCH services received lower ratings, as 57% of respondents bore

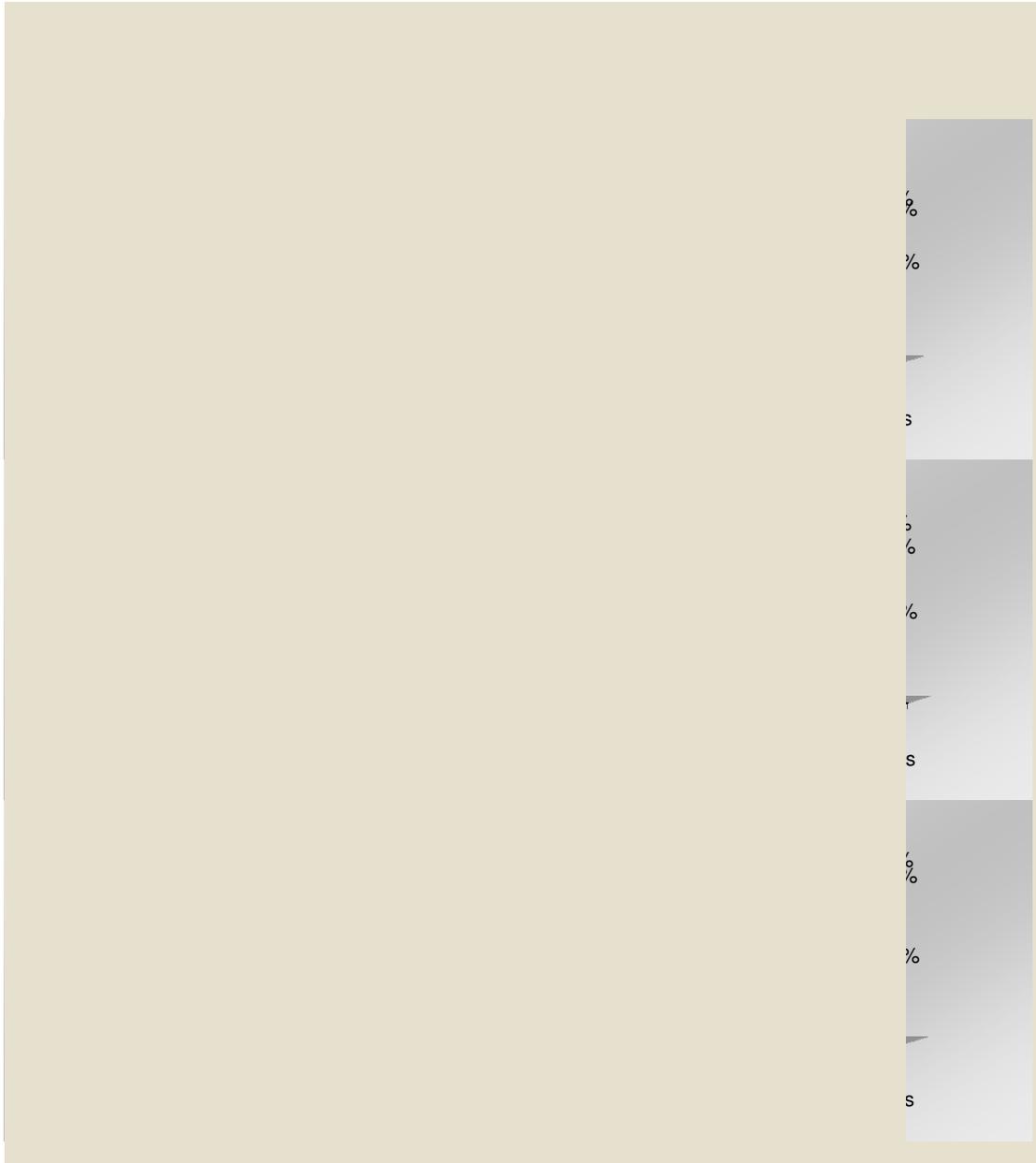


witness to minor/major improvements. Furthermore, it received a somewhat attenuated improvement ratings with almost one-third elected LG officials and female respondents stating either no improvement or deterioration in these services. The views of households were similar to overall opinions.

70% respondents said that improvements in health facilities had been due to the fact that district government is accountable to the public. At the same time, almost the same percentage

reasoned that vertical programmes of Provincial and Federal Governments had made their contribution.

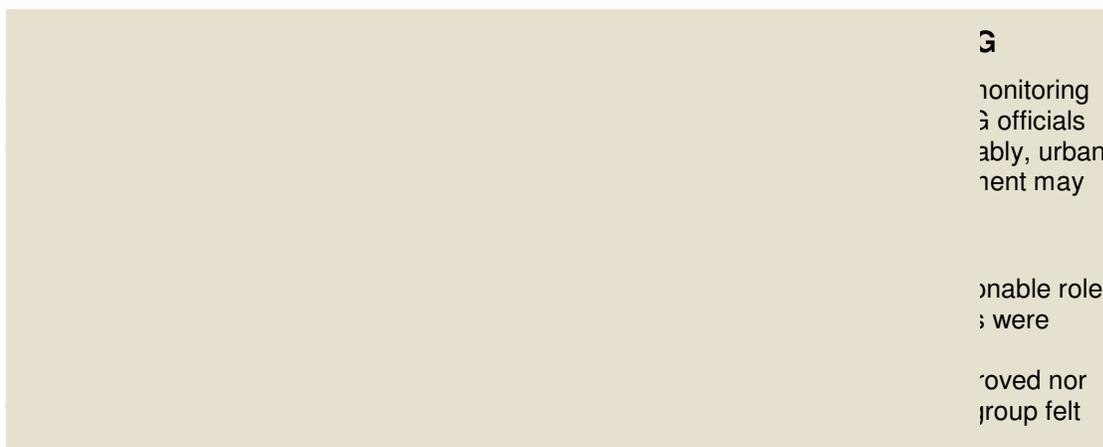
Assessing the reasons behind improvements, legislators and elected/non-elected LG officials suggested that all the factors, namely effective performance of district government and its accountability, as well as vertical programmes started by the Federal & Provincial Government were the main drivers behind improvements in health services. They did not give a clear opinion in favour of merely one factor. Same phenomenon was observed in case of households and



opinion leaders, although those who respondent felt more strongly that these factors were driving

the improvements in health services. In case of households, a sizeable proportion did not give any clear opinion.

Their opinions underscore the complexity and intricacy in estimating percentage contribution of multiple initiatives undertaken by District, Provincial and Federal Governments for improving health service delivery. No doubt, each initiative left an impact on health services. However, without sophisticated benefits tracking systems, it is not possible to measure the exact contribution of each programme. The ascription of benefits to appropriate government remains a challenge as has been described more fully elsewhere. Suffice it is to say that an average end-user is agnostic to service delivery value chain and is primarily concerned with service levels

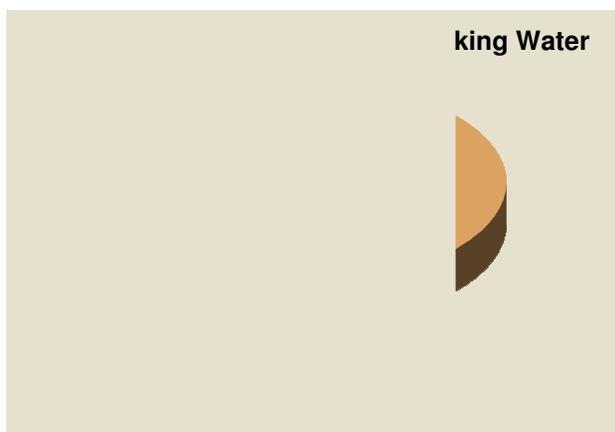


8.2.3 Water Supply & Sanitation

This section discusses views of citizens about municipal services, since these are the main concern of every citizen.

This part of the survey commenced with a query about the duration for which Tehsil Municipal Administration (TMA) provides clean drinking water. A substantial proportion of citizens informed that they

were never supplied with clean drinking water. The situation was similar in urban and rural areas, although it was slightly better in semi-urban areas. Upon further analysis, it was observed that only a small number of Elected/non-elected LG officials, opinion leaders and households reported having 24-hour access.



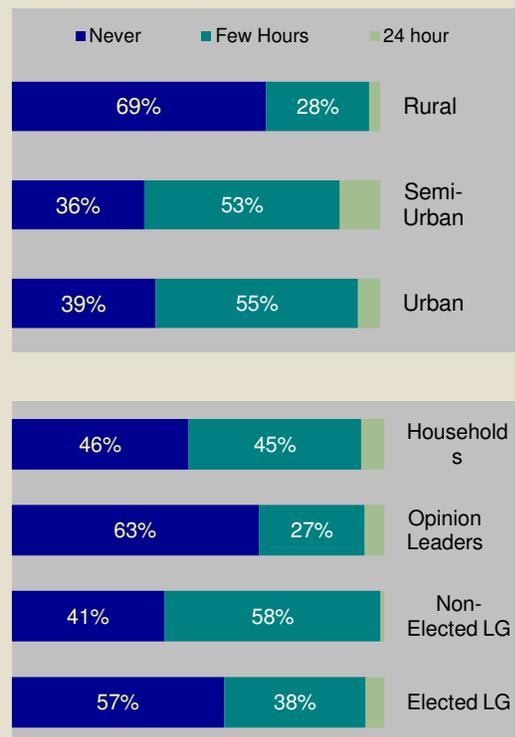
- No Elected LG officials from rural and semi-urban areas had 24-hour water supply from TMA. Those in higher income groups had more access to drinking water presumably because they lived in richer localities.
- Opinion leaders from rural areas presented a more damning picture; 82% said they were never supplied clean drinking water.
- In rural households, 64% were never provided clean drinking water.

The limited provision of clean drinking water naturally fared in their response when they were asked whether provision of clean drinking water had improved in the last seven years since the introduction of new local government system.

A majority of respondents said that there had been either deterioration or no improvement in the provision of clean drinking water during the last seven years.

- The dissatisfaction among the respondents mirrored the proportion of sample that had no access to clean drinking water.
- Expectedly, citizens from rural areas were more critical than those from either urban or semi-urban areas.
- In urban and semi-urban areas, opinions were divided regarding the improvements

Figure 8. 16 Provision of Clean Drinking Water



8.2.4. Sanitation and Solid Waste Management

Views of respondents were less than encouraging about improvements in both water sanitation and solid waste management. Rural residents were emphatic in their disapproval but urban residents were almost divided in their views. Majority of semi-urban residents opined that water sanitation had not improved but were divided about solid waste management.

