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Devolution of Power in Pakistan

Summary

- Devolution—the statutory delegation of powers from the central government to regional and local governments—aims to make governance structures more efficient and responsive to local needs.
- Devolution of power to local tiers of government is especially vital in heterogeneous countries like Pakistan, where large segments of the citizenry remain marginalized by centralist and patronage-based governance mechanisms.
- Pakistan’s experience with devolving power under both its military regimes and authoritarian democratic governments remains lackluster.
- Since coming into power in 2008, democratically elected governments agreed to devolve power from the federal to the provincial level but slow-walked the formation of local governments until 2015—and they remain reluctant to endow them with significant decision-making power and sufficient resources.
- The future of Pakistan’s current devolutionary process remains uncertain, especially in light of increasing political turmoil ahead of upcoming general elections (currently anticipated in July 2018).
- Despite impediments and threats to the autonomous functioning of local governments, support for devolution is of critical importance to the deepening of democratic structures and institutions as well as for the cultivation of future democratic leaders.

Why Devolution Matters

Devolution of power from central to local governments has been promoted by international development agencies and bilateral donors for the past two decades as the means to enable “good governance.” Proponents of devolution aim to facilitate greater accountability from elected officials and to increase the efficiency and effectiveness of government services by bringing governance mechanisms closer to the people. Moreover, empowered and
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well-functioning local governments can serve a number of broader political economy goals—enhancing equity and egalitarianism by restructuring the state to prevent elite-led capture and allowing marginalized and otherwise disgruntled segments of society a greater say in governance. A populous and heterogeneous developing country like Pakistan needs several layers of local governments both for improving the efficiency of social service delivery and for alleviating the underlying causes of ethnic, regional, and socioeconomic tensions.

Since its founding as a federation in 1947, Pakistan’s history has been marked by periods of military rule, authoritarian political leadership, and centralized administration (even during periods of democratic government). Political patronage and elite-led development policies have done little to alleviate the inequitable distribution of resources across and within different regions of the country. Devolution of power can thus potentially help address inter- and intra-provincial grievances, the neglect of marginalized ethnic groups and their irredentist claims, and the problems of marginalization and deprivation of vast segments of the country’s population.

The idea of devolving power is not new for Pakistan. Since the introduction of a quasi-local government system in 1959, local representative governments have been created and disbanded several times by military governments. The current attempt at devolution is, however, unique: it is the first time that local governments have been formed under a democratically elected government. Yet local governments merely existing under a democratic setup is not enough, not least because the current system of local governance remains severely hindered. To understand why, it is important to examine Pakistan’s earlier experiences with devolution.

Pakistan Experiences with Devolution

The history of devolution in Pakistan predates the creation of the country. The British colonial administration formed municipalities in the nineteenth century—although they were never substantively empowered, had extremely circumscribed functions, and were dominated by appointed (as opposed to elected) officials. It was the deputy commissioner, a district-level agent of the central bureaucracy, who emerged as the principle actor at the local level during the colonial period. While the rise of the nationalist movement during the early twentieth century led to increased demands for greater political space at the national and provincial levels, little attention was paid to the need for enhancing political ownership of government at the local level.1

After independence, Pakistan’s first serious attempt to focus on local governments occurred under the 1958 martial law, which began to emphasize the need for representative politics at the local level while disbanding central- and provincial-level assemblies. As during the British period, General Ayub Khan’s local government system was controlled by the bureaucracy and the offices of the deputy commissioner. Another military-led government under General Zia-ul-Haq revived the local government system from 1977 to 1988. Like Ayub, Zia undertook political centralization at the federal and provincial levels while instituting electoral representation at the local level. However, the increased political importance of local bodies was not complemented by decentralization of federal or provincial administrative functions, nor by the delegation of any significant financial powers to the local governments. In fact, local governments continued to lack constitutional protections, and their creation and maintenance remained at the whim of the provinces, which retained suspension powers.2
During the democratic period of 1988–99, four democratically elected political governments gained power, but none of them focused on the local government system. They preferred instead to rely on provincial elites using their local patronage systems to keep them in power. The next time Pakistan experimented with devolution was under General (later President) Pervez Musharraf. His devolutionary exercise was also a legitimizing strategy for centralized rule, since it did not devolve power from the federal level to the provinces and instead focused on creating local governments on a nonparty basis. Yet the Local Government Ordinance (LGO) 2001 passed early in Musharraf’s tenure was quite ambitious in scope. The LGO 2001 not only gave constitutional cover to local governments, it reserved a significant proportion of local government seats for women (33 percent) and, to a lesser degree, for religious minorities and other marginalized communities (such as peasants and workers). It also created avenues for the direct involvement of citizens in the process of social service delivery through the creation of citizen community boards, which worked with local governments to implement community development projects.

After 9/11, with increasing aid flowing into Pakistan in its role as a frontline state in the war on terror, several international donor agencies threw their weight behind the implementation of the LGO 2001. As a result, enormous resources were allocated for building the capacity of local government officials and elected representatives and to finance participatory projects. However, political parties in Pakistan continued to view these developments with suspicion. A senior Pakistan Muslim League-Nawaz (PML-N) leader in Lahore described LGO 2001 and the channeling of funds to politicians who supported the Musharraf government as “a big scandal to destroy politics.” The bureaucracy was also unhappy with the Musharraf government placing district commissions under the nazim (mayor), the district government’s elected representative.

