



The Political Economy of Decentralisation in Pakistan

Transversal Theme "Decentralisation and Social
Movements" Working Paper No. 1

S. Akbar Zaidi

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Sustainable Development Policy Institute
P.O. Box 2342
#3 UN Boulevard, Diplomatic Enclave 1
Islamabad, G-5
Pakistan
Tel: ++(92-51) 2270674-6
Fax: ++(92-51) 2278135



Department of Geography
University of Zurich Irchel
Winterthurerstr. 190
CH-8057 Zurich, Switzerland
Tel: ++41-1-635 51 71
Fax: ++41-1-635 68 48

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The Swiss National Centre of Competence in Research (NCCR) North-South is based on a network of partnerships with research institutions in the South and East, focusing on the analysis and mitigation of syndromes of global change and globalisation.

The objective of the 'Transversal Theme' *Decentralisation and Social Movements - formalising participation through decentralisation in natural resource management: a sustainable mitigation strategy?* (coordination by Urs Geiser and Stephan Rist) is to deepen and consolidate insights gained by NCCR researchers specifically in Central and South America and South Asia into processes of formalising participation in natural resource management, in order to generate constructive-critical inputs into the scientific debate as well as for development practitioners.

Formalising participation involves the negotiation and re-definition of institutional arrangements that govern the relationship between the state and the people. A key issue in this is the understanding of the dynamics produced at this social interface (i.e. state-local organisations, state-social movements): Under which conditions do local resource users, and do social movements perceive the state as legitimized to co-govern natural resource use, taking into account the historic, socio-cultural and institutional settings of relatively recently independent countries (South Asia) and those having a longer post-colonial past (South America)?

This Working Paper Series presents preliminary research emerging from the transversal theme "Decentralisation and Social Movements" for discussion and critical comment.

Author

S. Akbar Zaidi is a Karachi-based social scientist. His email is: azaidi@fascom.com

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From a Pakistan newspaper

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1 Introduction¹

The decentralisation, devolution and the deconcentration of power and the mechanism of delivery of services, undertaken separately or in some combination of all three, particularly in developing countries, has become the mantra of administrative, managerial and governance related interventions and reforms. Development theory and its practices, are no longer conceived to be seen as the prerogative of a strong, centralised, state but, rather, smaller more representative administrative and political units, are presumed to be better at delivering and doing development. Not only have the structures and the role of the state changed in administrative terms, but there has also been a simultaneous realisation that forms of democracy and participation are essential to make development work. Perhaps over the last half century, these two notions, of devolving power and delivery along with the greater participation by the people, have become the *sine qua non* of development.

There has been a considerable and diverse response by international financial institutions, development agencies, donors and independent governments, to these two core changes that have been brought about over recent decades, and in particular after the fall of the Berlin Wall in 1989. In projects devised by donors and international development agencies, for example, some component of community participation and civil society participation, has become a prerequisite for loans to be disbursed. In other contexts, due to social and political change that has taken place over the years, forms of people's power have emerged as one of the forces that not just respond to state-led initiatives, but actually lead them, as in the case of the Philippines and South Africa. In other countries where there has been a deep and growing tradition of formal politics and electioneering, as in India, civil society groups have played a considerably significant role in countering formal democratic politics, offering solutions which are more suited to the responses of diverse communities. In other cases, development agencies have been able to persuade and, perhaps even force, governments to undertake reforms to restructure their governmental and state institutions. The effective role of civil society in redefining politics and property relations, as well as reconfiguring the state in its entirety, is best demonstrated by events and processes that unfolded in the late 1980s and early 1990s across Eastern Europe, led mainly by civil society groups. The case of Pakistan discussed in this paper, in many interesting and critical ways, differs considerably from these numerous other experiences, and emerges as an interesting case-study which runs against the grain of many of the patterns observed across the globe.

¹ This particular paper is written under the supervision of Dr Urs Geiser, In-charge Pakistan Programme, Development Study Group, Department of Geography, Zurich University; the Development Study Group is a member of the consortium of six Swiss research organisations which are involved in this Study. I am very grateful for detailed comments given to me by Dr Urs Geiser on an earlier draft, which have been incorporated in this revised and final draft, and have helped improve the quality of the paper considerably.

The purpose of this paper is to explore broadly, the decentralisation and devolution debate and experience in Pakistan, in a political economy framework and context, with emphasis on contextualising power and examining issues of devolution and decentralisation within a wider framework and context of state-society relations.² An attempt will be made to keep the debates on devolution in Pakistan embedded in a wider debate on postcolonial state-society relations and their context, with discussion on the meaning of the state to the ordinary people, and examining earlier experiences of devolution and decentralisation. The changing nature of the Pakistani state, its class formation, and the nature of politics that emerges for participation, democracy and civil society institutions, in a much wider context and not simply related to decentralisation and devolution in a local government context, will need to be explored, so that one can locate the specific issues of local government and local power relations within the broad structure of state, class and transition. Clearly, the main contribution of this paper is that it follows this particular political economy approach and framework which requires a broader, more holistic view, and distances itself from a purely administrative/managerial/governance related evaluation. This is an important conceptual point which needs to be understood and emphasised in order to get a full flavour of experiences, possibilities and constraints within the context of this paper.

As per the Terms of Reference laid out for the purpose of this study on Pakistan, its aim is to provide a differentiated understanding of recent efforts towards decentralisation in the context of post-colonial state-subject relations, and the role of social movements. Within the broad outline and focus delineated above, we will also try to look at more specific questions related to devolution and decentralisation. The paper will examine, for example, some of the following:

a) The historical context of ongoing devolution efforts in Pakistan: a description of the intentions and mechanisms of earlier attempts at re-negotiating state-subject relations since independence; the present devolution of power scheme (intentions and operation); the justification and legitimisation given for power devolution; b) The first experiences of the ongoing devolution of power scheme: identification of a number of issues against which experiences of power devolution are assessed (including property rights); a review of first experiences regarding these issues based on existing studies; c) A discussion of intentions and experiences, taking into account: the relative role of decentralisation vis-à-vis autonomous processes shaped by ‘social movements’ or ‘civil society’; some discussion on the nature and role of social movements and civil society in the Pakistan context; and, the underlying post-colonial tension of state-subject relations.

² For the most part, in the context of Pakistan, much of the literature uses devolution and decentralisation interchangeably and both terms are almost exclusively used with regard to local government. The subtle nuances and differences between devolution, decentralisation and deconcentration are usually ignored.