An important reason for negative perception about provision of water is its linkage with water sanitation. Mere provision of water without the construction of accompanying drains and culverts and efficient disposal of solid waste turns streets into a cesspool of dirty water. Hence, one can expect that ratings of both services will closely match. In rural areas the views were much more critical. One of the possible reasons is that after devolution, the schemes in the rural areas



were supposed to be handed over to community organisations, which were to be responsible for their maintenance and operation. The arrangement did not work and, resultantly, many of the schemes closed down. Perhaps, this also led to deterioration of services.

Slicing up of data to ascertain views of stakeholder groups reveals that all the stakeholder groups were dissatisfied with level of improvements in the provision of clean drinking water, water sanitation and solid waste management. One noticeable exception was the legislators the majority of whom held that provision of clean drinking water had improved.

- Opinion leaders were most critical of the performance of local government

- Even elected/non-elected local government officials who are responsible for delivery of civic services agreed that services had not improved.
- Interestingly local government officials gave a more unflattering judgement than the households. It is probably because most of the respondents were not associated with TMAs, which are responsible for these services.
- Unlike overall sample, local representatives from urban areas were generally more



disapproving than their rural and semi-urban colleagues about water sanitation and solid waste disposal

Capacity Issue in the Delivery of Municipal Services

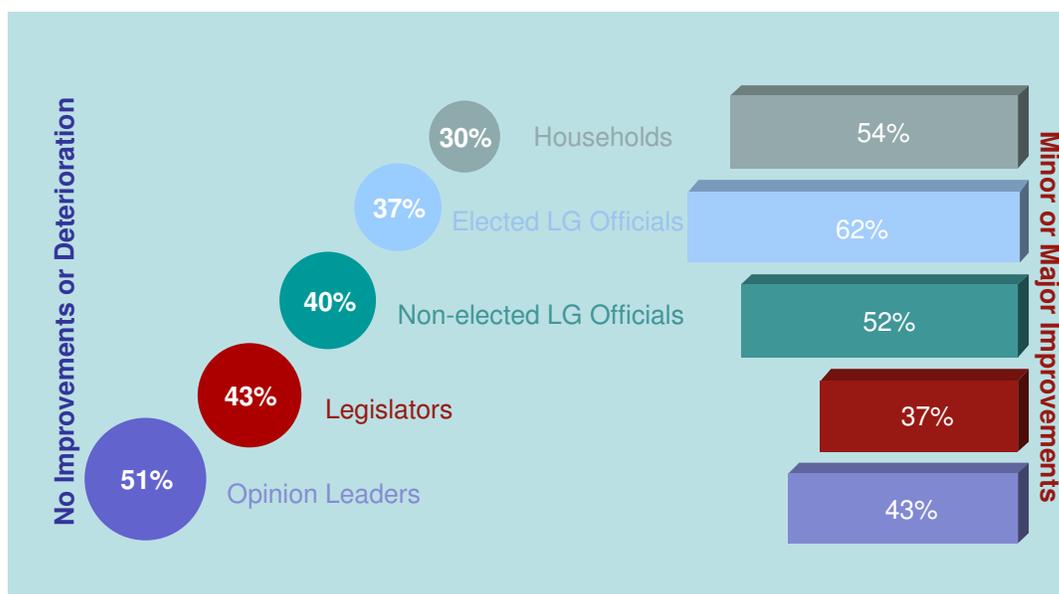
An important issue behind unsatisfactory performance in the area of water and sanitation is limited capacity of TMAs in designing and implementing water supply & sanitation schemes. Prior to devolution Water and Sanitation Agencies in large urban centres performed these functions, and continue to do so. However, Public Health Engineering Department executed and managed large schemes in rural areas. After devolution, these functions in rural areas were handed over to TMAs, which have not developed requisite technical skills and capacity. More often than not, the water supply schemes are not planned together with drainage. Resultantly, even if water supply improves, communities suffer poor sanitation condition in their neighbourhoods. Exacting the limited capacity of rural communities, devolution managers decided to hand over the schemes completed by PHED to them for management. These communities had inadequate capacity for managing water supply schemes and eventually rendered the facilities unworkable due to mismanagement and technical incapacity.

Monitoring by District Government

Commenting on monitoring by District Governments to improve sanitation and health, stakeholders gave varying opinions. Nonetheless a considerable proportion was critical of district government’s performance.

- The unequivocal opinion of more than half of the opinion leaders was that monitoring had not improved
- 56% legislators residing in urban areas shared views of opinion leaders
- A majority of elected/non-elected local government officials and households expressed positive views about monitoring performance.

Figure 8. 21 Monitoring by District Government for Health/Sanitation



Total may not add up to 100% as remaining respondents within each group informed that they Didn't Know.

One can expect positive opinions from local government official. But surprisingly, households were most appreciative among the group.

How can the pattern of improvement in water & sanitation services in rural and urban areas be explained? One possible explanation is that in rural areas improvements in municipal services had been primarily due to vertical programmes. On the other hand, in urban and semi-urban areas, funds have been frittered away in corruption, a hypothesis confirmed by legislators during the interview. Another

possible reason for poor performance is nepotism and political interference in posting of officials in water and sanitation sector. Most of the respondents within each stakeholder group opined that nepotism, corruption and, political interference in posting of staff had increased.

Perception about TMAs Performance

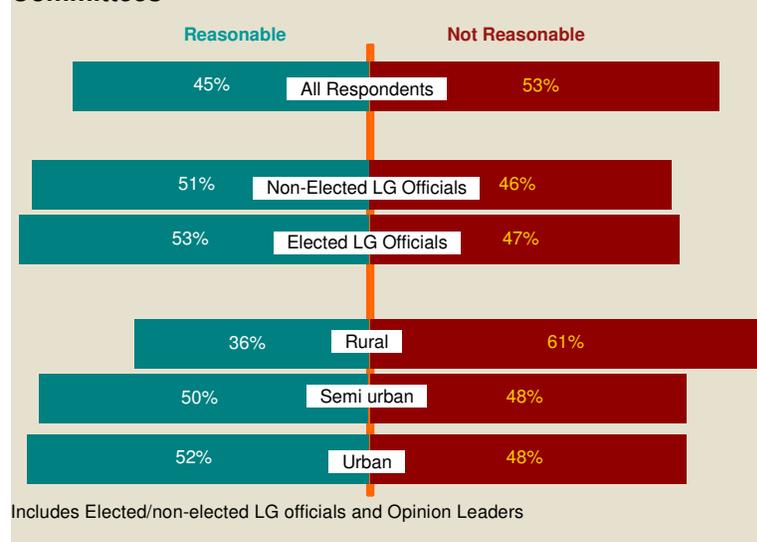
TMAs faced criticism for poor performance. More than half of the respondents were dissatisfied with their role in improving availability of clean drinking water and water sanitation.

- Sizeable proportion of elected/non-elected LG officials were of the opinion that the Tehsil council and its committees were not playing a reasonable role
- Rural population found their role more unreasonable than urban/semi-urban population.

The self-criticism by LG officials is quite revealing. One could have argued that it was because of limited participation opportunities in the health and sanitation sector. But 63% opined that their participation had increased. Furthermore, they gave a positive verdict on monitoring done by district governments. Eliminating all these reasons, one can conclude that it is due to capacity limitations that local governments have not made an impact similar to that mentioned in education sector.

The dissatisfaction of rural population may be due to lack of sense of participation in water supply and sanitation sector. Among the communities, 48% claimed increased involvement, while 41% thought that there was reduced or static level of engagement.

Figure 8. 22 Role of Tehsil Council and Its Subordinate Committees



Interestingly, 54% of housewives²⁰ expressed a higher sense of participation in health and sanitation under local government system. However, It is quite possible that their feeling of engagement in service delivery was driven by increased presence of women in elected local governments.

8.2.5 Agriculture

This section presents opinions about services pertaining to agriculture. Although agricultural output, for example wheat production, impacts the life of every citizen, services provided to farmers are of specialised nature and do not directly concern all citizens.

Therefore, questions pertaining to agriculture services were included in the module, depending upon the primary role of stakeholder group.

The major inputs and services required by farmers include seeds, fertilizers, pesticides, agricultural

Figure 8. 23 Improvements in Provision of Agriculture Facilities

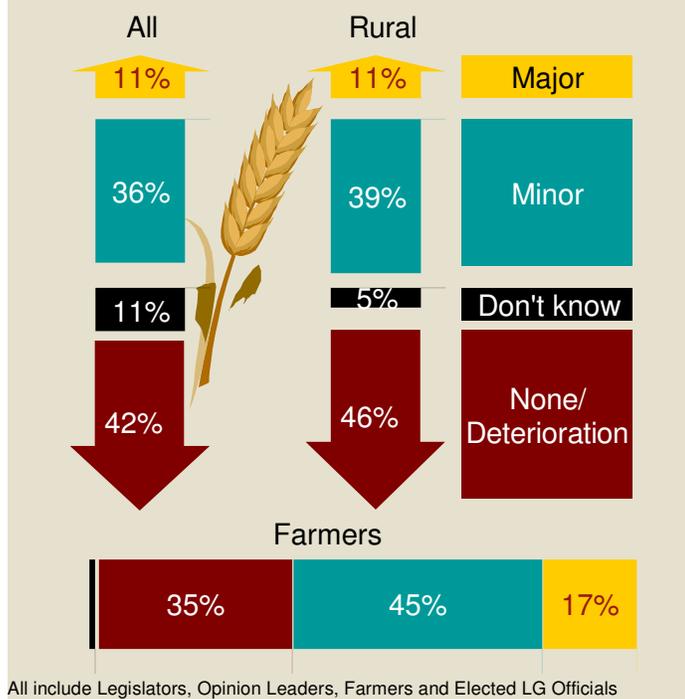
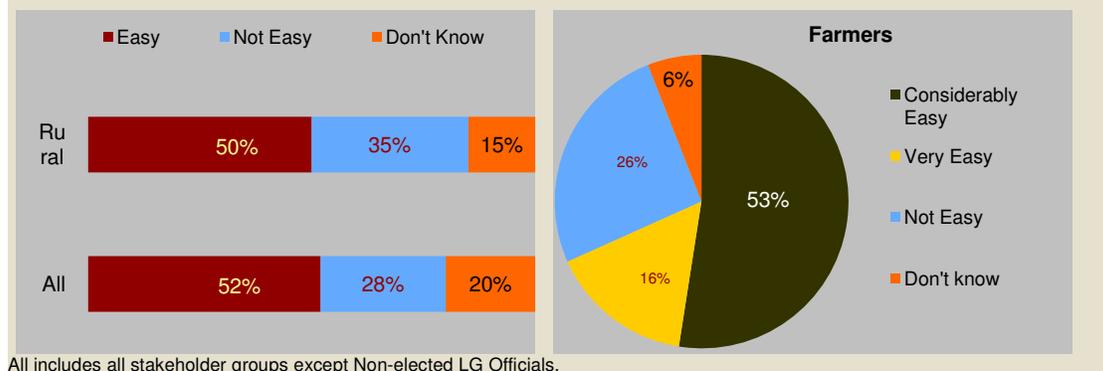


Figure 8. 24 Ease in Availability of Agricultural Loan



credit and extension services. Some of the services, such as agricultural extension, provision of agricultural machinery for temporary use, and control of spurious pesticides & fertilizers are within the purview of district government.