Nevertheless, two rounds of local government elections were held under the LGO 2001 (in 2001 and in 2005). Local government elections were due to be held again in 2009, but following the 2008 general election the mainstream political parties agreed to postpone them until they could amend the local government system. Local governments were subsequently dissolved in July 2009 by the government led by the Pakistan People’s Party (PPP), and the bureaucracy stepped in to manage things until local governments could be reconstituted.

**Devolution Under Democracy**

Since the democratically elected government decided to undo the extensive devolutionary process put in place by General Musharraf instead of trying to reform it, Pakistan did not have functional local governments for several years after democracy returned to the country in 2008. This period included the entire tenure of the PPP government (2008–13) and the first three years of the current PML-N government (2013–16). However, under the PPP government in April 2010, the parliament passed the eighteenth amendment to the constitution, which devolved significant power from the center to the provinces and was lauded as a necessary step to overcome Pakistan’s authoritarian legacy of excessively centralized governance. The amendment also required the creation of local governments by the provinces to bring government closer to the people (although it did not specify an overarching framework or time frame for formulating them).

The lack of a constitutionally mandated time frame delayed local government elections. Balochistan passed its Local Government Act less than a month after parliament passed the Eighteenth Amendment Act, but the other three provinces took another three years to do so. Balochistan conducted protracted elections, the final phase of which was completed in January 2015. Lack of political will among ruling political elites in the other three provinces...
delayed local elections for even longer, until they were ordered by the Supreme Court. Khyber Pakhtunkhwa (KP) held local elections in May 2015, while Punjab and Sindh held their elections in late 2015. This was the first time in Pakistan's history that local elections were held on a political party basis. However, even after these elections were held, the provinces did little to facilitate the process of making the local governments truly functional. By early 2016, owing to long delays in the transfer of power and funds to local governments, the Supreme Court again ordered the provinces to speed up the transfer of authority to the local governments.7

Provincial Variances in Implementing Devolution

Since the current local government acts were formulated by different provincial governments rather than imposed on the provinces by the federal government, the scope and scale of devolution and its associated powers and functions varies from province to province. For instance, the scope of decentralization in KP is broader than in the other provinces. KP has devolved power beyond the district, tehsil, and union council levels of local government to the even lower tier of village and neighborhood councils.8 The KP government also resolved to allocate more than 30 percent of its provincial budget to local governments. However, it has since reduced this commitment; for the current financial year (2017–18), the allocation to local governments was reduced by 8 percent due to underutilization, alleged corruption, and lack of capacity to spend the funds efficiently.9

In Sindh and Punjab, the local government laws are more centrist, and relations between the local and provincial governments are explicitly asymmetrical. Both Punjab and Sindh have done away with the midlevel tier of local government (the tehsil), and have not created any further local government structures beyond the union council level. In Punjab, local governments are dominated by the PML-N, with very few local officials belonging to other political parties. In the case of Sindh, the situation is more complicated. There, local governments are weak and subject to wrangling between the Muttahida Quami Party (MQM), which dominates the major city districts of Karachi and Hyderabad, and the PPP, which controls rural Sindh and the provincial assembly.10 The MQM has been critical of the weak local government act passed by the provincial assembly, especially since the MQM would have benefited from a local government act that enabled them to govern its urban strongholds without provincial interference. An MQM leader was elected mayor of Karachi while still in jail, and since his release he has continued to complain about the usurpation and denial of local government resources by the PPP-dominated provincial government.

Although Balochistan was the first province to formulate a local government law as well as the first to conduct local elections, its coalition government has done no better in terms of giving local governments the administrative, financial, and political powers they need to work competently. In some districts of Balochistan, such as Kech and Gwadar, local government offices have reportedly suspended the delivery of services and even locked down their offices because of a lack of capacity and resources.11

Further variations arise from the fact that the eighteenth amendment, which delegated devolutionary powers to the provinces, also disbanded the federal ministry for local government and rural development, which was responsible for overseeing devolution in the provinces. Nor is there any other effective mechanism for coordinating devolution among all the provinces. As a result, there are several inconsistencies in the provinces in terms of the tenure of local governments and the electoral processes for their representatives. Punjab, for example, provides for direct elections for the posts of chairmen and vice-chairmen of its union councils, whereas Sindh envisages indirect election of these officials via its councillors. KP provides for direct elections for all seats—including those reserved for women and
minorities—in the village and neighborhood councils, whereas in other provinces reserved seat members are selected indirectly.

Despite these variations, all the provincial local government acts exhibit a common thread of centralization: they all give provincial governments control over policies and operations, and they reserve for the provincial chief ministers the authority to suspend or remove the heads of an elected local government. Moreover, local governments in all provinces are currently struggling, to varying degrees, to secure adequate political, fiscal, and administrative power needed to fulfill their functions.

**Challenges Facing Local Governments Today**

Despite the many imperatives for devolving power to well-functioning local governance structures, the ability of the current devolutionary setup to function effectively continues to face several challenges, particularly in the areas of capacity and revenue generation and in the delivery of effective social services.