The paper will also include a discussion of identified strengths and weaknesses of the present devolution scheme with suggestions for further research needs. Thus, the study's focus is on examining the political and institutional set-up of devolution and local government in Pakistan in an historical context looking at key issues as they exist at the present.

This paper makes use of the very extensive recent literature that has emerged on devolution and decentralisation in the context of local government reform in Pakistan, as well as on the nature of the political economy of the state, classes and on the political settlement in Pakistan. It is important to point out that while we examine the historical evolution of decentralisation, devolution and local government in the broader political economy context, we are more concerned with recent – post-1999 – events and attempts at reform than with earlier attempts, although we do discuss earlier processes in some detail as well. Within the literature on local government reform, there are two broad strands, one of which deals with administrative, managerial, financial and largely governance-related studies, many commissioned by donor agencies and undertaken by international financial agencies and donors themselves, all in recent years after the takeover of the Musharraf regime in October 1999.³ The other, more recent and in our opinion, far more interesting and creative work has emerged in light of examining the political economy nature of decentralisation, looking at issues of class and state.⁴ Linked to and prior to this, is the recent academic literature which has emerged and which examines issues related to the broader political economy of the Pakistani state.⁵

³ Amongst the recent studies which look at post-1999 measures, see: Asian Development Bank/Department for International Development/World Bank, *Devolution in Pakistan*, in three volumes, Islamabad, 2004 (hereinafter referred to as the ADB/DfID/WB study); Manning, Nick, et. al., *Devolution in Pakistan: Preparing for Service Delivery*, World Bank, Islamabad, 2003; Charlton, Jackie, et. al., *Pakistan Devolution: A Note in Support of the Development Policy Review*, mimeo, Islamabad, 2002; National Reconstruction Bureau, Government of Pakistan, *The Local Government Book*, Islamabad, 2002; Anjum, Zulqanain H, 'New Local Government System: A Step Towards Community Empowerment', *Pakistan Development Review*, Vol 40 No 4, 2001; Ghaus-Pasha, Aisha and Hafiz Pasha, 'Devolution and Fiscal Decentralisation', *Pakistan Development Review*, Vol 39 No 4, 2000; National Reconstruction Bureau, Government of Pakistan, *Local Government Plan*, Islamabad, 2000.

⁴ See the work of Ali Cheema and his colleagues, in particular: Cheema, A., A. Khwaja and A. Qadir, 'Decentralization in Pakistan: Context, Content and Causes' in P. Bardhan and D. Mookherjee (eds) *Decentralization in Developing Countries: A Comparative Perspective*, forthcoming; Cheema, A. and S. Mohmand, 'The Political Economy of Devolved Provision: Equity-based Targeting or Elite Capture – Case Evidence from Two Pakistani Unions', unpublished mimeo, Lahore University of Management Sciences, 2005; Cheema, A., and S. Mohmand, 'Provisional Responses to Devolved Service Delivery – Case Evidence from Jaranwala Tehsil', mimeo, Lahore University of Management Sciences, Lahore, 2004; Cheema, A., and S. Mohmand, 'Local Government Reforms in Pakistan: Legitimising Centralisation or a Driver for Pro-Poor Change?' unpublished mimeo, 2003. Also see Chapters 10 and 20 in, Zaidi, S Akbar, *Issues in Pakistan's Economy*, Second Edition, Revised and Expanded, Oxford University Press, 2005.

⁵ See in particular Chapter 22 of Zaidi, S Akbar, *Issues in Pakistan's Economy*, Second Edition, Revised and Expanded, Oxford University Press, 2005; Zaidi, S Akbar, 'The Improbable Future of Democracy in Pakistan', unpublished mimeo, Lokniti/Centre for the Study of Developing Societies (CSDS), New Delhi, forthcoming; Khan, Foqia, 'Capitalist Transformation, State, Social

Given the broad scope and interest of this paper, this is not a paper which simply recounts a secular account of developments that have taken place with regard to decentralisation as the history of local government. Its concern is more with contemporary issues post-1999, hence it focuses more on recent developments and the wider context in which they have taken place. The paper begins with a brief account of previous attempts at decentralisation in Pakistan and then leads on to developments over the last six years.

There have been three substantive interventions in the decentralisation and devolution process and structure in Pakistan since 1947, manifest through different administrative structures of local government. While all three differ substantially from each other in substance and structure, they share many similarities, most importantly, in intention. The fact that all the three attempts at local government reform in the form of decentralisation and devolution have been undertaken not just by undemocratic, unrepresentative, unelected governments, but by the three military governments which have taken power through force, gives the narrative in Pakistan a very different twist compared to other experiences. In fact, 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, while all elected governments have consciously undermined this tier of government. This contradiction, between democratic politics and the military's politics, perhaps underlies not just discussion about devolution and local government reform, but discussion about the state, society and politics in Pakistan.

This paper begins with a presentation of the political and structural context of the 1959 local government reforms, known as the Basic Democracies system of General Ayub Khan. Section III then moves on to an analysis of the political, social demographic and institutional context of Pakistan's second military regime, that of General Zia ul Haq and his local government system, a system that continued for eleven years even after Zia's death. Clearly, over a period of two decades between each set of reforms, there had been substantial demographic and social change in Pakistan, a fact that is also reflected in the nature of the local government reforms undertaken as well as in the

Groups and Law; A Case Study of Pakistan', unpublished mimeo, January 2004; Cheema, Ali, 'State and Capital in Pakistan: The Changing Politics of Accumulation', in Reed, A M, *Corporate Capitalism in Contemporary South Asia: Conventional Wisdoms and South Asian Realities*, Palgrave, London, 2003; Ali, Reza, 'Underestimating Urbanisation?', in Zaidi, S Akbar (ed.), *Continuity and Change: Socio-Political and Institutional Dynamics in Pakistan*, City Press, Karachi, 2003; Hasan, Arif, *The Unplanned Revolution*, City Press, Karachi, 2002; Qadeer, Mohammad, 'Ruralopolises: The Spatial Organisation and Residential Land Economy of High-density Rural Regions in South Asia', *Urban Studies*, Vol. 37, No. 9, 2000; Qadeer, Mohammad, 'Urbanization of Everybody: Institutional Imperatives and Social Transformation in Pakistan', Paper presented at the 15th Annual General Meeting and Conference of the Pakistan Society of Development Economists, November 1999; Wilder, Andrew, *The Pakistani Voter: Electoral Politics and Voting Behaviour in the Punjab*, Oxford University Press, Karachi, 1999. Other references can be found in Zaidi, S Akbar, *Issues in Pakistan's Economy*, Second Edition, Revised and Expanded, Oxford University Press, 2005, more generally, and in particular in Chapter 22.