Upon query about improvements in the provision of agricultural facilities e.g. fertilizers, pesticides etc., citizens, especially those from rural areas, gave a mixed response, with a considerable

²⁰ 12% said they Didn't Know

proportion expressing dissatisfaction²¹. Only a small proportion mentioned that major improvements had occurred.

When asked whether formation of district governments has eased access to agricultural loans, majority held the view that these had improved the access to agricultural loan.

Table 8.8 Stakeholders' view on availability of loan

Easy		Not Easy		Don't Know	
Legislators	27%	Legislators	67%	Legislators	6%
Elected LG Officials	57%	Elected LG Officials	33%	Elected LG Officials	10%
Opinion Leaders	52%	Opinion Leaders	34%	Opinion Leaders	14%

- Farmers and rural residents shared the opinion with the majority that access had improved due to the formation of district government.
- Elected local representatives and opinion leaders also agreed with farmers
- A majority of legislators disagreed that loan availability had improved and more than 70% rural legislators held this view.

It is possible that legislators have given a negative opinion because after devolution their role in district government affairs has reduced considerably.

Expressing their view on provision of agricultural information by the District Government, a majority of farmers informed that they were satisfied with the availability of agriculture information. However, the views were ambivalent about the availability of machinery such as laser levellers etc. Surprisingly, about a quarter didn't give opinion about access to laser leveller and other machinery probably because they didn't even know about such services.

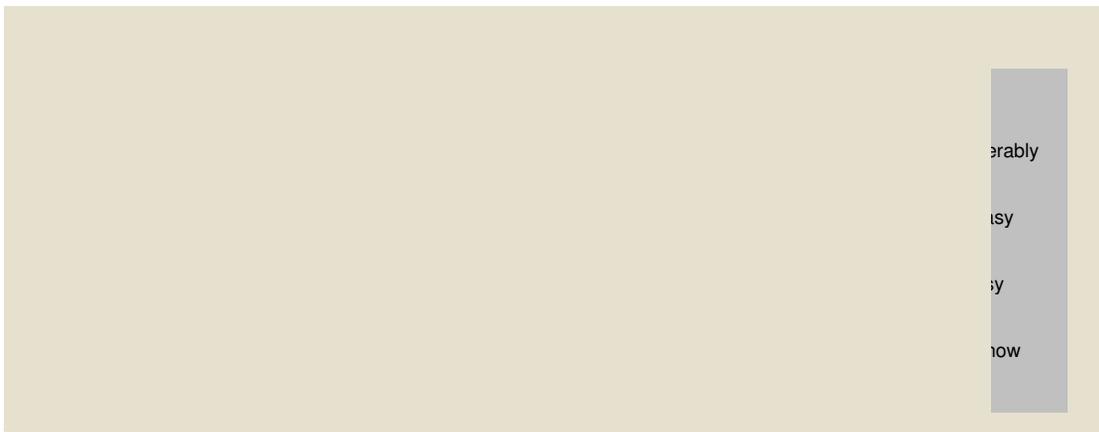
Opinions were divided about improvements in monitoring done by the district government to improve agricultural facilities; 50% of respondents²² said that some improvements had occurred. However, if we examine the opinions of rural and urban respondents separately, trends are different. Whereas opinions of urban respondents were similar to overall sample, only 38% rural respondents²³ held that monitoring had improved.

²¹ DG is not responsible for providing credit but access to loan depends upon passbooks for whose preparation District Government is responsible. In a similar fashion, District Government does not have a role in providing inputs e.g. fertilizers or pesticides but it is responsible for controlling spurious pesticides and checking the quality of fertilizers. The questions about provision of inputs were included in the survey because of district government plays an important, even though limited, in the availability of quality pesticides and fertilizers.

²² Included all the stakeholder groups

²³ 37% said it had improved

Divergence of views becomes evident upon examining data for each module. Majority of legislators (80%) said that monitoring done by district government for improving agricultural facilities had not improved. On the other hand, opinion leaders and elected/non-elected officials

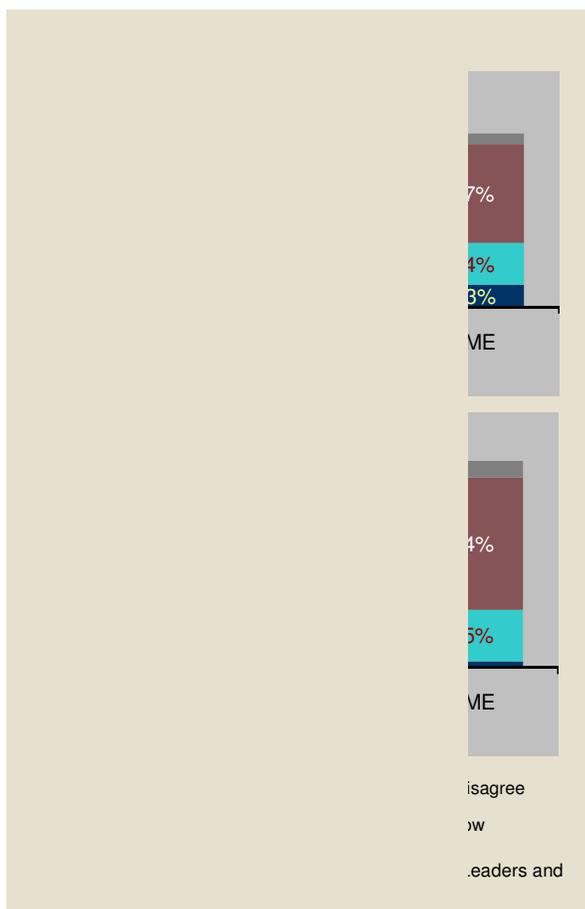


gave a mixed opinion. Nevertheless, a sizeable number of LG officials (40%) and opinion leaders (41%) opposed the view that monitoring had improved. Even farmers gave a divided verdict; 38% stated that it had improved, but 37% disagreed. Almost 25% farmers did not express any view saying that they didn't know. This is a particularly high percentage of unaware farmers, probably because of lack of communication between local government and farmers, one of the very important role that the local governments were supposed to perform. Evidently, a clear majority did not emerge to rate the monitoring by District Government as favourable.

This is still an unflattering judgement on district government because delivery of agriculture services such as agricultural extension was devolved with the objective of extending and deepening extension services.

8.2.6 Small & Medium Businesses

The services for small & medium enterprises (SMEs) are even more specialised and only a limited number of citizens have knowledge or experience of these services. Accordingly, respondents were asked about local government's impact on SME services only keeping in view their relevance.



One can argue strongly that District Government is not directly responsible for delivery of SME services as these are within the purview of Federal/Provincial Governments. However, when SME and Non-Elected LG Officials groups were asked which government could play a more effective role in resolving business problems of small and medium enterprises, 30% SMEs were of the view that, in comparison to Federal & Provincial Governments, local governments could play a more effective role in solving their business problems. More importantly, DGs are involved in some of the processes involving SME services e.g. access to small business loans require information from ownership record which is maintained by district government. Similarly, they manage technical training institutes, which provide not only trained work force but also information about technical aspects to businesses. The questions pertaining to small and medium enterprises were addressed keeping the limitations in consideration.

Most of the respondents disagreed that services for SME had improved under the district governments. Respondents who declared their profession as small business and those comprising of SME stakeholder group also disagreed that access to loan or technical business information had become easier.

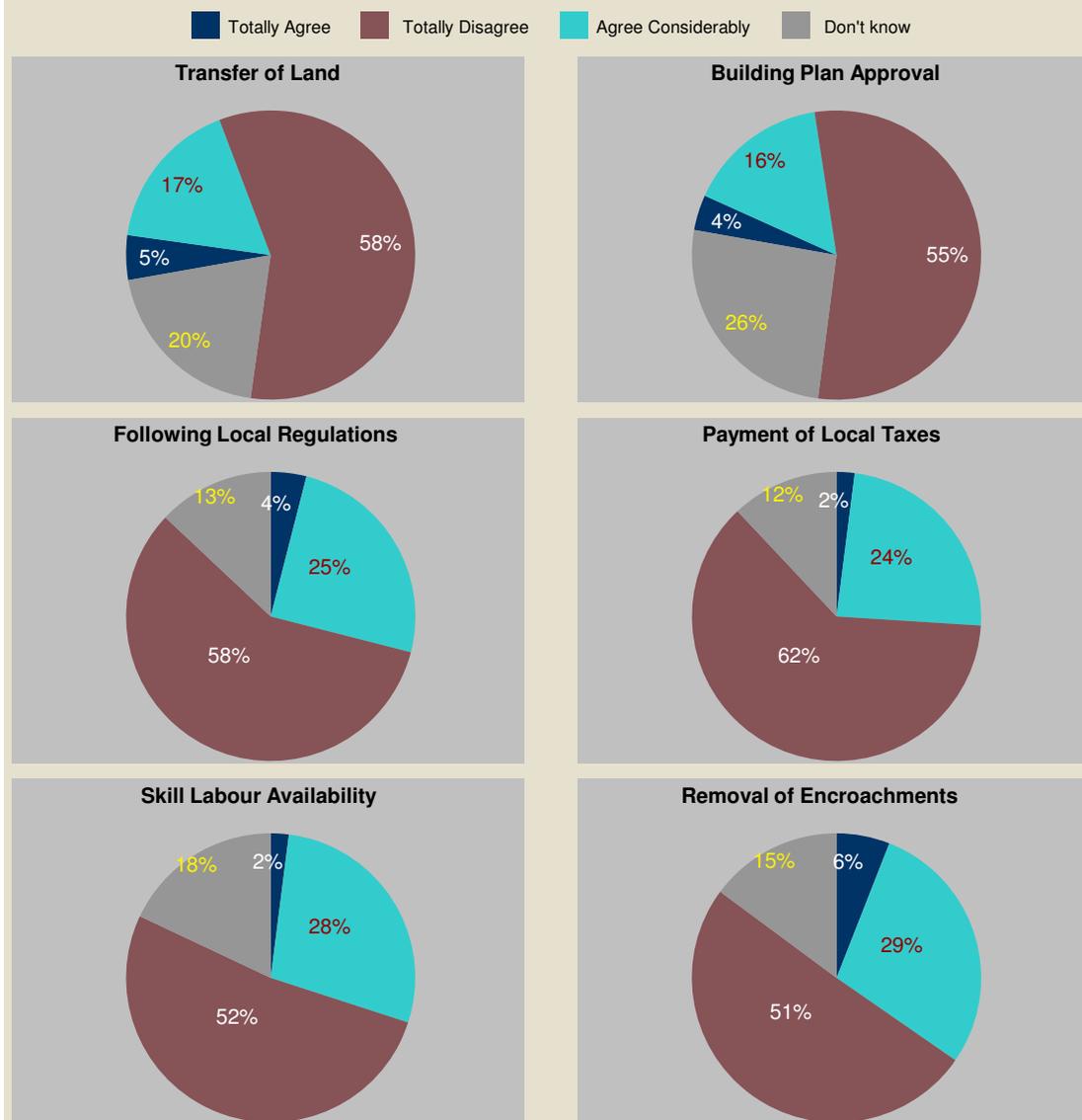
The SMEs were emphatic in their dissatisfaction with the provision of various input services. Their views were more negative than those of other groups. Irrespective of the fact that whether SMEs were asked about business services or regulatory services, a similar pattern of high level of dissatisfaction emerged. There was not even a single aspect that received approval from SMEs as shown in Figure No. 8.27.