**Capacity and Revenue Generation Issues**

Effective local governments in Pakistan cannot exist without substantive fiscal and administrative devolution. They also need capacity development to enhance their responsiveness and effectiveness. The issues of capacity and revenue generation are interlinked: the increased capacity of local governments can enable them to raise more of their own resources; the greater availability of their own resources in turn increases their capacity to more effectively address the needs of their constituencies. However, there are limited means available for local governments in Pakistan to generate resources, as well as limited capacity to effectively utilize the resources available to them.

Even though several years have elapsed since the passage of local government laws and elections for local positions, the current local government system has yet to become fully functional. Several municipal officials in Lahore and other districts in Punjab still complain that the system remains incomplete. Some of them pointed out several delays in obtaining rules and regulations from the provincial government concerning accounting, zoning, and other essential responsibilities of local government. Many key administrative posts remain vacant, since the ability of local governments to fill even junior positions has been curtailed by the provincial government.

By entirely discarding the LGO 2001, the democratic government has made irrelevant all efforts to build the capacity of local government officials and elected representatives within the context of that specific devolutionary framework. The district chairman in Jhang, in Punjab, pointed out that most newly elected councillors remain unaware of their powers and functions under the new provincial local government act. Councillors in Lahore expressed similar concerns.

Adequate financing is fundamental to making local governments effective. Local governments under the LGO 2001 had been declared “corporate entities,” which enabled them to explore innovative ways to generate and mobilize local resources. However, local resource mobilization is not an area that has received adequate attention in the latest devolution effort. Several local sources of revenue generation for local governments, such as the octroi tax, are no longer available, and no significant provincial sources of revenue, such as excise or taxation, have been effectively devolved under the new system.

A rule-based fiscal transfer award for local governments was created to mitigate the uncertainty experienced by municipalities as they waited on their respective provincial assemblies to arbitrarily decide what funds were to be given to them each year. All four local
government acts provided for the establishment of provincial finance commissions (PFCs). While the creation of a rule-based separation of functions and finances between local and provincial governments was a step in the right direction, the PFCs—by falling under the purview of the finance ministers of the province rather than being enforced through bipartisan institutions—remain subject to political bias and favoritism.

According to the secretary of finance for Punjab, the award formula of that province’s PFC is robust enough to impartially address major problems such as interregional disparities. He pointed out how the PFC award in Punjab takes into account not only the size of the population but also development indicators such as health, education, and poverty rates of different districts in making financial allocations. However, the Punjab government used an interim mechanism for releasing funds for the current 2017–18 fiscal year because it was waiting for the results of the 2017 census, which was expected to provide better estimates of district populations. Several officials in the city district government of Lahore complained about Punjab’s delay in deciding a formula for the PFC, which in turn delayed the release of funds. These officials also felt that the funds released under the interim formula were insufficient to meet their needs, especially since local governments lack sufficient authority to generate their own revenue.

On the other hand, members of the provincial assemblies (MPAs) have at their disposal more powers and sizable discretionary funds, which were put in place under the martial law regime of General Zia (and which have subsequently been increased). These discretionary funds provide an alternative source of power and resources at the municipal level and are often used by MPAs to engage in patronage politics in competition with local government officials. Civil society representatives have argued for a repeal of these funds on the grounds that they create an executive role for the MPAs that is detrimental to their functioning as legislators. However, the disregard for the division of authority and responsibility runs much higher. Even the prime minister and the chief ministers of the provinces seem to consider their direct involvement in the delivery of goods and services to be “good politics.” The governance expert in Lahore who made this observation also noted the limited role for provincial cabinets in provinces like Punjab, where the chief minister prefers running the entire province with the help of the bureaucracy.

Another major objection brought up by local government officials in Lahore, Jhang, and Toba Tek Singh concerned the provincial government’s perceived encroachment upon their sphere of responsibilities. In a bid to improve performance, the Punjab government has set up several provincial authorities, including the Parks and Horticulture Authority, Punjab Food Authority, Lahore Development Authority, Multan Development Authority, and Punjab Metrobus Authority, that are controlled at the provincial level instead of the local level—an arrangement that significantly dilutes not only the power but the financial self-sufficiency of local governments.

A senior bureaucrat argued that claims of provincial encroachment on the jurisdiction of local governments needs to be viewed from a practical standpoint. He pointed out how waste management and town planning, for example, are mammoth tasks requiring coordination and technical expertise that municipal governments do not currently possess. He also pointed out how the devolution of powers under the LGO 2001 had enabled property dealers to unduly influence local government officials, leading to problematic town planning and zoning decisions. Although the potential for corruption of officials working for specialized agencies may be equally problematic, this senior bureaucrat was more concerned with the “local government psyche,” which he viewed as being “highly rent seeking” and much more susceptible to pressure from vested interests. One district commissioner also claimed that things are better when development is left in the domain of the bureaucracy rather than...
being made subordinate to elected local governments. Such comments reflect the phenomenon of an “overdeveloped state,” as described in 1972 by the Karachi-born sociologist Hamza Alavi.\textsuperscript{19} Alavi noted how postcolonial states like Pakistan inherited unrepresentative institutions like the bureaucracy, which were empowered to achieve the interests of the centralized state rather than making governance more responsive and accountable at the grassroots level. Lack of meaningful reform means that the bureaucracy has remained reluctant to devolve its administrative powers and that it also does not want to be held accountable to grassroots-level politicians. The bureaucrats resented being made subordinate to a locally elected official (the district nazim/mayor) under the LGO 2001, but they have succeeded in reasserting their influence over local government in all four provinces under the current setup.