nature of politics. We then, in Section IV look at the current District Government system under General Musharraf, again in a broad political economy framework identifying key political issues that have emerged in the new millennium. In fact, one of the key underlying arguments and strands to the analysis in this paper is, that it was political changes as well as socio-economic ones, around which the evolution of the local government system took place. Section V deals with financial issues related to local government, since the performance of local government has been very dependent on the availability of funds available to make it work. In this Section we examine how financial issues have helped or hindered service delivery at a devolved level. Section VI takes a look at Pakistan's state and society, particularly its civil society, where we examine the politics of Pakistan's civil society in recent years. Finally, in Section VII, we evaluate the politics of the devolution and decentralisation process in Pakistan in recent years.

2 The Basic Democracies of the 1960s⁶

Coming in to existence on 14 August 1947 as an independent state, created out of the partition of British India, Pakistan emerged as a geographical entity and a country, but perhaps, a country without a well-formed state. It inherited the bureaucratic steel frame of British India which continued for many decades. The ruling groups of politicians and administrators had migrated from areas that became India, and in many ways were alien to the areas that became (West) Pakistan,⁷ one of the few explanations as to why democratic forms of government never took hold in Pakistan. Landlords and bureaucrats formed the broad nexus of rulers in Pakistan, which had little industry and no middle class. The political bodies constituted to undertake some form of constitutional reform, never agreed to any system or Constitution which could be put in place. In this political and institutional arrangement, the most important actor was Pakistan's military. Hence, in the first decade of Pakistan's existence, politicians were unable to come to political agreements and settlements, with different unelected groups of politicians being replaced by the head of state. Pakistan lacked adequate infrastructure, was highly rural and underdeveloped. Many of the country's problems were aggravated by the movement of 7 million refugees who came from India after partition, and rehabilitating them was Pakistan's first development problem. In a state which was far from modern, it was the two most modern institutions, the bureaucracy and the military, which set Pakistan on course towards a path of development, but also perhaps on a path, which in contrast to independent India, led from one military rule to another.

Douglas E Ashford, writing in 1967 when General Ayub Khan was still very much in power, and soon to celebrate his Decade of Development, after examining two other cases of local government reform, writes: 'The elaborate system of councils organized by the Pakistani military-bureaucratic oligarchy is certainly the most ambitious of the three schemes for local reform ... The ruling oligarchy has made local reforms the keystone of its domestic policy, and President Ayub Khan has regarded the Basic Democracies program as his most important reform'.⁸ We will find in other sections where we talk about the two sets of reforms undertaken later, that exactly this sentiment was expressed by the two other military rulers in Pakistan as well, as well as was a hugely misplaced (if not quite

⁶ For far greater detail and for considerable insight on the reforms in this period, see: Ashford, Douglas E, *National Development and Local Reform: Political Participation in Morocco, Tunisia, and Pakistan*, Princeton University Press, Princeton, 1967; Abedin, Najmul, *Local Administration and Politics in Modernising Societies: Bangladesh and Pakistan*, National Institute of Public Administration, Dhaka, 1973; and Rizvi, S Shahid Ali, *Local Government in Pakistan: A Study in Clash of Ideas*, The Centre for Research in Local Government, University of Karachi, Karachi, 1980.

⁷ In 1947, Pakistan had a West and East wing, separated by a thousand miles of Indian territory. In 1971, East Pakistan, after a bloody struggle, became independent Bangladesh.

⁸ Ashford, op. cit., p. 94.

preposterous) statement which Ashford utters about the Ayub regime which has also been repeated in other contexts almost forty years later: ‘the Ayub regime has shown itself to be seriously and energetically devoted to the restoration of civilian government’.⁹ However, there were not many in Pakistan who shared this feeling.

General Ayub Khan imposed the first Martial Law in Pakistan in 1958 and took over government from a group of politicians who were unable to resolve their differences, clearly not an uncommon occurrence in societies where issues take time to be resolved through dialogue and discussion. Ayub disbanded all previous partial political systems of government as they existed and restrained politicians through draconian measures. It is worth quoting Ashford again just for the absurdity of a statement which one finds repeated again and again over time: ‘With true professional perspective the president saw that irresponsible politics at the centre, and the consequent corruption and economic stagnation, could only be prevented if new leadership was introduced and a more solid basis for political participation was constructed. His answer was the Basic Democracies plan, which was to provide an interlude for village instruction and revival’.¹⁰ With the dissolution of all forms of representative government and with curbs on politicians, General Ayub initiated the structure and system of a form of devolution and decentralisation which resulted in the system of local government in the guise of Basic Democracies. The Basic Democracies Order appeared in October 1959 and two months later Basic Democrats were elected. In April 1960 the Municipal Administration Ordinance specifically for urban areas was enacted, giving rise to what some observers think was an ‘integrated pattern of urbo-rural local government in Pakistan’.¹¹

The Basic Democracies Order 1959 envisaged a new system of local government built up through an hierarchical four-tier system. The 37,959 villages in Pakistan were divided into Union Councils in rural areas and Town Committees (in towns with less than 14,000 inhabitants) and Union Committees in towns with more than 14,000 inhabitants, at the lowest tier in the structure. The next higher tier was that of Tehsil Councils in rural areas and Municipal Committees and Cantonment Boards in urban areas, followed by District Councils and finally Divisional Councils, the latter two of which covered both urban and rural areas.

It was the lowest tier, that of Union Councils, Town Committees and Union Committees which had members elected on the basis of adult franchise, who then elected a chairman from amongst themselves. The higher tiers had some members which were indirectly elected by these directly elected members, as well as members nominated by government.

⁹ Ibid, p. 96.

¹⁰ Ibid, p. 96.

¹¹ Rizvi, op. cit., p. 32.