Compounding their dissatisfaction, district governments do not engage SMEs as a stakeholder group to discuss their problems & issues. Almost 71% SMEs stated that Zila Nazim or other officials in the local government hardly ever met them to discuss matters related to SMEs and only a half thought that they could get the assistance of local government for the resolution of business problems. This shows that by & large local governments have neglected this stakeholder group, which according to SME policy generates almost 30% of GDP. The group has been largely ignored despite creation of an office of District Officer Enterprise & Investment Promotion in the NRB plan in nearly all the districts of the Punjab. Yet mere creation of an office is not enough to provide services to this sector unless the capacity of district governments reaches an optimal level to understand the business issues and environment.

8.3 Comparison of Results with CIET Survey

So far the chapter has illustrated and discussed opinions of stakeholder groups. In this section, the results are compared with a previous survey of similar nature. The 'Social Audit of Governance and Delivery of Public Services' established a baseline in 2002 by conducting

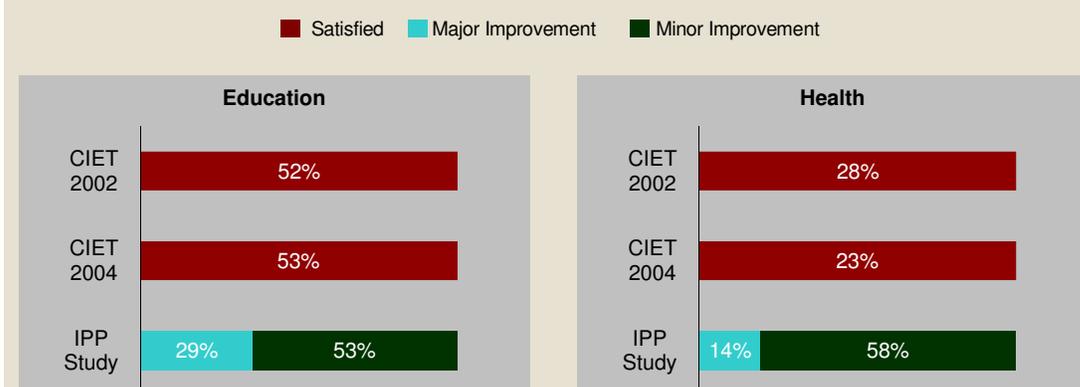
Figure 8. 27 SMEs’ Views on Ease of Various Services



Based on views of 161 respondents comprising SME Module

a survey in 87 districts of Pakistan.

Figure 8. 28 Comparison-CIET Survey & IPP Study (Social Services)



The survey was repeated in 2004-05 to assess the trend over time of citizen's views about the services. Before a comparison is made, it is instructive to highlight various features of CIET survey, which are different from the above survey results to contextualise the comparison. First, CIET survey was conducted across Pakistan with a large sample size of 53,960 households including 19,234 in the Punjab. Luckily, the CIET survey results were provided for each province so a comparison can be made for the Punjab. An important difference is that while CIET survey was primarily focused around satisfaction with services, this survey was centred to gauge the improvements in services over the last years as a result of fiscal and administrative decentralization. In other words, present survey attempts to gather a relative picture based on comparisons. Notwithstanding complexity in capturing satisfaction that depends upon user experience and expectations, interpretation of satisfaction vis-à-vis improvement poses a difficulty. This is so because one can be satisfied without witnessing improvements and vice versa. An added complication is that current survey used a wider scale for capturing views of households as opposed to CIET Survey. Simplifying these issues, it is assumed that only a satisfied respondent rated the service improvement as major. One may contest the comparison on the basis that plain vanilla meanings of words are markedly different. Furthermore, it could be argued that minor & major improvements should be collapsed into one single option. On the other hand, a counter argument could be that major improvement is the highest possible rating on the improvement scale (current survey) just as 'satisfied' is on satisfaction scale (CIET survey). Therefore, only rating of major improvement has equivalence with satisfaction. Undoubtedly, these objections carry weight. Therefore, while depicting the results, percentages for both minor and major improvements have been included in the figure so that the reader can make his/her own conclusions if he or she wishes to do so. The survey covered by CIET included only households. Therefore comparison will be drawn only for the results covered in the section on households. Furthermore, the opinions in respect of only those services are compared which can be reasonably judged to be of similar nature.

Education

The results of current survey suggest that level of satisfaction is low relative to CIET survey. A majority had expressed satisfaction with education services in 2002 and 2004. However, in the current survey only 29% stated that major improvements had occurred over the last seven years (Figure 8.28).

Health

Only a little more than a quarter respondents of CIET survey expressed satisfaction with health services. However, in case of current survey, a little less than three quarters informed that health services had improved. However, only 14% were of the view that improvements were major. These results again reflect a lower level of satisfaction.

Water Supply

As per CIET survey, the level of satisfaction with government water supply remained static over the three-year period. According to current survey, only 8% households mentioned that water supply had improved under the local government system over last seven years.

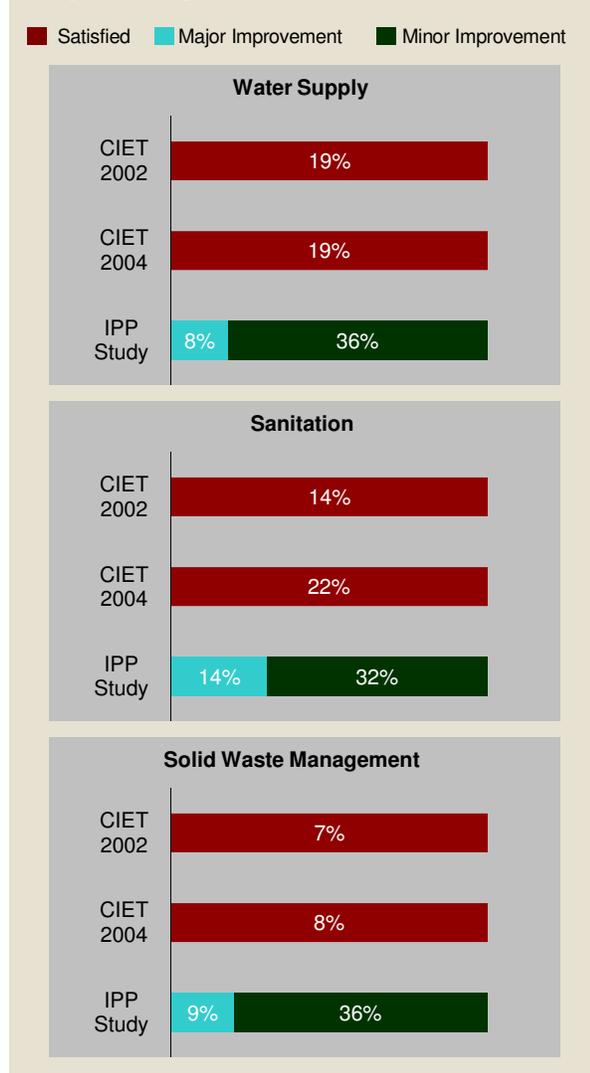
Sanitation

CIET survey asked the respondents whether they were satisfied with sewage/sanitation services, whereas the current survey asked the respondents whether water sanitation had improved in their area. The results of current survey are in line with CIET's 2002 results wherein only 14% expressed satisfaction with sanitation conditions.

Solid Water Management

CIET inquired about garbage disposal just as current survey asked the respondents about solid waste management. In 2004, the level of satisfaction with garbage disposal was low, and the current survey mentions that about 9% respondents thought that major improvements had occurred. This reflects a marginal increase in the level of satisfaction with solid waste management.

Figure 8. 29 Comparison CIET Survey & IPP Study (Municipal Services)



8.4 Conclusions

A relatively clear picture emerging from the collage of evidence is that health and education services have improved over the years due to the monitoring done by district governments and engagement of parents in school affairs. Although, improvements have taken place in delivery of health services under local government, but in general, the range of quality of all the health services have not witnessed much progress. Owing to capacity issues, corruption and political interference, water & sanitation services have deteriorated. The situation in urban areas is particularly worse due to abolition of separate administrative structure for urban and rural areas. Comparison with CIET survey confirms the trends.

In case of agriculture and SME services, the situation is not particularly encouraging. It is felt that not much has improved in provision of services to these sectors. Apart from being low on the priority of local government, corruption, political interference, unsatisfactory monitoring and limited capacity have scuttled the plan of NRB in improving services in these two sectors.

Chapter 9

Women's Participation – an Analysis of the Reservation of Seats

Women empowerment and gender mainstreaming represent one of the peculiar features of Local Government Ordinance 2001. These features were essentially a response to the years of struggle by women rights groups, activists, media, academia as well as donors who had been flagging the gender issues in Pakistan for a long time. The promulgation of LGO 2001, therefore, provided a fresh rallying point to the protagonists of gender rights to address the issue of gender mainstreaming from the forum of devolved local governments in a powerful and organized manner. The Local Government Ordinance 2000 envisaged reservation of 33% seats for women at all levels, including the District, Tehsil and Union Councils. The reservation of lady seats at all local government levels was designed to ensure women participation and articulation of their concerns in the whole local government framework.