Assertions that local governments are not ready or capable enough to take on responsibilities that should rationally be within their domain are problematic. Local governments, in some form or another, have existed in what is now Pakistan for more than a century and a half. Their capacity to deliver is in fact contingent upon their empowerment, which is more a matter of political will. Until a political commitment to empower local governments is taken, these entities will almost certainly continue to struggle.

To address the ongoing shortcomings of Punjab’s local government system, high-level subcommittees were formed by the provincial government to propose amendments to Punjab’s local government act. Some of the discussions have revolved around the possibility of giving local governments more say over newly created public authorities. Discussions have also taken place on the need to reform the composition of the Provincial Finance Commission, as well as the need to give local governments more say in articulating their needs and requirements with regard to the allocation of human resources and generating additional resources.\textsuperscript{20} While there is no evidence that these reforms have been put into effect, the fact that such recommendations are being discussed at the provincial level indicates that the current local government system is still evolving and that there is potential for it to assert more authority over time.

At present, however, there remains a mismatch between the expectations and the capacity of municipalities to deliver meaningful governance. The mayor of Lahore, for example, described the daily battles he wages to manage a city of more than ten million people under a local government system that is still in transition while also dealing with severely curtailed fiscal, executive, and administrative authorities.

**Service Delivery**

There is an immense unmet need for the more effective delivery of social services across Pakistan, with vast segments of the population lacking adequate health and education services and basic infrastructure for clean water and sanitation. Local government representatives have the potential to be more responsive, accessible, and accountable and advocate for improved social services to the citizenry than higher-tiered politicians based in provincial and federal assemblies. The varied tiers of the local government system can also help make the distribution of social services more equitable as well and, in turn, mitigate the problems of resource grab and asymmetrical development. Local governments, however, need to be functioning well in order to achieve these goals.

Other than anecdotal or piecemeal project results, there is no comprehensive assessment of social service delivery under the current local government system. A small survey of around two thousand respondents in Lahore asked if the quality of municipal services provided by the government had improved between the 2013 general election and early 2017 (just a few months after local governments had been formed). Over half of the respondents...

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(55.3 percent) said there had been no change, 26 percent said the quality had improved, while 18.6 percent said it had worsened.\textsuperscript{21}

With local governments still in a transitional phase, the capacity and resource constraints described above leave them with too little power to formulate and implement policies regarding water and sanitation and to provide other basic services such as health and education. The centralist tendencies of the Punjab government have led to the creation of district health authorities (DHAs) and district education authorities (DEAs). The DHAs and DEAs include officials from the health and education departments, respectively, as well as elected representatives, but their chief executive officers are technocrats appointed directly by the provincial governments. The creation of these authorities—to monitor all of Punjab’s health and education facilities and to wield decision-making authority on matters such as the construction of new hospitals and schools and the promotion of teachers, doctors, and nurses—clearly undercuts the powers of local elected governments by shifting power from the districts to provincially appointed technocrats.

While the rules concerning the formation of the DHAs and DEAs were issued in mid-2016, the authorities are still not fully functional. Furthermore, the process of appointing CEOs for the DEAs and DHAs is currently ongoing in several districts, which has caused much controversy. According to a journalist in Jhang, there were rumors that the DHA CEO appointed in an adjoining district is a businessman with no prior experience in health care. Furthermore, several leading public health and education specialists, wary of the creation of DHAs and DEAs in the first place, have called for the creation of local decision-making and monitoring authorities instead. Thus, the decision to take power away from local governments and place it in the hands of district-level technocrats has been viewed with suspicion, with many doubting whether the new authorities will be able to deliver better health outcomes or improve the quality or availability of education. Whether the provincial government in the Punjab pays heed to these concerns as the devolution system continues to unfold remains to be seen.

\textbf{The Issue of Representation}

Most democratic systems struggle with balancing majoritarian influence and the preservation of minority interests to prevent their marginalization. While Pakistan has a small religious minority, many other marginalized groups in the country in fact comprise a significant proportion of the population. The current local government system has tried to accommodate these marginalized segments of society through quota-based appointments.

All provincial local government laws at present allocate reserved seats for marginalized segments of society, including women, peasants (in rural areas), laborers (in urban areas), and religious minorities. The local government acts of Punjab, Sindh, and KP additionally allocate reserved seats for youth, while Balochistan’s law reserves seats for professionals and social workers. The proportion of seats reserved for marginalized groups, as well as the system of elections for reserved seats, varies from province to province. In KP, reserved seats are directly contested at the lowest level of local government, in the village and neighborhood councils. In Sindh, reserved seats are filled via party lists, while in Punjab and Balochistan they are filled through indirect election.\textsuperscript{22}

Although candidates who are eligible to stand for reserved seats are not prohibited from competing for directly elected seats, only a very small number of them have managed to secure party endorsements to compete in local elections. The decision to set aside reserved seats is, therefore, well-intentioned—guaranteeing a minimum level of representation for women and members of other marginalized communities. Still, the decision has evoked
concern that candidates selected through this process will be obliged to follow the line of their party leaders and patrons rather than safeguarding the interests of the communities they represent. The modality of selecting candidates for reserved seats also prevents women, minority, or labor rights groups from nominating and voting for candidates of their choosing.