For example, each Municipal Committee had a Council composed of all the chairmen of Union Committees within the Municipal Committee, as well as ‘councillors representing special interest and the officials’ which came from ‘Nation Building Departments’, such as education, health, agriculture, public works, etc.¹² It is important to note, that in this highly restricted participatory and electoral framework, the far more important figure of the chairman of the Municipal Committee was appointed by the government. In other cases, an Assistant Commissioner or Tehsildar would be the chairman, with a Deputy Commissioner the chairman of a District Council and the Commissioner heading a Divisional Council. Clearly, the ‘controlling authority’ in every case, was the bureaucracy and officials of the government.¹³

Ali Cheema and his colleagues argue that this controlling authority by the bureaucracy, ‘had the power to quash proceedings; suspend resolutions passed or orders made by any local body; prohibit the doing of anything proposed to be done; and to require the local body to take some action’.¹⁴ Quoting H J Friedman writing in 1960, and clearly at odds with Ashford cited above, they concur that ‘the Basic Democracies Scheme is not, in reality, democracy, for it does not represent control by the people over government power except in an extremely limited manner’.¹⁵

Given the fact that a very large majority of Pakistanis lived in rural areas, the structure of the Basic Democracies system was perceived by many, to be able to undertake development related activities along with the ongoing Village AID (Agricultural and Industrial Development) programme, and in fact it did have an impact in this regard and along with Ayub’s land reforms, did play a role in transforming rural economic and social structures and social relations of production; after all, the elections of Basic Democrats were the first Pakistan-level elections in its history. However, it was the use of the 80,000 Basic Democrats as an Electoral College for the election of the President to consolidate his own rule, which was the real issue involved.¹⁶ The Basic Democrats became a constituency for the military and particularly for General Ayub and there was, as is always the case with politics, ample opportunity for corruption and for patronage. As we show on a number of occasions below, whenever democratic politics comes into contradiction with the military’s politics, and especially when the military’s local government is confronted with

12 Ibid, p. 42.

13 Cheema, Ali, et. al., op. cit., forthcoming.

14 Ibid, p. 6.

15 Friedman, H J, ‘Pakistan’s Experiment in Basic Democracies’, *Pacific Affairs*, Vol 33, June 1960, cited in Ibid.

16 Interestingly, following the first few months after the takeover by General Musharraf in October 1999 when there was talk about building a new local government system, even then rumours were rife that the new system would be similar to General Ayub’s and would be used as an Electoral College for General Musharraf.

representation, the artificial system set up by the military comes undone. The militarily and participatory or democratic politics, despite the military's attempts, do not go together.

Ayub Khan's civilian and military bureaucratic regime was a developmentalist regime, with equal and substantial focus towards increasing production and capital in both urban and rural areas.¹⁷ Both the industrial and agricultural output, saw phenomenal rates of growth and in many ways altered the social relations of production irreversibly. Although there is debate about the reasons for the land reform of 1959, whether it was undertaken to break the hold of the bickering political landowning class, or to provide an impetus to the process of capitalist agricultural development, the consequences of the reform were that both outcomes took place. The hold of the large landowners was indeed dented, but more importantly, the reforms and the numerous other interventions that took place in the agricultural sector brought about nothing less than a revolution in agricultural production and social relations of production, and in fact altered the face of Pakistan once and for all. Shahid Javed Burki has argued that, towards the late 1950s, landlords were again emerging on the political horizon, and Ayub Khan's shifting of power from Karachi to Lahore and Rawalpindi resulted in more representation for indigenous and rural Pakistan, which is one reason why agriculture gained prominence throughout the decade.¹⁸

The 1960s witnessed the emergence and consolidation of many political groups and economic classes. In agriculture, the hold of the large landowners may not have been broken, but it was certainly shaken enough to allow other economic categories to emerge. Many of the large landowners had the foresight to read the writing on the wall, and accepted the Green Revolution technology package introduced by the government. Although this was an élite farmer strategy, given the high costs associated with the purchase of tractors, the sinking of tubewells, and other ingredients of the package, state subsidization gave the middle farmers, too, the opportunity to adopt this technology. This was the essence of the Green Revolution: the middle and kulak farmers, along with many other farmers at both ends of the spectrum, emerged as capitalist farmers, soon to become a dominant economic and political force, in agriculture and in the country.

In the rural areas, alongside this emerging capitalist farmer we also see the genesis of the small-scale manufacturers, and the skilled and technical workers, the growth of an ancillary service sector in order to service the new economy, and a disenfranchised, landless agricultural wage-labour class. To some extent, the political ambitions of the newly emerging agricultural capitalists were accommodated in the Basic Democracies scheme of Ayub Khan, but without giving them any real political power. This was perhaps the

¹⁷ See different Chapters in Zaidi, S Akbar, op. cit., 2005, from where this and the next few paragraphs are drawn.

¹⁸ Burki, Shahid Javed, *Pakistan: A Nation in the Making*, Westview Press, Boulder, 1986, p. 112.

beginning of the apprenticeship of this class of rural politicians, which was to emerge, especially in the Punjab, in the 1970s and was to stamp its mark on the political economy of the country. The military and civilian bureaucrats under Ayub ‘had forged a strong political alliance with a number of middle class urban and rural groups’, which helped in fostering economic development and political participation. Moreover, the Basic Democracies system ‘not only gave a voice to the middle class peasantry of Punjab and the NWFP, but also converted Pakistan’s powerful civil bureaucracy from an apparatus for maintaining law and order into a remarkable vehicle for promoting development’.¹⁹

In essence then, as social transformation took place, with increased urbanisation and with the emergence of different factions of the middle class, with rural to urban migration rising, these processes came into contradiction with the structure of government established by Ayub – and not just the Basic Democracies system, but the whole edifice – came crumbling down. Once an originally designed ‘non-political’ governance structure came into contradiction with the wider politics of the time, it was not able to function adequately, if ever it did, with its bureaucratic authoritarianism which may have become, at times, a softer, benevolent, bureaucratism.