This chapter is designed to look into the questions of effective women participation, gender equity and articulation of ordinary woman's voice through the instruments, mechanisms and processes as laid down in LGO 2001. The chapter begins by identifying and discussing the provisions of LGO 2001 which provide for comprehensive representation of women in various tiers of elected local councils. This portion is followed by the next section which looks into typical socio-economic backgrounds of women councillors elected in various local government tiers in the recent years in the project districts. This section aimed at validating the assumptions relating to seat reservation for women councillors and the resultant women's enhanced political participation. This is followed by a discussion about the direct and indirect indicators which may be referred to for assessing the extent of women focussed service delivery improvements under LGO 2001. The section also summarily discusses the stakeholder perceptions (arrived at through semi-structured interviews and questionnaires) of any improvements which might have resulted from reserving 33% seats for women and its consequent impact on women empowerment. These discussions are followed by identification of the institutional mechanisms and structural frameworks that might have promoted or inhibited gender sensitive policy planning and implementation within the framework of LGO 2001. The last section gives recommendations at the policy and operational levels which could facilitate the realization of the objectives of women participation and empowerment through seat reservations under LGO 2001.

9.1 Mandatory Reservation of seats for Women in District, Tehsil and Union Councils in LGO 2001

LGO 2001 provides for mandatory representation of women in all tiers of local governments, including the District Government, Tehsil/Town Municipal Councils and Union Councils. In case of Zila Council, Section 37 (1) (i) provides that A Zila Council shall consist of all Union Nazims in the district and including such number of women as to represent thirty-three per cent of the total number of the Unions in the district. Similarly, Section 65 (1) (a) provides that a Tehsil or Town Council shall consist of Naib Nazims of all Union Councils in the Tehsil or Town and including such number of women as represent thirty-three per cent of the total number of the Unions in the Tehsil or Town. Lastly, Section 87 (1) (a) (b) provide that there shall be a Union Council in each Union comprising (thirteen) following members elected directly in accordance with Section 148. These shall include six Muslim members, elected to general seats including two reserved seats for women and four members elected to seats reserved for peasants and workers including two reserved for women. In other words, at least four out of thirteen seats in a Union Council shall have to be reserved for women. Lastly, reference may also be made to Section 155 of LGO 2001 which provides that reserved seats for women in the Zila Council shall be divided among the Tehsils and Towns in the City District in proportion to the number of Unions in such Tehsils or, as the case may be Towns.

A plain reading of the above provisions of LGO 2001 indicate that the Ordinance ensures reservation of one-third seats in all Councils for women. Obviously, this is designed to ensure presence of a minimal critical mass of women representatives in District, Tehsil and Union Councils. It may also be pointed out that in addition to the above-mentioned provisions for mandatory reservation of women seats, LGO 2001 does not follow a similar pattern when it comes to the membership of other bodies or committees provided under LGO 2001. Ideally and in line with the spirit of these provisions, a similar mandatory one third presence of women in the whole range of institutional mechanisms under LGO 2001 could have greatly contributed to the objectives of women empowerment. However, neither the substantive provisions of LGO 2001 covering the whole range of institutions and structures nor the wide body of bye-laws and consequential legislation following LGO 2001 has ensured one third representation of women similar to the above-mentioned provisions on women representation.

9.2 Socio-economic Background of the Councillors Elected on Reserved Seats

An analysis of the socio-economic background of women councillors in the project district reveals an interesting mix of diverse backgrounds. Such an analysis is critical as it would indicate exactly which sections or shades of society are represented by lady councillors and whether or not the existing councils truly reflect the majority of ordinary women whose concerns ought to be

addressed through mandatory reservation of women seats in these councils. A detailed analysis of the socio-economic and political background of selected lady councillors in project district has thrown up some interesting findings. A considerable majority of these lady councillors is related to the dominant political groups within the District or Tehsil. These may be the major political parties or the political groups managing to get the patronage of the local Nazims etc. and getting their own ladies elected as lady councillors. Secondly, there is an almost equal percentage of lady councillors hailing from lower income groups as well as wealthy and richer classes. The former are typically representing the under-developed rural areas and semi-urban areas. On the other hand, the later are primarily representing the urban and relatively well off areas. Another categorization of the socio economic background may be achieved by the frequency of political participation or whether the councillor is a novice or she has previous political or social service experience. Generally, the women councillors related to political parties or factions were found to possess varied degrees or previous political experience. However, considerable proportion of relatively well off and economically sound lady councillors also made their way in local councils merely by being related to the important or notable sections of society. Another interesting aspect of this inquiry pertains to the fact that an unexpectedly lower proportion of members of established NGOs, CSOs or social activists have been elected as lady councillors against the quota seats.

Similarly, an analysis of more than fifty semi-structured interviews may also be referred to for arriving at interesting conclusions. These interviews were held with a wide range of stakeholders including the opinion leaders, housewives, government functionaries, elected representatives, political activist and NGO representatives. When asked about the socio-economic backgrounds of women councillors, the respondents mentioned political activists, relations of rich and powerful, social workers, rural lower middle classes, ordinary house wives as making majority of women councillors. Similarly, there was also a divergence of views as to whether or not these lady councillors truly represent the majority of women or articulate their concerns in councils. However, there appears to be consensus on which areas these lady councillors should ideally be focussing. These included health, education, family planning, vocational trainings, small businesses, micro-credit etc. Very rarely, any respondent expected the lady councillors to undertake any serious policy or political issues in the relevant forums.

A range of inferences may be drawn from the information collected through these interviews with a wide range of stakeholders regarding the socio-economic and political profile of lady councillors in the project districts. Firstly, the socio-economic background of lady councillors fails to point out a predictable and constant pattern of women's political participation. A diverse range of women from varied socio-economic backgrounds have made their way as lady councillors. And such diverse range of women may have made it to the local councils for entirely different reasons. Secondly, the ordinary, middle class and 'housewife' category of women are rarely found to be

represented in any tiers of local governments. The political processes and mechanisms somehow tend to exclude the ordinary and common women from political participation in the local assemblies. Thirdly, an element of elite capture can certainly be found in all tiers of local governments as women from influential, richer and politically dominant classes are found to have made their way in local assemblies with relative ease and without much effort. Lastly, and rather surprisingly, the lady members from locally active NGOs, CBOs or social groups are usually conspicuous by their absence amongst the reserved seat councillors in Union, tehsil or District Assemblies. This may very likely thwart a potential engine of social mobilization and women empowerment as proactive and activists women councillors may hugely transform the local power sharing and resource allocation patterns for gender based governance. Another critical point in this regard is the 'stereotyping' which ordinary citizens appear to have developed about the socio-economic background and expected roles of the lady councillors under LGO 2001. This may have important repercussions for long term viability of the expected and mandated role of lady councillors under LGO 2001 in women empowerment due to divergent public perceptions on the issue.

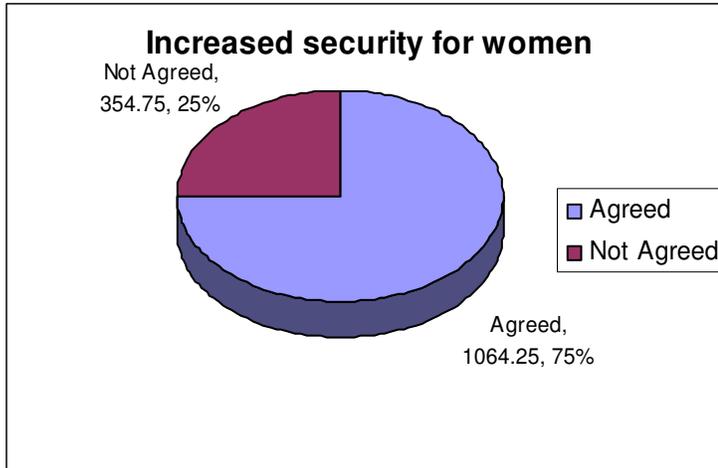
9.3 Indicators for Women Empowerment and Gender Sensitive Service Delivery

One of the ways to validate and analyse the premise of 33% seat reservation as a means for promoting gender empowerment under LGO 2001 could be to identify qualitative and quantitative indicators which could facilitate a meaningful comparison. However, such an exercise is readily challenged by two related constraints. Firstly, LGO 1979 did not provide any discernible yardsticks for assessing the effectiveness of women's political participation through special seats in local councils. Hence any comparison of different patterns of seat reservation and its impact on women empowerment cannot be made out under LGO 1979 and 2001. Secondly, while LGO 2001 definitely provided ample room for ensuring women participation in local governments, it did not fix any goal posts or benchmarks for assessing the impact of such dispensations on gender sensitive service delivery. Under these circumstances, indicators for 'women empowerment and gender sensitive service delivery' can best be rough approximations.

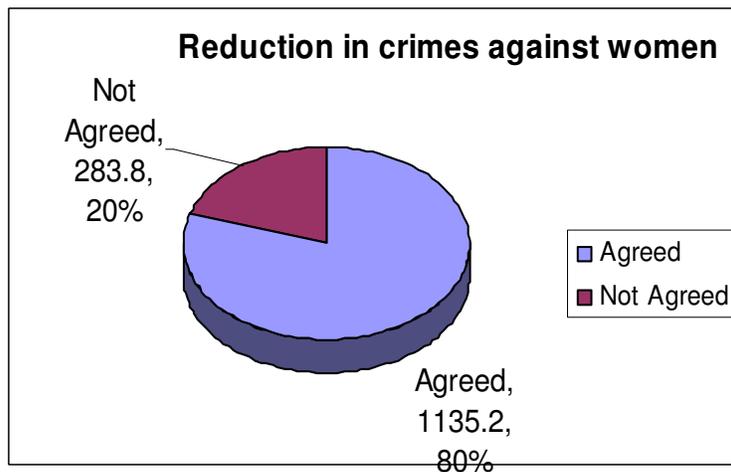
It was with these realizations that the present study developed a comprehensive questionnaire for semi-structured interviews covering the whole range of issues related with reservation of 33% seats under LGO 2001 as a means for promoting gender empowerment. These questions covered diverse issues concerning impact of seat reservation on advocacy, resource allocation, enabling policy formulation as well as development of institutions and systems for articulating gender concerns within the framework of LGO 2001. The questions were designed in such a manner as to elicit qualitative perceptions as well as quantitative information regarding development allocations and institutionalisation. Following are the questions used for this purpose in the current research study.