**Women under Local Governments**

A limited number of “reservations” have existed for women within the provincial and national assemblies since the 1950s. At the local level, however, there were no reserved seats for women under General Ayub Khan's local government system. During General Zia's era, 2 percent of seats were reserved for women in union councils, and they were allotted 10 percent of seats in district councils. The LGO 2001 significantly increased this reservation by allotting 33 percent of seats to women while also allowing women to contest elections directly. Despite this concession, there were problems stemming from pressure by religious groups and political parties to prohibit women from voting or running for office, especially in Balochistan and KP. There were also instances of politicians, and men generally, using women's seats as a means of exerting their own political power, with some even attending local government sessions on behalf of their wives or sisters. Nevertheless, the generous quota system under LGO 2001 provided much-needed political space for women.

Under the current devolutionary setup, however, there is no consistency from province to province as to the percentage of seats reserved for women. The indirect procedures being used to allocate these seats is also problematic. Women councillors remain dependent on the nomination of elected representatives (union council chairmen and municipal committee members) to secure reserved seats since very few of them have been able to directly contest elections on general seats. Thus, while civil society organizations have not been able to support capable women to directly contest local elections, they have continued to encourage women to vote. There is also evidence that donor support is strengthening the networks of elected women, especially through the creation of a women councillors caucus in Punjab. This caucus was launched last year to initially include councillors from two districts in the province.

These innovations, however, are still limited in terms of scale, and there remains a broader patriarchal structure that continues to hinder the strategic opportunities of women to make a difference, especially in terms of policymaking and decision-making in local governments. There is also scant evidence of women councillors being proactive in the absence of civil society or donor support. Instances of women councillors being proactive within local governments has typically been relegated to cases in which they have close relationships with the leadership of the dominant political party. For example, one particularly proactive woman councillor from Lahore had a sister who went to college with the daughter of the prime minister, and this connection helped her secure a nomination for a reserved seat. Another proactive councillor was the sibling of a prominent provincial PML-N leader, and she described several instances of her brother's connections in the party being instrumental in getting work done for her constituency. In interviews with these more active women councillors, they acknowledge that other women councillors who lack direct linkages to the leadership of the ruling party have much less sway over the local government.

**Minorities, Youth, and Other Marginalized Groups**

The current municipal government system provides modest space for the representation of religious minorities, youth, and underrepresented groups such as peasants and laborers. According to the 2017 census, minorities comprise less than 4 percent of the Pakistani population. While the allocation of reserved seats for minorities does provide religious
minorities representation in local governments, non-Muslim communities have criticized this process—which they characterize as “selection” rather than “election”—as undermining their ability to voice the concerns of their constituents. Minority councillors in Lahore cited examples of attempting to provide street lighting and to meet other basic needs in their neighborhoods. As with women councillors, minority councillors frequently owe their position and whatever leverage they have within local government to the support of the elected representatives who nominate them. This dependence limits their ability to make their concerns heard on contentious issues, such as the looming threat of blasphemy accusations or other structural prejudices against minorities.27

In light of Pakistan’s youth bulge (about 35 percent of the population is under the age of fifteen), it is an encouraging development that all provincial local government acts (except Balochistan’s) provide reserved seats for councillors between the ages of twenty-one and twenty-five. Still, youth councillors interviewed for this study in Lahore and Jhang expressed concerns about their ability to obtain even minimal local government resources for their localities. They also said they were not aware of any specific opportunities, resources, or strategies that could be employed to promote youth concerns within the local government system.

The provision of local government seats for peasants and workers can, theoretically, enable otherwise disempowered segments of society to exert a degree of influence on the provision of government services. However, such goals are difficult to achieve when genuine candidates are not selected for those seats. Following local government elections in the federal capital territory of Islamabad, one small study found evidence that property dealers, lawyers, and landowners had been nominated for many of the seats intended for peasants and laborers.28 A freelance journalist in Jhang also mentioned several instances in which large landowners were nominated for seats reserved for peasants. Similar problems were noted under the LGO 2001, yet no effective steps seem to have been taken to address the problem of elite capture of seats intended for representatives of marginalized communities.

Conversely, the penetration of sectarian organizations into mainstream politics is a serious concern. The formation of the Milli Muslim League—an Islamist political party affiliated with the internationally proscribed militant group Lashkar-e-Taiba—is one example of this worrisome trend.29 Research suggests that many militants have already managed to gain power in local governments in districts like Jhang, where sectarian tensions remain high.30 It is, however, unknown if these extremist elements have been nominated to reserved seats, whether their path to power has been facilitated by the provision of mainstream party tickets, or if they have been elected as independents.