The Basic Democracies system was, and was seen to be, one of the most important initiatives of the Ayub regime and was perceived to be closely tied to him. As Rizvi states, ‘the political super-structure of Ayub Government rested on the foundations of Basic Democracies, a political system which reflected the political philosophy both of the soldiers and the bureaucrats’.²⁰ Once the broader political structure of the Ayub regime began to collapse, as it happens so often in Pakistan, many of the initiatives of a fallen regime are removed with it. Such was the case of the Basic Democracies system. With the system in abeyance under General Yahya Khan who replaced Ayub after he surrendered to the political forces let loose by the process of demographic and social change, it took the newly elected President Zulfikar Ali Bhutto to say a few days after assuming power in 1971, that ‘I am abandoning the system of Basic Democracy that has bred nothing but nepotism and corruption, a system that reduced democracy to a farce’.²¹

The democratically elected Bhutto, promised to introduce a better system of local government. Although two Local Government Ordinances were introduced in 1972 and in 1975, there was no implementation of any sort of local government, and despite the doing away of the Ayub era’s model, in many ways the unrepresentative structure of doing government at the local level – largely through the bureaucratic structure – remained. There were, of course, huge differences between the 1970s and the 1960s, not least because

19 Ibid., p. 54.

20 Rizvi, op. cit., p. 228.

21 Cited in Ibid, p. 229.

there was an active cadre of political workers at all levels of governmental and civil society levels, most of them members of political parties, who were involved in some form of intervention in development. Rather than a formal structure as under Ayub, there was a greater *awami* and populist culture of government, at times tending towards authoritarianism. In fact, it was this politicisation of politics that probably stopped Bhutto – like other civilian governments after him – to undertake any real reform at the local level. Ali Cheema and Shandana Mohmand argue that Bhutto did not want to undertake local government reform due to the ‘fear of losing local support in key areas to competing mass-based regional parties ... Perversely, the rise of competing mass and cadre-based parties and the increase in electoral competition at the provincial and local level in 1970 made Bhutto more reluctant to actually decentralize power to the local tier’.²² Nevertheless, for our purposes, we can conclude, that the first democratically elected government in Pakistan, did not bother to introduce a system of representative local government, and even the Constitution of Pakistan of 1973 agreed to in this period by all political parties, those in government and those in the opposition, failed to allot local government recognition as the formal, third, tier of government in Pakistan. This is one of the many ironies which crop up across time in Pakistan.

²² Cheema and Mohmand, op. cit., 2003.

3 Local Government in the 1980s (and 1990s): Urban Pakistan and the Middle Classes²³

With the imposition of Martial Law following Pakistan's second military coup and under its third military government in 1977, all political activities, as they had almost two decades earlier, came to a stop. While General Zia ul Haq promised elections within ninety days and did initially allow some political campaigning to take place, it was soon clear to most that Pakistan was once again ready for the long haul under military rule. The National and Provincial assemblies had been disbanded and the stage was set for the revival of all military government's favourite hobby-horse, that of some form of devolution and decentralisation in the guise of a structure of local government. Exactly twenty years after Pakistan's first attempt at devolution following the Basic Democracies Order of 1959, the Local Government Ordinance (LGO) of 1979 were promulgated and elections were held to elect local councillors. Ali Cheema and Shandana Mohmand argue that like Ayub Khan, 'Zia ul Haq combined political centralization in the hands of the army at the federal and provincial levels with a legitimisation strategy that revived electoral representation at the local level ... History was repeated as non-representative political centralization and the revival of local governments again came at the expense of weakening the elected tiers at the federal and provincial levels'.²⁴ However, Pakistan was a very different country now than it was twenty years earlier.

For purposes of brevity, if we were just to identify some of the critical differences between 1959 and 1979, perhaps the single most important would be that Pakistan was half the

²³ A very large number of studies examining the local government system of the 1977-88 period (which, as we will show, continued well into the 1990s) have been conducted, many of them looking at fiscal and financial issues in the 1990s when the debt and deficit crisis had reached unmanageable heights. Perhaps what is more interesting is that most of the studies that have been undertaken, deal almost exclusively with urban (municipal) reform rather than issues related to local government in general. It is not at all possible to give even a representative list, but for a small sampling of studies see: Wajidi, M A Z, *Local Government in Pakistan: A Case Study of Karachi 1842-1988*, Royal Book Company, Karachi, 2000; Zaidi, S Akbar, 'Politics, Institution, Poverty: The Case of Karachi', *Economic and Political Weekly*, Vol 32, No 51, 1997; Zaidi, S Akbar, 'Urban Local Government in Pakistan', *Economic and Political Weekly*, Vol 31, No. 44, 1996; Applied Economics Research Centre, *Resource Mobilization by Provincial and Local Government in Pakistan*, AERC, Karachi, 1992; Applied Economics Research Centre, *Resource Mobilization and Institutional Capacity Study*, (in seven volumes), AERC, Karachi, 1991; Applied Economics Research Centre, *Local Government Finances and Administration in Pakistan*, (in three volumes), AERC, Karachi, 1990; Applied Economics Research Centre, *A Model of Municipal Finance in Pakistan*, AERC, Karachi, 1990. In addition, the extensive work of researchers like Arif Hasan and Reza Ali, looking at urban, and hence municipal, issues, also needs to be considered for a better understanding of local government developments throughout the 1980s and 1990s.

²⁴ Cheema and Mohmand, op. cit., 2003.

country in 1979 compared to 1959 following the secession of East Pakistan, the majority province, to emerge as independent Bangladesh in 1971. Pakistan over these two decades had also become increasingly urban, certainly not in statistical terms, but in terms of influences and culture one could see the beginnings of an urban Pakistan, something that was to be further strengthened during the 1980s – see below on the continuing trend of urbanisation and urbanism as a way of life. So-called ‘feudal’ agrarian social and economic structures and relations had also given way to more modern capitalist relations of production and exchange, following the Green Revolution, the implementation of two sets of land reforms and with the mechanisation of agrarian production. In 1979, one also sees the beginnings of the consolidation of the middle classes as political and economic actors, something that was to be much further strengthened throughout the 1980s due to economic developments, particularly the Gulf boom over that decade. Importantly, the structure and system of local government introduced in 1979, also strengthened the role and position of the middle classes in Pakistan. Another critical difference between Pakistan in 1959 and 1979 had been, that in the decade prior to the 1979 local government reforms, the Pakistani people had participated in two rounds of General Elections and some forms of democracy, however muted, had taken root. People had now experienced, and perhaps begun to understand, the meaning of participation and democracy. One needs to understand the Local Government Ordinance 1979, in light of these circumstances, and the consequences that the Ordinance let loose are predicated upon the conditions which existed at that time.