1. What difference has the reservation of 33% seats for women in the local government made to the following factors?

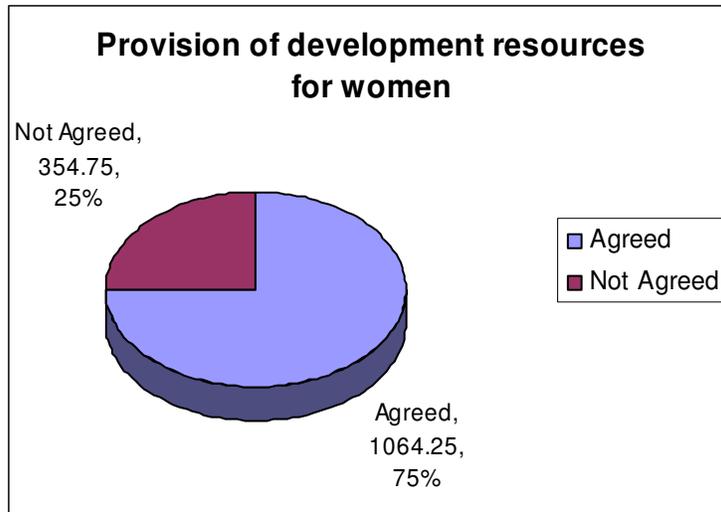
- a) Increased security for women. Out of 1419 respondents, 75% agreed that there was improvement.



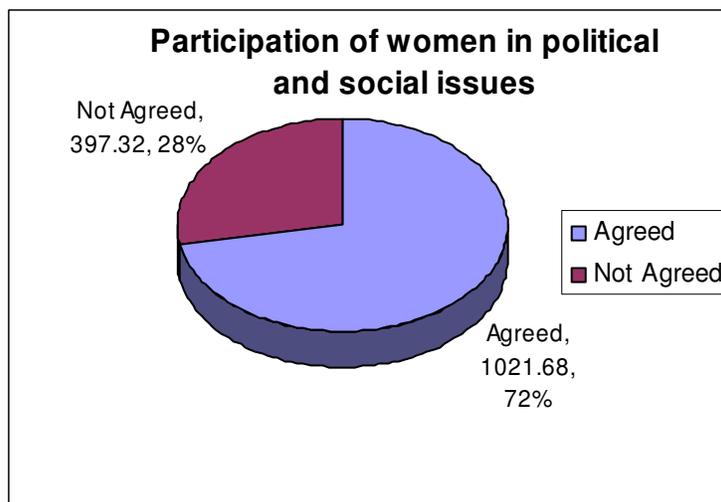
- b) Reduction in crimes against women. Out of 1419 respondents, 80% agreed that crime against women has reduced.



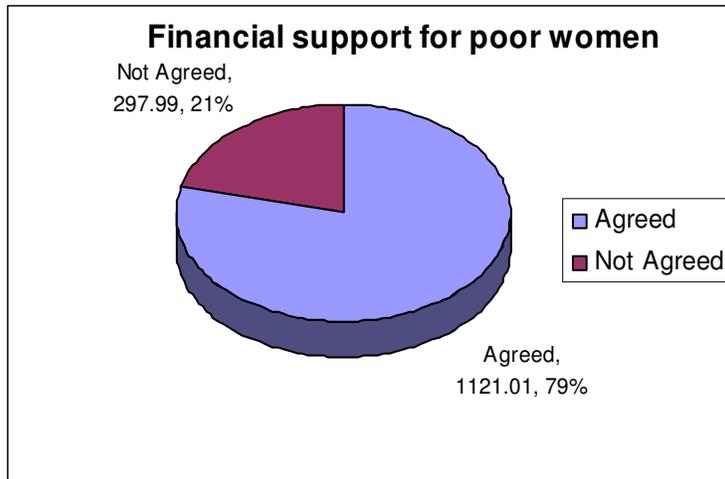
- c) Provision of development resources for women. Out of 1419 respondents, 75% agreed about an improvement.



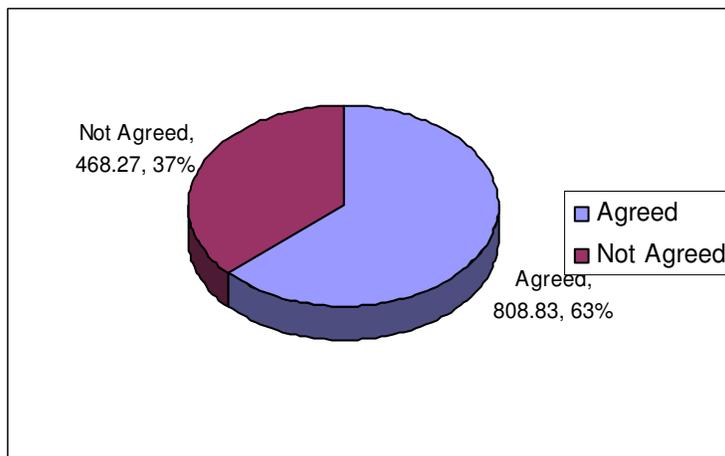
- d) Participation of women in political and social issues. Out of 1419 respondents, 72% agreed about an improvement



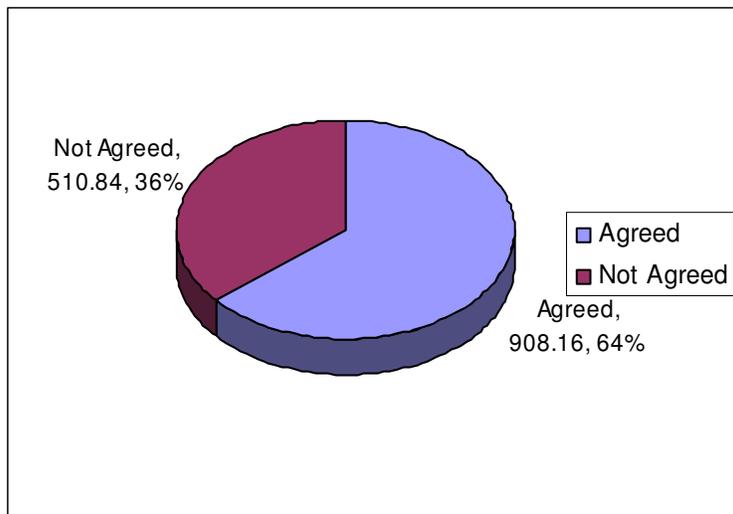
- e) Financial support for poor women. Out of 1419 respondents, 79% agreed that enhanced financial support for women has resulted from seat reservation.



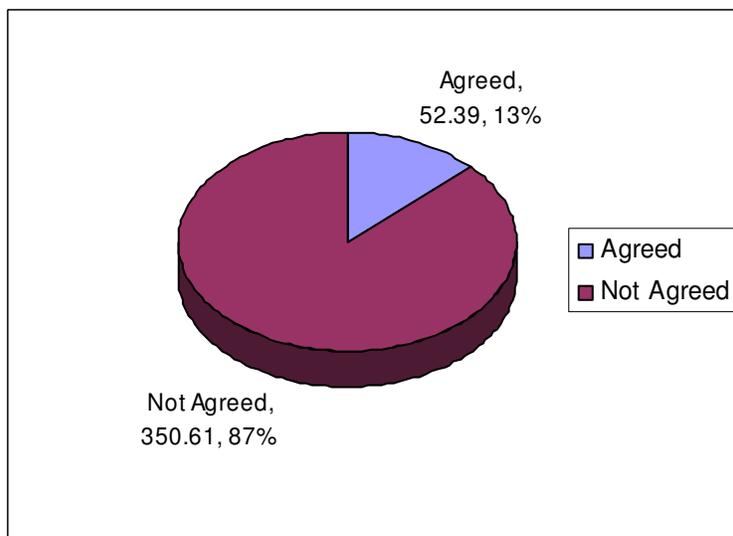
2. Has 33% representation for women resulted in increased development resources set aside for women specific initiatives? Out of 1419 respondents, only 57% agreed that 33% women representation has resulted in increased development resource availability for women specific initiatives.



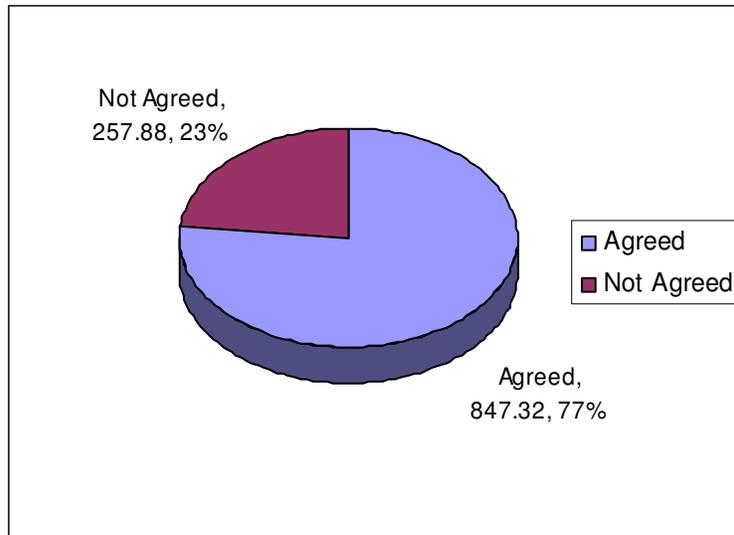
3. Do you think that the lady councillors effectively represent the women? Out of 1419 respondents, 64% agreed that lady councillors represented the women in District or Tehsil councils in very effective or considerably effective manner.



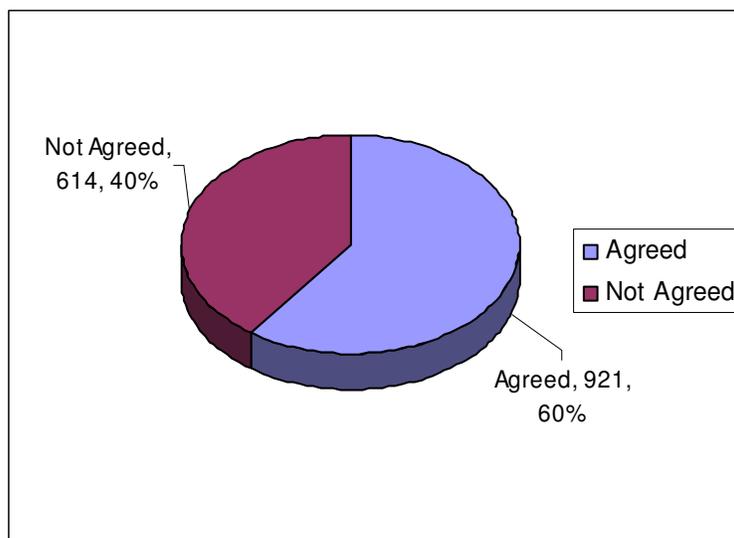
4. Do the lady councillors bring to debate any women specific issues in District/Tehsil council? Out of 403 respondents, only 13 % agreed that lady councillors do bring forth women specific issues in District or tehsil Councils.