Yet the concerns of disenfranchised groups—religious minorities, youth, women, peasants, and workers—remain underrepresented in the current system. The problem of allowing elected representatives to select candidates from marginalized segments of society, in fact, seems to be creating a greater opportunity for the exercise of patronage and strengthening the hold of dominant political parties over the local government system instead of allowing disempowered, and potentially dissenting, views to come to the fore.

**Citizen Engagement with Local Governments**

The LGO 2001 provided a unique opportunity for citizens to directly participate in the process of social service delivery through the creation of citizen community boards (CCBs). CCBs were envisaged as enabling community empowerment and participation through voluntary citizen self-help initiatives. The CCBs were designed to contribute 20 percent of the funding for community development projects while the remaining 80 percent was to be provided by local governments. There were instances of corruption within the CCBs as well as issues con-
concerning the varying levels of capacity of CCBs to successfully formulate, implement, and sustain their proposed projects. Nonetheless, around ten thousand such entities were formed around the country, which allowed many citizens and small community-based organizations to work with local governments to build local roads and water and sanitation infrastructure and to provide other basic services.\textsuperscript{31}

Under the current devolutionary setup, however, no provincial government has instituted a process for direct citizen involvement in the delivery of social services. Even KP—the only province to have brought government closest to the people with the formulation of village and neighborhood councils—has no provision for direct citizen engagement with the municipal system. Several governance experts currently affiliated with devolution support programs concurred that CCBs provide a useful model for community development. They maintain that the CCB concept could be modified and made more effective both in terms of harnessing community participation in the development process and facilitating greater interaction between local governments and ordinary citizens. The local government acts provide informal dispute resolution mechanisms in the form of panchayats (village councils) and musalhat anjumans (arbitration associations), but no exemplary instances of activism by these entities was identified in the limited number of locations where research for this study was conducted.\textsuperscript{32}

**Donor Engagements with the Devolutionary Process**

For the past two decades, a range of donor agencies have been supporting the devolution of power as a way of promoting good governance throughout the developing world. In the case of Pakistan, major donor support was pledged for the implementation of the ambitious LGO 2001 under President Musharraf. The fact that international donors decided to support a local government initiative formulated by a military regime in a bid for legitimacy and as a way of undermining mainstream political parties has drawn criticism. Some of the analysts interviewed for this research, for example, suggested that support for Musharraf’s devolution plan was part of the broader geostrategic imperative of supporting Pakistan as a frontline state in the fight against terror. Multilateral and bilateral donor support to the devolutionary process during Musharraf’s tenure (1999–2008) did help build significant capacity, and it also helped create several innovations in local governance and social service delivery. However, much of the momentum created by this support was lost when the democratically elected governments decided to roll back the LGO 2001.

According to a Pakistani governance expert based in the United States, international donors realize that the current devolution plan lacks sufficient political commitment, and therefore their support for subnational governance programs remains modest. Nevertheless, several subnational governance programs are already well underway, among them ones funded by multilateral agencies such as the United Nations Development Programme (UNDP) and bilateral agencies such as the UK Department for International Development (DFID) and the German Corporation for International Cooperation (GIZ).

DFID’s commitment to the current devolution process has been the most significant. On the supply side, DFID’s Sub-National Governance (SNG) Programme has aimed at strengthening governments’ capacity to deliver health and education services in twelve districts in Punjab and KP. SNG has also provided support for reforming budgeting, accounting, and procurement rules and responsibilities, as well as initiating a program to improve public access to budgetary information. It has supported the process of creating provincial finance commissions and helped create business rules for the district health and education authorities in Punjab. The SNG takes a technocratic approach to supporting provincial governments,
and its decision to support mechanisms such as the DHAs and DEAs—which are seen as encroaching on local government mandates—has evoked concern.

With DFID’s support, the Free and Fair Election Network, a coalition of thirty NGOs based in Pakistan, published a series of findings based on its observations of polling sites during the 2015 local elections. These findings identified significant irregularities relating to the training of polling officials, impediments to women voting, and the coercion of voters. Addressing these issues could prove useful the next time local government elections are held in the country.

DFID has also worked to stimulate the demand side of devolution through the AAWAZ Voice and Accountability Program. The AAWAZ program is being implemented by a consortium of four Pakistani civil society organizations with the goal of strengthening capacity of citizens to voice their priorities collectively and to hold the government accountable. The AAWAZ program has supported women’s efforts to become councillors, facilitated women’s voter registration, and undertaken various efforts to build citizens’ capacity to influence the quality of service delivery.

The major development agency of the US government, USAID, does not have a program that works directly with local governments in Pakistan at present. However, its Citizens’ Voice Project has tried to increase engagement between citizens and state institutions at various tiers of governance by providing around five hundred project grants to Pakistani organizations to implement advocacy and public accountability projects across several thematic areas.

Despite these efforts, demand-side governance programs face sustainability issues, and replication is difficult to achieve without additional external support. Without built-in mechanisms for citizens’ participation, such as the CCB provision in the LGO 2001, maintaining citizen interaction with local governments will remain hard to achieve.