3.1 The Local Government System Under the LGO 1979

In the Constitution of Pakistan 1973, which was suspended and in abeyance during the earlier part of General Zia’s regime, the allocations of the functions of the federal and provincial governments are clearly specified. There are some functions which are the exclusive responsibility of the federal government, while others, according to the Constitution can either be performed by the federal or provincial governments. However, the existence of local governments was never formally embodied in the Constitution.

Local governments in Pakistan existed under the supervision of the various provincial governments, where provincial governments had merely delegated some of their functions and responsibilities to local governments by the promulgation of ordinances. The Local Government Ordinance of 1979, with its amendments was in operation in the Punjab, Sindh and the NWFP, while Balochistan's local governments worked under the 1980 Ordinance. These ordinances specified the allocation of the residuary functions of local governments.

Under this Ordinance, in the urban areas there were four levels of municipal government - town committees, municipal committees, municipal corporations and metropolitan corporations. The senior officers of these councils were elected by members of the council and the controlling authority was the elected house. There was a three tier system of local government in operation in Pakistan in the rural areas, where Union Councils, Tehsil or

Taluka Councils, and District Councils existed. However, the middle tier, the Tehsil/Taluka level was usually done away with in practice by provincial government, and mainly Union Councils and District Councils existed, which were elected on the basis of adult franchise. The chairmen of these councils were elected by the elected members themselves.

The Local Government Ordinance specified two sets of functions to be performed by local governments. The differentiation between the two sets was between compulsory and optional functions. For the most part, most of the sets of functions for local governments in different provinces were more or less the same. There was further differentiation between the functions of a regulatory nature, and those that relate to the provision of services.

For the three larger provinces, a common list for all urban councils containing compulsory and optional functions existed. Thus, town committees, municipal committees, municipal corporations and metropolitan corporations (with the exception of Karachi) were supposed to perform the same functions.²⁵ The Karachi Metropolitan Corporation had been given additional functions. Due to the lower extent of urbanization in Balochistan, a smaller list of functions existed for town committees. While there was a great deal of similarity of functions between the provinces, there were a few minor differences between what is deemed compulsory and optional. The largest metropolitan corporation in Pakistan, that of Karachi, had some additional responsibilities.

Like their urban counterpart, a very long list of functions for the two tiered rural local government also existed. Union Councillors were expected to perform civil, welfare, and development functions. The civil functions included the provision and maintenance of public ways, sanitation, conservancy, the slaughter of animals, maintenance of wells, water pumps and tanks. If calamities struck, the Union Councils were expected to undertake relief measures and other measures to promote welfare and health. The development functions of the Council included measures to increase food production, industry and promote community development. The District Councils had optional and compulsory functions. Compulsory functions included the provision and maintenance of roads, bridges, public buildings, water supply, maintenance and management of hospitals, maintenance and construction of school buildings, etc. Many of the optional functions of District Councils were similar to those of Town Committees.

The local government ordinances specified that a local area in the context of urban areas would be a town, municipality, city or metropolis; the corresponding local government was a town committee, municipal committee, municipal corporation and metropolitan corporation. Municipal status was primarily a function of population. Urban settlements with population

²⁵ For the local government system in Karachi, and particularly for its political manifestation, see: Zaidi, S Akbar, *op. cit.*, 1997.

ranging from 5,000 to 30,000 were generally designated as town committees. Municipal committees had populations up to 250,000. Cities beyond that size and provincial capitals had either municipal or metropolitan corporation status. Property tax rating areas generally extended to the municipal committees and the larger town committees. The status of local government functionaries was directly correlated with municipal status of the particular jurisdiction. While the number of councils varied, for the most part, there were two metropolitan corporations, 12 municipal corporations, 146 municipal committees, and 336 town committees functioning in Pakistan.

In urban areas, the four types of municipal committees had organizational setups which were more or less similar across the provinces. Despite the fact that urban union councils, from the town committee to the municipal corporations vary in size, and the latter may have been as much as a hundred times the size of the former, there were very clear similarities in organizational structure. There were always three sections or departments comprising general administration, finance, and engineering. Town committees had just these three departments which grew in size and qualitative specialization as the size of the urban area increased, i.e., when it was represented by a municipal committee or corporation. Municipal committees and corporations were also very similar in the nature of their organizational structures, and both had two additional departments, viz., education and health. Furthermore, the accounts department consisted of two separate units, one for finance and the other for taxation.

The two metropolitan corporations of Lahore and Karachi, by virtue of their size had much more diverse and extensive organizational structures. For example, given the extensive nature of types of works which were to be performed in metropolitan areas, there was a need for additional departments which performed specialized functions pertaining to legal affairs, land management and development, etc. The larger municipal corporations in the country, along with the two metropolitan corporations also had development authorities functioning as parallel organizations within the cities. However, while the urban local councils performed more service related functions, the development authorities were more involved with engineering works and with urban and town planning as well as with traffic related issues.

Despite the large number of legislative functions of local councils and their often extensive organisation and management structures, *very few functions by local councils were actually carried out*. In urban areas, essentially three basic (compulsory) services were carried out -- garbage disposal, maintenance of roads and street lighting. In the larger cities, preventive health care was looked after by local government, which was beyond the scope of smaller urban councils. Most urban local councils were involved in the maintenance of water and sanitation services. Essentially, urban local councils had restricted their role to some of the compulsory functions which they were expected to perform. In smaller cities, even these compulsory functions had been unfulfilled by the local council because they either did not have the funds or knew how to undertake the compulsory functions.

In rural areas, the actual role of Union Councils and District Councils was even more limited than the role played by smaller urban councils. Some District Councils were involved in the development and maintenance of link roads and drainage, and that is about all. Union Councils had virtually no role in the development or maintenance of services. The larger District Councils had a partial involvement in the provision of preventive and curative health care and in animal husbandry.

Under the Local Government Ordinances of 1979, elections of all local bodies were to take place on an adult franchise basis, and did, in 1979 and 1983 – for the story after that, see below. After the elections of all the members of a unit, the Chairmen, Vice Chairmen and Mayors were all elected from amongst the members of the local council. The membership of each council was determined on the basis of the distribution of population in that region. There was some separate representation for non-Muslims, peasants, workers and women, who were all to be elected by the members of the councils.

The degree of electoral representation -- seats to population ratio -- was highest at the lowest level of local government, the Union Council level, in rural areas. There was a maximum number of seats prescribed for district councils and municipal corporations in some provinces, which implied that the number of seats rose less than proportionately with respect to population. Close to 80,000 seats were contested in the local government elections, of which 89 percent of the representatives sat in rural local councils, with 84 percent in Union Councils. Since Punjab had the greatest share of Pakistan's population, it also had the highest proportion of overall local government seats, viz., 68 percent.