5. Is it easier for women to get the assistance of lady councillors for the solution of their problems? Out of 1228 respondents, 77% agreed that it had become very easy or considerably easy to get assistance of lady councillors for solution of women specific problems.



6. Under the local government system, has there been an improvement in the provision of health and education facilities for women? Out of 1535 respondents, 60% expressed major to minor improvements due to seat reservation.



The above analysis may be used to draw some interesting inferences regarding relationship of 33% seat reservation and various perceptions and indicators of women empowerment and political participation in local government dispensations under LGO 2001. Firstly, the perception about the difference made by reservation of women seats on enhanced social security for women is quite high, though it is not well articulated. Similarly, a sense of security, especially against crime against women has also been reported by majority respondents due to the phenomenon of presence of women councillors in large numbers. Secondly, the perception about improved health and educational services for women due to 33% seat reservation at the local levels is also quite

strong. Thirdly, there is also a pervasive agreement that 33% seat reservation has resulted in adequate representation of women in tehsil and district assemblies. However, once this 'perception' was put to empirical test through sharp questions including 'women councillors bringing forth women related issues in assemblies' or 'setting aside earmarked resources for women focussed schemes', the response was quite unsatisfactory. While, almost half of the respondents doubted the ability of women councillors to actually ensure setting aside development resources for women focussed schemes, a mere 13% thought that lady councillors ever brought forth women related issues in district or tehsil assemblies.

These findings may be summarised as indicating towards a perceived improvement on women empowerment indicators resulting from seat reservation under LGO 2001. However, once this perception is put to an empirical or quantitative test, the real impact of such reservations for women empowerment is uncertain and minimal. Equally important is the relationship between perception of improvements and the root causes of such perception. It may be argued that the positive responses could primarily relate to such lady councillors who may have actually acquiesced and soft-paddled acute gender related issues in local assemblies. It may be possible that for their individual benefits, they may be painting a positive picture while actually they may not have forcefully argued the case for women empowerment in local assemblies. This can be a valid interpretation of the fact that any quantitative or empirical evidence is difficult to be found in responses of perception survey which points to generalities and fail to provide any empirical evidence about specifics. The same argument is also corroborated by the fact that despite the positive perception, the development budgets of local governments rarely show any women specific allocation or provision which should have been a natural outcome of the reservation of seats for women.

9.4 Institutional Mechanisms and Structural Frameworks that Promote/prohibit Gender Sensitive Policy Planning and Implementation

In addition to the blanket reservation of 33% seats for women councillors, LGO 2001 may also be looked into for identifying institutional mechanisms and structural frameworks which could also promote women empowerment on sustainable and permanent basis. An assessment of such institutional arrangements with a gender lens may indicate how effectively (or otherwise), reservation of sufficient numbers of seats has actually translated in systemic improvements for women from within LGO 2001 framework.

In this regard, mention may be made of monitoring committees which are selected by district and tehsil councils for supervising the working of District Governments and TMAs in a whole range of activities. These monitoring committees have substantial clout, especially in ensuring smooth and effective implementation of approved initiatives. However, representation of women councillors in

these committees was found to be minimal in nearly all project districts. One of the arguments against inclusion of women councillors in monitoring committees was based on the assumption that quality assurance of engineering or technical activities might not be easy for women. Secondly, Union Council Nazims or Naib Nazims were generally accorded preference for inclusion in these monitoring committees. The virtual non-representation of lady councillors in most of the monitoring committees could be cited as a glaring act of omission which rebels against the notion of women empowerment. The second category of such institutional structures include other important committees including 'Code of Conduct Committees', Accounts Committees, 'Recruitment Committees' and even 'District Mushavirat Committees.' All these committees have critical role within the working of decentralized local councils. In almost all of these committees, the text of LGO 2001 does not specifically provide for compulsory inclusion of women councillors as members of these committees. Although in certain cases, the rules made under LGO 2001 for these committees contain enabling and affirmative provisions for women representation in these committees, but in actual practice, women are rarely included as members of these committees. This could be due to very high material stakes associated with the working of these committees. Besides the vested interests associated with the working of these committees, absence or insufficient provision for mandatory inclusion of women in these committees may have served as disincentive for local councils to ensure adequate representation of women councillors. An example in this regard may be cited from Section 93 and Section 94 of LGO 2001 regarding Village and Neighbourhood Councils. These Sections clearly lay down that maximum number of members of Village and Neighbourhood Councils shall be eleven, but only one seat in these councils is to be reserved for women as mandatory provisions. In the spirit of 33% reservation of seats for women councillors, relevant provisions covering Village and Neighbourhood Councils could have fixed one third membership of these councils for women. However, fixing only one seat for women is clearly reducing the whole spirit of women empowerment to cosmetic purposes.

Similarly,, mention may also be made of some other LGO 2001-based or allied institutional arrangements which may have immense potential for fast-track realization of objectives of women empowerment, provided adequate women representation is ensured. These committees include LGO 2001 based structures including 'Insaaf Committees', 'Musalihat Anjuman', 'Provincial Local Government Commission' and Police Order 2002 based bodies including, 'Public Safety and Police complaints Commission' or 'Citizen Police Liaison Committees.' All these committees have a direct bearing on smooth working of decentralized dispensations in the District Governments and may be of direct relevance for realizing the goals of gender equity and women empowerment. Ideally, (and in line with the philosophy of 33% seat reservation under LGO 2001) all these committees and commissions should have been made to include a similar and mandatory women representation. However, neither the governing rules nor the actual practice in

functioning of these bodies provide for any such mandatory representation of women in adequate proportions, resulting in less than desired impact of these bodies for women.

An important aspect of above-referred barriers to meaningful participation of women in the affairs of local governments may be traced in the huge baggage of socio-cultural norms in our society. The responses and behaviours of any institutional arrangements are also a reflection of the deep rooted biases, convictions and prejudices prevailing in any society. In the context of electoral politics in Pakistani society, gender biases and prejudices may be easily identified in the working of local governments even under LGO 2001. The overall atmosphere of local assemblies is hardly conducive to any meaningful debate about the women focussed issues. More specifically, there is also a prevailing hesitation about any discussion on socio-cultural evils which work to the detriment of women. Consequently, any discussions on female inheritance, gender violence, gender justice etc. is generally discouraged which, in turn, negates the whole purpose of substantial presence of women in local assemblies. Similarly, when it comes to resource allocation for development activities, it is somehow presupposed that any provisions made on behest of male members would automatically benefit the women councillors as well. Last but not the least, these are usual bottlenecks and inhibitions to free movement of women in public places and offices. This tends to reduce their effectiveness in making any meaningful contribution of the cause of gender justice and women rights. It is this broader system of inhibitions and impediments which tend to diminish the utility of reservations of 33% seats for women councillors at all levels in local councils.

Common Problems of Lady Councillors

- Lack of communication skills/confidence due to cultural barriers;
- Lack of appropriate education and training;
- Inadequate briefing about the day to day and specific working of local councils and local administrations;
- Development proposals of lady councillors are assigned a lower priority;
- Lady Councillors are provided minimal representation and responsibilities in monitoring committees and other local government structures;
- Lack of awareness about the role and functions of Insaaf Committee and Musalihat Anjuman leading to incidence of gender injustices;
- Inappropriate office and resting facilities for lady councillors in offices of local governments;
- Lady Councillors usually kept in dark about local council's finances, expenditures and other resource allocations;
- Other district government departments do not properly respond to requirements or priorities of lady councillors;
- Honoraria and daily allowance to lady councillors is not paid properly and regularly.

The above discussion may be concluded by highlighting the gaps and anomalies which hamper adequate women representation in all institutional and structural arrangements put in place after introduction of LGO 2001. An analysis of the constitution and working of these committees and commissions indicate that the spirit of reserving 33% seats for women councillors has not appropriately translated in meaningful women empowerment through these institutional arrangements. There are legal, procedural as well as operational lacunae which need to be addressed for ensuring sustainable and lasting impact of 33% seat reservation towards achieving the goals of women empowerment and equitable political participation in local government system.

The discussions of the previous sections may be summarised as pointing to several pertinent issues. Firstly, LGO 2001 makes ample statutory provisions for ensuring 33% representation of women in District, Tehsil and Union Councils. However, a similar mandatory reservation is not provided for in allied institutional arrangements and structures which actually operationalise the provisions of LGO 2001. Secondly, the socio-economic backgrounds of lady councillors indicate a divergent mix of social classes with peculiar outlooks and propensities. Similarly, the expectations of the stakeholders from the lady councillors have also been based upon peculiar stereotypes which may or may not be correct. This would have huge implications for capacity assessment and any prospective measures designed to boost the existing capacity of lady councillors in line with their mandated responsibilities. Thirdly, there has been a dichotomy of opinion amongst key stakeholders regarding the perceived and actual contribution of seat reservation towards achieving the goals of women empowerment and gender mainstreaming. Similarly, the overall working of local governments (both in terms of resource allocation as well as ordinary working) also hardly subscribes to the spirit of equitable women representation and gendered governance in the working of these institutions. Another issue which needs to be addressed is the real role or mandate which must govern the working of lady counsellors so that their collective working contributes to the objectives of gender mainstreaming and women empowerment. Lastly, there appears to be major distance and gap between the lady councillors working under LGO 2001 dispensation and the women rights activists in NGOs/CBOs as well as mainstream political parties. The critical elements of synergies and complementarities are found to be generally missing which could ultimately defeat the objectives of women empowerment sought to be achieved through seat reservation under LGO 2001.

Following specific recommendations are presented to achieve the objective of social and political empowerment of women through their enhanced representation in the local councils.