The UNDP office in Pakistan has worked to support devolution at multiple levels, using both demand-side and supply-side strategies under its Decentralization and Local Governance initiative, which was implemented between 2013 and 2017. UNDP has worked to facilitate the perspectives and plans of provincial governments on deepening local democracy through local governments. Its Strengthening Participatory Federalism and Decentralization program has focused specifically on efforts in Balochistan and KP. UNDP worked with the chief minister’s office in Balochistan to set up a strategic unit to facilitate devolution and helped it create linkages with KP (although this effort met with limited success). UNDP also helped the KP government formulate its local government act and its mechanisms for transferring provincial revenues to local governments, and has subsequently worked on capacity building for councillors and officials elected at the village and neighborhood council level.

UNDP, DFID, and GIZ are also committed to working with districts to prepare local development plans. In KP, GIZ has supported models for solid waste management and local revenue collection as well as participatory urban planning and budgeting initiatives. GIZ has also prepared a new curriculum to strengthen the capacity of local elected officials that has since been used by the KP government and other donors to help train councillors in several districts.

While there is evidence of some donor coordination to support devolution, the need for greater synergy between demand- and supply-side interventions and between different subnational programs was stressed by many local governance experts, especially by the civil society organizations that are partnering in the implementation of the initiatives described above.
Why Devolution Remains Stifled

Passage of the eighteenth amendment to secure provincial autonomy was rightly hailed as a major accomplishment, yet all provincial governments remain hesitant to let their own power devolve further to lower tiers. Politicians at the higher tiers of government seem to prefer relying on their existing top-down, patronage-based networks to dealing with another tier of intermediaries at the municipal level. They also feel threatened by the empowerment of another tier of governance, which could, in turn, lead to the emergence of new political leaders who could threaten the leadership and structures of existing political parties. An oft-cited example is the case of a former nazim of Karachi who subsequently challenged the hold of the Muttahida Quami Movement in the city by forming his own splinter faction of the party.\textsuperscript{35} Even though local governments are formed on a party basis, politicians at the national and provincial levels still feel compelled to dominate local elected representatives. This allows provincial politicians to maintain their own patronage links with their constituencies rather than dealing with them through local representatives, whose actions might be difficult to enforce given the weak discipline of political parties and ill-defined avenues for interparty support.

Like the mainstream political parties, the federal and provincial bureaucracies have also been reluctant to embrace the idea of devolving power to local government representatives. As a result, many elected local government councillors who lack connections with politicians at higher levels seem frustrated by the paucity of powers granted to the local government system by the bureaucracy. Instead, members of the national and provincial assemblies and local party workers remain the main players in terms of providing access to resources. Research indicates that voters also value members of the provincial assemblies (MPAs) and the national assembly (MNAs) more than their local government representatives, mostly because the MPAs and MNAs are vying to provide resources and services that lower tiers of government cannot. According to research on voter preferences before the local government elections in 2015, voters seemed less interested in the actual performance of local government officials and instead preferred candidates who had personal and political connections with higher-tier politicians, including MPAs and MNAs.\textsuperscript{36}

Local government politicians can potentially become an important node of mediation between citizens and higher-tier politicians. “Our party needs people who are sincere at the local government level to help get votes for its MPAs and MNAs,” a councillor from Lahore rightly observed. Several councillors aligned with the PML-N complained that while their MPAs are reluctant to share power, they still believe that the party's senior leadership is committed to devolving power to the grassroots level. The more enthusiastic of these councillors felt that the monopoly of the MPAs at the grassroots level will dissipate as local governments become more effective and grow stronger.

Future of Devolution and the Way Forward

Pakistan’s local governments have a few years to go before they face another election cycle, but general elections are just around the corner. As the July 2018 general elections draw nearer, many independent observers feel that a centralizing dynamic is reasserting itself, with mainstream party machines shifting their focus on winning seats in the national and provincial assemblies. The longer-term prospects of local governments remain unclear. If an opposition party dominates the provincial assemblies in the next election while a rival party dominates the local government system (as it does in Sindh today), this could create major stumbling blocks for further devolution. The antagonism that exists between rival
parties, coupled with the fact that provincial governments currently yield significant power over local governments, means that local governments would likely experience a squeeze of funds and further encroachment on their authority, even if the current local government system is not completely disbanded.

The fact that current local governments do not have well-articulated, constitutionally mandated safeguards for continuity and procedures for elections is a major reason why the fate of local governments hangs in the balance. Still, the fact that the eighteenth amendment to the constitution explicitly recognizes the need for Pakistan to have local governments, together with the active interest the Supreme Court took in ensuring that local government elections took place, is an encouraging precedent.

Still, there is a pressing need for several reforms to make devolution more meaningful and durable:

• **Create a federal-level institution to oversee the devolution process.** Devolution will only take root in all four of Pakistan’s provinces if there is a central coordination mechanism that ensures, for example, that all local governments devolve power to similar administrative levels and that local governments are appointed for similar tenures. The National Reconstruction Bureau—established by the Musharraf government as an independent federal institution to formulate the LGO 2001 and oversee its implementation—was dissolved in 2011. A similar entity that can play a coordinating role and negotiate a level of consistency across the four provinces, without undermining the principals of provincial autonomy provided by the eighteenth amendment, needs to be created.

• **Ensure that reserved seats are occupied by the marginalized groups they are intended to benefit.** Provincial officials need to amend local government acts as necessary to allow candidates indirectly elected for reserved seats to be able to act on behalf of their constituencies rather than remaining dependent on patronage or bound to the agendas of the politicians who nominated them. They also need to establish more effective mechanisms for the filing and screening of nomination papers, ensuring that only genuine candidates occupy reserved seats.