There were a number of formal and informal mechanisms which allowed, at least on paper, the representative population to be involved in the affairs of the local councils. Formal mechanisms for mass participation were included in the Local Government Ordinances. For example, in the case of taxation, every taxation proposal was published along with a notice in newspapers, so that members of the public could make their objections and suggestions. However, it was the informal channels of public participation which were, perhaps, more representative. There was, at times, a great awareness and involvement in the lives of the public of services undertaken by local councils. Expectations about the performance of local government are always high, precisely because the tasks which this level of government is expected to perform influences the lives of a large number of people at the local level. There is supposed to be frequent contact between elected councillors and their constituents, and opinions about performance are regularly aired. This was supposed to be, perhaps, the most sensitive tier of government and one in which the public was expected to be most directly involved.

Despite elaborate structures and responsibilities, it is very clear that in terms of service delivery, certainly one of the two most important pillars of decentralisation and devolution in Pakistan in the form of the local government system – the other of course, being some form

and some degree of political representation and participation – the local government system in Pakistan since 1979 to 1999 when it was still effectively in operation, failed significantly. Studies have shown that in terms of the skill level of local government staff and their aptitude and attitude – clearly, not a problem simply of local government but of all tiers of government in Pakistan – and due to the financial control by higher tiers of both the provincial and federal government, a problem that still continues to this day as we show below, and for a host of other reasons, *the local government structure and system failed to deliver*, even before political issues came to the fore – see below. Hence, it was not merely politics which undermined the potential and possibility of local government delivery in Pakistan, the system itself failed on technical and structural grounds.²⁶ However, politics did further accentuate the problem complicating matters considerably.

In their comparison of the Basic Democracies Order of 1959 and its subsequent Municipal Administrative Ordinance of 1960, with the Local Government Ordinance of 1979, Ali Cheema and Shandana Mohmand find that there ‘was little change in the functions and financial powers assigned to local government. This indicates a continuity in the legislative structure of local governance and clearly shows that there was no intent during the Zia period to substantively empower local governments. The purview of these bodies continued to remain confined to the provision of essential municipal services with District Councils retaining the responsibility of rural developments. Similarly, there was little change in the financial powers given to local governments’.²⁷ While these similarities between both military dictators and their regimes may have existed in the structure – and perhaps even outcome – of local governments, much else, however, had changed.

3.2 The Intervention of Praetorian Politics

Three sets of Local Bodies elections were held in Pakistan in 1979, 1983 and 1987 as per the mandate of the LGO 1979. There was no other representative forum for politics at that time in what is generally regarded as a particularly repressive military regime which had used the Islamic card as an excuse to prolong its rule. International factors after the Soviet invasion of Afghanistan in 1979 also helped perpetuate military rule in the form of Martial Law when numerous anti-people, especially anti-women and anti-religious minorities, laws were promulgated and both women and minorities were the target of victimisation and discrimination. The genius of the non-party elections at the local level was that they allowed existing and emerging political groups to be involved in local level issues, leaving the supposedly more important issues of the economy, foreign policy, of the federation,

²⁶ See the references cited in footnote 22, as well as Zaidi, S Akbar, ‘The Role of Municipalities in Infrastructure: Some Evidence from Small and Intermediate Towns in Sindh’, in Zaidi, S Akbar, *The New Development Paradigm: Papers on Institutions, NGOs, Gender and Local Government*, Oxford University Press, 1999.

²⁷ Cheema and Mohmand, op. cit., 2003.

etc., in the hands of the military. Power throughout the Zia period, without a doubt, was highly centralised and rested with the military and its co-opted classes, fractions and groups, particularly those that represented some Islamic faction and constituency and were General Zia's key partners.

However, while the military had its own favourites and carefully selected and favoured many social groups at different times, in different cities and provinces, and simultaneously persecuted the most popular political party, the Pakistan Peoples party of Mr Bhutto later taken over by his daughter, social transformation was taking place independently, but also as a consequence of economic policies followed in this period. On the political front, it was the reintroduction of the Local Bodies elections that led to the political emergence, and possibly even consolidation, of the middle class, both urban and rural. Given the intrinsic connection between politics and economics in Pakistan, it is not surprising that each reinforced the other.

Since 'real' elections to the provincial and national assemblies were not held under Zia until at least 1985 (and how 'real' they were is a moot point), most of the traditional political entities did not take the first Local Bodies elections seriously. Also, because severe restrictions were imposed by General Zia's government on participation, many stalwarts were excluded. This allowed those with some financial and political means, essentially the emerging middle class, to contest elections, perhaps for the first time. They were able to enter politics because room had been created by the absence of the richer, more influential, traditional political actors. Local government seemed to work well under military dictators, and under Zia it seemed to work rather better, because of the relative importance given to this tier of government by the large developmental funds channelled through it. Urban and rural councillors were the only elected representatives of the regime, and were responsible and accountable, given their limitations, to the needs and demands of the electorate.

In 1985, General Zia's government decided to hold General Elections for the Provincial and National assemblies on a non-party basis. However, political parties did exist and new ones had emerged, such as the Muhajir Qaumi Movement in Karachi, many of which had emerged as a consequence of the Local Bodies elections held earlier. While local government elections may also have been non-party elections, individuals did have party affiliations and identities which were further crystallised in the General Elections of 1985. What is interesting is that a very large number of individuals who had been trained, for the first time ever in politics, through the Local Bodies, emerged later as members of the National and Provincial assemblies in 1985 and in the elections held after that. In 1985, of the 240 Punjab Members of the Provincial assemblies, 124 were sitting Councillors; of the eleven metropolitan/municipal corporations of Punjab and Sindh, at one time or another, mayors of as many as *ten* had been either Members of the National assembly or Members of the Provincial assembly; in the elections held in 1993, it was estimated that more than 70

per cent of members of the Punjab and National assemblies started their political careers from local bodies.²⁸ These are quite amazing statistics which reveal a very important fact which we will discuss later, that of the importance of local government as a stepping stone for higher political power. Elections were held in 1979, 1983, and 1987, which allowed the same sections of the economic middle class to emerge as members of the political classes.