- a. A minimum educational qualification may be fixed for lady councillors;
- b. All lady councillors may be exposed to a comprehensive orientation and grooming process to acquaint them with the working of local government systems as well as those of the provincial governments;

- c. Special attention may be paid to capacity building of lady councillors in the areas of planning, budget making, expenditure and development programming;
- d. Adequate representation of lady councillors in Insaaf Committees, Musalihat Anjuman, Monitoring Committees, Code of Conduct Committees, Accounts Committees, District Mushavirat Committees etc. may be ensured;
- e. Opinion and priorities of lady councillors may be given due weightage in budget making and ADP formulation;
- f. Separate accommodation, office and rest facilities may be provided in all local government offices for proper working environment;
- g. Specific and adequate amounts may be allocated in all development allocations on the recommendations of the lady councillors for the schemes having direct benefit for ordinary women;
- h. Any development schemes related to women welfare may only be approved after seeking majority consensus of lady councillors;
- i. Honoraria and daily allowances for lady councillors may be enhanced;
- j. Local Government may encourage formation of caucuses of lady councillors, women rights groups and lady politicians for ensuring synergies and complementarities in the endeavours of all stakeholders for women emancipation;
- k. Targeted advocacy and awareness campaigns may be launched in local and regional media for convincing local women to more actively participate in local government systems for women empowerment and emancipation;
- l. A comprehensive coordination and liaison mechanism may be put in place at the provincial level for ensuring maximum utility of donor led and indigenous capacity building programs for lady councillors;
- m. All local governments may be encouraged to maintain gender disaggregated data for all spheres of their activities.

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Appendix A

Research Chart

1. What is the **extent** to which political power and administrative authority have been decentralized, and financial resources have been made available to local government? What is the **capacity** at the local level to manage effectively the devolved authority and resources?

Sub-question	Data Source	Data Collection Tool(s)
What was the nature and extent of political, administrative and financial devolution of power originally conceived by the National Reconstruction Bureau (NRB)?	<ul style="list-style-type: none"> ○ NRB documents ○ LGO 2001 ○ Press reports ○ Published studies ○ NRB team ○ DSP team ○ NGOs 	<ul style="list-style-type: none"> ○ Document review ○ Document review ○ Content analysis ○ Literature review ○ Interviews ○ Interviews ○ Interviews
How has this conception evolved/changed over time at 1) NRB; and 2) Punjab Government (PG)?	<ul style="list-style-type: none"> ○ NRB documents ○ Amendments to LGO 2001 ○ NRB team ○ DSP team ○ Elected and non-elected officials at PG ○ Elected and non-elected officials at district, tehsil and UC level 	<ul style="list-style-type: none"> ○ Document review ○ Document review ○ Interviews ○ Interviews ○ Interviews ○ Interviews
What is the present status of political, administrative and fiscal decentralization at the district, tehsil and union council (UC) level?	<ul style="list-style-type: none"> ○ PG documents ○ DG and TMA documents ○ Press reports ○ Published studies ○ Elected and non-elected officials at LGs 	<ul style="list-style-type: none"> ○ Document review ○ Document review ○ Document review ○ Document review ○ Interviews + FGDs
How does the present state of implementation of devolution reform compare with the scheme of things envisaged by NRB?	<ul style="list-style-type: none"> ○ NRB and PG documents ○ Published reports ○ NRB and DSP team ○ Elected and non-elected officials at PG and LGs 	<ul style="list-style-type: none"> ○ Document review ○ Document review ○ Interviews ○ Interviews + FGDs
What are the capacity requirements at the district, tehsil and UC level to fully implement devolution reforms as envisaged by NRB?	<ul style="list-style-type: none"> ○ Elected and non-elected officials at LGs ○ Elected and non-elected officials at PG ○ Capacity building programmes ○ NGOs involved in building LG capacity 	<ul style="list-style-type: none"> ○ Interviews + questionnaires ○ Interviews + questionnaires ○ Interviews + questionnaires ○ Interviews + questionnaires
What measures were proposed by 1)	<ul style="list-style-type: none"> ○ NRB, PG documents 	<ul style="list-style-type: none"> ○ Document review

NRB; and 2) PG to build such capacity?	<ul style="list-style-type: none"> ○ NRB team ○ Relevant PG officials 	<ul style="list-style-type: none"> ○ Interviews ○ Interviews
How effective such capacity building interventions have been? What are some of the significant capacity gaps at various levels of local government?	<ul style="list-style-type: none"> ○ Elected and non-elected officials at LGs and PG ○ Capacity building programmes ○ NGOs involved in capacity building ○ Organised user/citizen groups 	<ul style="list-style-type: none"> ○ Interviews + questionnaires ○ Interviews + questionnaires ○ Interviews + questionnaires ○ TNA

2. What is the nature and extent of **inter-district and intra-district variance** in administrative and financial decentralization? What are the **different patterns of delegation** being followed in different departments and functions?

Sub-question	Data Source	Data Collection Tool(s)
Which are the major areas where devolution reform has been carried out differently in 1) different study districts; and 2) different departments in the same district? What is the nature of such variance?	<ul style="list-style-type: none"> ○ PG, DG and TMA documents ○ Elected and non-elected officials of DGs/TMAs and PG 	<ul style="list-style-type: none"> ○ Document review ○ Interviews + FGDs
Which political, administrative or fiscal institutional mechanisms have been responsible for such variable implementation of devolution reform?	<ul style="list-style-type: none"> ○ PG, DG and TMA documents ○ Elected and non-elected officials of DGs/TMAs and PG 	<ul style="list-style-type: none"> ○ Document review ○ Interviews + FGDs
To what extent is the variance a product of functional autonomy provided by the LGO 2001, and to what extent is this case of partial implementation and deviance?	<ul style="list-style-type: none"> ○ LGO ○ Elected and non-elected officials of DGs/TMAs and PG 	<ul style="list-style-type: none"> ○ Document review ○ Interviews + FGDs
Which patterns of such variable implementation (within districts and within departments) have enabled transfer of power to lower tiers?	<ul style="list-style-type: none"> ○ Elected and non-elected officials of DGs/TMAs and PG 	<ul style="list-style-type: none"> ○ Interviews + FGDs

3. What is the **impact** of the administrative and financial restructuring on the actual **service delivery** in education, health, drinking water, sanitation, agricultural supplies and marketing, and small and medium sized enterprises (SMEs)?

Sub-question	Data Source	Data Collection Tool(s)
What are the main indicators for service delivery in the six identified sectors?	<ul style="list-style-type: none"> ○ MICS ○ UNDP HD reports 	<ul style="list-style-type: none"> ○ Document review ○ Document review
What is the present state of service delivery on these indicators?	<ul style="list-style-type: none"> ○ PG, DG and TMA documents 	<ul style="list-style-type: none"> ○ Document review
How does this compare (on similar indicators) with service delivery in the identified sectors in 2001 and 1995 (to the extent data can be dug)?	<ul style="list-style-type: none"> ○ PG, DG and TMA documents 	<ul style="list-style-type: none"> ○ Document review
Who are the main stakeholders in service delivery? What are their perceptions regarding the impact of devolution reform on service delivery in the identified sectors?	<ul style="list-style-type: none"> ○ MNAs ○ MPAs ○ District Nazims ○ Tehsil Nazims ○ UC Namizs ○ UC Naib Nazims ○ DCOs ○ EDOs ○ DG and TMA staff ○ Members of professional associations ○ Teachers ○ Health practitioners ○ NGOs ○ Households 	<ul style="list-style-type: none"> ○ Questionnaires ○ Interviews
What is the increased cost of expanding state apparatus to improve service delivery?	<ul style="list-style-type: none"> ○ PG, DG and TMA documents 	<ul style="list-style-type: none"> ○ Document review
What are some of the major vertical programmes that have contributed to service delivery in the identified areas?	<ul style="list-style-type: none"> ○ PG, DG and TMA documents ○ Elected and non-elected officials of PG, DG and TMA 	<ul style="list-style-type: none"> ○ Document review ○ Interviews
What is the approximate contribution of such vertical programmes to improvement in service delivery, if any?	<ul style="list-style-type: none"> ○ PG, DG and TMA documents ○ Elected and non-elected officials of PG, DG and TMA 	<ul style="list-style-type: none"> ○ Document review ○ Interviews

4. What is the impact of the **reservation of 33% seats for women** in all tiers of local government on **women empowerment** in particular and delivery of social services to women in general?

Sub-question	Data Source	Data Collection Tool(s)
Which social groups are represented by the lady councillors elected on reserved seats?	<ul style="list-style-type: none"> ○ Lady councillors ○ NGOs 	<ul style="list-style-type: none"> ○ Interviews + FGDs
What are the indicators for women empowerment and gender sensitive service delivery?	<ul style="list-style-type: none"> ○ UNDP reports 	<ul style="list-style-type: none"> ○ Document review
How has the decentralized dispensation fared on these indicators since 2001?	<ul style="list-style-type: none"> ○ DG and TMA documents 	<ul style="list-style-type: none"> ○ Document review
What are the perceptions of key stakeholders regarding service delivery and women empowerment impact of reservation of 33% seats for women?	<ul style="list-style-type: none"> ○ Lady councillors ○ UC Nazims and Naib-Nazims ○ Households 	<ul style="list-style-type: none"> ○ Questionnaires
To what extent have gender concerns been mainstreamed into policy planning and implementation?	<ul style="list-style-type: none"> ○ Elected and non-elected officials of DGs and TMAs ○ NGOs 	<ul style="list-style-type: none"> ○ Interviews and FGDs
What are the institutional mechanisms and structural frameworks that promote/prohibit gender sensitive policy planning and implementation?	<ul style="list-style-type: none"> ○ Elected and non-elected officials of DGs and TMAs ○ NGOs 	<ul style="list-style-type: none"> ○ Interviews and FGDs

5. What are the **dynamics of the relationship between the following four actors**: 1) District Nazim; 2) Tehsil Nazims; 3) DCO; and 4) Heads of various departments at the district/tehsil level? What are some of the **tensions** especially in the context of service delivery and observance of rules and procedural formalities?

Sub-question	Data Source	Data Collection Tool(s)
How does LGO 2001 define the relationships between the above mentioned actors?	<ul style="list-style-type: none"> ○ LGO ○ NRB documents 	<ul style="list-style-type: none"> ○ Document review ○ Document review
What are the de facto equations and how do these compare with the de jure positions?	<ul style="list-style-type: none"> ○ Elected and non-elected officials at PG, DGs and TMAs 	<ul style="list-style-type: none"> ○ Interviews + FGDs
What is the nature and source of variance among study districts?	<ul style="list-style-type: none"> ○ Elected and non-elected officials at PG, DGs and TMAs 	<ul style="list-style-type: none"> ○ Interviews + FGDs
How have these relationships historically evolved?	<ul style="list-style-type: none"> ○ PG documents ○ Changes in LGO 	<ul style="list-style-type: none"> ○ Document review

What is the governance impact of such relationships as they have emerged over time?	○ Elected and non-elected officials at PG, DGs and TMAs	○ Interviews + FGDs
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Footnote references:

(Akramov, Qureshi et al. 2008); (Cockcroft, Andersson et al. 2005); (DFID 2007); (Ajmal and Bari 2005); (Government of Pakistan 2004); (Paracha 2003); (Shahrukh Rafi Khan 2007)