• **Ensure that local governments have the financial resources they need to serve their constituents.** Local governments currently have immense unmet financial needs. While the creation of Provincial Finance Commissions is a step in the right direction, local governments need additional sources of revenue as well. It is possible to redirect discretionary funds provided to members of the national and provincial assemblies to local governments. Local governments also need the authority to generate their own sources of revenue. One possibility is to encourage provincial governments to give more taxation powers to local governments in a wide range of sectors, such as agriculture, irrigation, and property.

• **Give cities the authority to raise taxes and revenues.** Additional resource mobilization is needed to meet the demands of Pakistan’s largest cities, especially Karachi and Lahore. One way to achieve this is by making these cities institutionally separate from the other districts in their provinces, which would allow them to demand a much greater share of tax revenue. Another way is to provide these cities with special concessions to generate additional revenues, such as the ability to borrow directly through the issue of secure bonds.37 The Punjab government has been working with the State Bank of Pakistan to float a bond issue in fiscal year 2018, which could pave the way for local governments in Lahore, Karachi, and other large cities to do the same.38

• **Put in place mechanisms to ensure accountability.** The process of devolving fiscal responsibility to local governments needs to be managed with caution. Financial
devolution must be accompanied by financial oversight. It is thus important to supplement existing accountability mechanisms, using third-party and citizen audits of local governments.

- **Let local governments play a meaningful role in projects that affect them.** While local governments in larger cities have not embraced the need for separate authorities to manage transportation systems and other municipal functions, the creation of entities such as the Punjab Mass Transit Authority (PMTA) has enabled local governments to become integrated into provincial government-led programs. The PMTA has launched metro bus projects in Lahore, Faisalabad, Multan, and Rawalpindi. Local government involvement in provincial government-led programs is a promising idea that deserves more attention; but in any case, local governments need to be assured that they will have real financial and decision-making powers in these partnerships and not just token involvement.

- **Address the enormous need for better-trained local officials through capacity building initiatives.** The enormous capacity limitations of existing local governments must also be addressed—not just to improve the performance of municipal governments but because these tiers of government serve as incubators for future provincial and national leaders. While donor agencies are working in some provinces to build capacity, there is need for creating sustainable institutional mechanisms for capacity building across all four provinces.

- **Facilitate an enabling environment for citizen engagement and mobilization at the grassroots level.** Provincial local government acts need to create platforms for enabling community engagement with local governments, such as the Citizen Community Boards formed under the LGO 2001. These entities would also need continuous support and technical assistance, which could be provided through civil society organizations, with donor support.

Donor agencies can incentivize more substantive devolution by making future assistance conditional on progress. Donor agencies involved in governance reforms could make future support for subnational governance programs conditional on reforming provincial devolutionary frameworks. This course of action would also require reform of centralized donor aid disbursement systems as well to enable increasing channelization of aid through local governments rather than the federal and provincial governments.

Clearly, much work needs to be done at multiple levels to strengthen and invigorate the currently stalled devolution process. Devolution, however, remains vital for a populous and heterogeneous country like Pakistan to achieve multilevel democratic governance.
Notes


3. Not allowing mainstream political parties to contest local government elections was criticized—especially by politicians, who viewed it as a move to weaken them and create alternative leadership structures under patronage of an unrepresentative government.


5. The Pakistan Muslim League has several factions. The PML-N is headed by Nawaz Sharif, whose party came to power for a five-year term in 2013.


8. The other provinces limited the devolution setup to the administrative biers of the district, tehsil, and union councils.


14. The observations here are based on fieldwork in the Punjab, which was conducted in the summer of 2017, six months after the time when local governments were supposed to have been fully functional.

15. Unless otherwise noted, all interviews referenced in this report were conducted in Pakistan in July 2017.

16. Until 1998, taxes on intermunicipal trade (octroi) represented a major source of revenue for district and tehsil governments in Pakistan.

17. The Khyber Pakhtunkhwa Act provided relatively more fiscal autonomy to the local government by empowering Village and Neighborhood Councils to supervise all local government functionaries in their jurisdiction, including revenue officials.


27. Minorities in Pakistan, including Hindus and Christians, have often been accused of defamation of the Prophet Muhammad, a charge that invokes capital punishment. Mereely accusing someone of blasphemy can spark deadly mob violence, and instances of false allegations remain rife.


29. This newly formed party and its leadership follows the ideology of Jamaat-ud-Dawa, which is considered a front for banned militant group Lashkar-e-Taiba.


32. These mechanisms, comprised of nine community members, including two women, are supposed to be nominated by local governments for the amicable resolution of conflict.


35. Mustafa Kamal, the former mayor/nazim of Karachi in the Musharraf era, created a new faction of the MQM in 2017.


37. In 2009, research was undertaken to float special bonds in Lahore and Karachi, but the emergent proposals could not be adopted because of the lack of a coordination mechanism to comply with the borrowing limits set by the federal government.


39. PTMA is a statutory body established by the Punjab government to design, construct, operate, and maintain mass transit systems in the major cities of the Punjab.
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