The main beneficiaries of the Zia regime were, then, members of the urban and rural middle classes, and members of the civil and, particularly, military bureaucracy. The large industrialists of the Ayub era also returned to Pakistan, although the nature of the entrepreneur under Zia was considerably different from that under Ayub. Rather than twenty-two families dominating Pakistan, there were perhaps a few hundred or a thousand under Zia. The industrialists under Ayub may have been richer than those under Zia, but there was probably less concentration at the top under Zia than under Ayub. However, despite this emergence of the middle class and of the new entrepreneur under Zia, political power was clearly retained in the hands of the military with a subservient bureaucracy alongside. Large landowners, too, had made a comeback under Zia, hovering around the political establishment and being allowed some room in the 1985 elections. Nevertheless, the power of the military was endorsed by the summary end to Mohammad Khan Junejo's tenure as Prime Minister in May 1988. The military, through its considerable patronage of particular political parties and individuals – the Muhajir Qaumi Movement and Nawaz Sharif, are two of the best representatives of each category – helped create classes, parties and factions of collaborative politicians, both at the local and higher tiers of government. Much of the intervention and interference in this period created and consolidated, what some observers believe, was the 'localization and personalization of politics at the local level.'²⁹ The somewhat unique concept of a praetorian democracy worked rather well for many months, but once elements of the democratic forces began to impinge upon the terrain of the military, the military demonstrated that it was well in control. The period during Zia's rule marks the first real demonstration and formal consolidation of the middle classes on Pakistan's economic and political map.

As far as our analysis is concerned, the 1985 General Elections created the first major tension and contradiction between elected local government and elections at the other two higher tiers. This pattern was to remerge throughout the 1988-99 democratic interregnum. As we show above, a large number of local level politicians who had become prominent in their own region or constituency at the local level, contested the 1985 elections and were propelled to provincial and national level status, as were some political parties.³⁰ These

28 See *The News* on Friday, Special Report on Local Bodies, 30 September 1994.

29 Cheema, Ali et. al., op. cit., forthcoming.

30 For example, Fakhr Imam, the Speaker of the National Assembly emerged on the national scene starting his political career at the local level in Faisalabad, as did Farooq Ahmad Leghari who came from the district level elections in Dera Ghazi Khan to eventually become President of Pakistan; the

politicians had begun to understand and recognise the role, influence and importance of the local level political process and once they were elevated to higher status, anyone filling their local level seat, was seen as a challenger and upstart who could consolidate his/her position at the local level, eventually challenging them at the higher level. In an era – and even now -- where politics was the politics of patronage, there were numerous individuals and groups as candidates, competing to appropriate that power and patronage. Local government had become important and powerful politically.

Since local governments were not – and are still not -- a central part of the Constitution, and had been merely delegated powers by the provincial governments on the behest of the latter, it is not surprising that local governments actually owed their existence and powers to the provincial governments. Provincial governments could, and did, dismiss local governments by themselves, or on the advice of the Federal government. Clearly, this was a highly subjugative, dominating, relationship with local government having no independence from, leave alone influence on, the provincial government, and the provincial governments did use their influence on local governments at numerous junctures. From senior appointments to requests for more resources or the permission for increasing taxes and rates, local governments were completely dependent upon their provinces. It would not be unfair to say that local governments were controlled by the provinces; even the budgets of local councils had to be approved by the provincial governments, who were entitled to make amendments and suggestions.

Prior to the 1985 General Elections, in the absence of elected assemblies, local governments were the only popularly elected bodies and thus played important political and developmentalist roles. After the election of Senators and members of the provincial and national assemblies, the role of local governments was substantially marginalized. These elected representatives had taken over some functions which local governments used to perform. Specific federal and provincial level programmes which were directed at elected provincial and federal members of parliament, such as the Five Point Programme of the Junejo government (1985-88), the Peoples Programme of the first Benazir Bhutto government, and other such programmes, had in many ways, intervened in the evolution of proper and improved local government and encroached upon the jurisdiction of the local governments. Under the above named programmes, elected members of provincial and national assemblies were given funds of considerable amount which they could use for developmentalist projects, largely on their own discretion, in their political constituency. This had severely undermined the role local governments had been playing, despite the shortcomings mentioned above, in the development of particular (local) areas and regions.

Mayors of Karachi and Lahore too, emerged as national level leaders once they were elected in the General Elections. There are numerous other such examples.

What is perhaps more intriguing is, that in the period following the 1985 elections, but more so after the death of General Zia in 1988, when a more genuine, albeit controlled, democracy with political parties emerged, local government was dispensed with. With the return of democracy in Pakistan, all local governments were dissolved. In the NWFP, all local bodies were dissolved in 1991, in Sindh in 1992, and in the Punjab in August 1993. Different reasons were given as to why the provincial governments dissolved the local governments in their own provinces. In the case of the NWFP, mismanagement and corruption were cited as reasons, while the Punjab provincial government dissolved its local governments in order to ensure that national elections to be held in October 1993 were not influenced by incumbent local government officials. Thus, in the absence of democratically elected local government officials in the rural and urban areas, town committees, municipal committees, and municipal corporations, were all being run by Administrators who were members of either the federal or provincial public (civil) service cadre. Administrators were appointed by the provincial government and were transferred between different posts for unspecified duration of tenure. This fact that the elected principle of local bodies was put in abeyance, reflects on the attitude of elected and non-elected government officials. There seems to be an inherent conflict of interest between different tiers of government, where local governments, because they are assumed to be the most expendable, have borne the brunt.

The local government reforms launched by General Zia ul Haq in 1979, largely to extend his rule by centralising power in the military and allowing local level politicians to do politics, and perhaps some development as well, continued up to 1985. However, even under General Zia's own praetorian democracy, local governments floundered as many of the former councillors, mayors and chairmen graduated to the provincial and national assemblies. After 1988, however, when four General Elections were held in Pakistan, local governments became almost redundant, primarily because they became *competing centres of patronage and power* in contrast to elected representatives at the two higher tiers. Since the higher tiers had the power to dispense with these local governments, as we show above citing different reasons, they did exactly that. With the return of democracy in 1988, local government was made largely redundant. It had to be Pakistan's third military coup maker and fourth military ruler, General Musharraf who took over power in 1999, to resurrect a completely new system of devolution represented through yet another local government system under the Devolution Plan 2000 which set up District Governments.

4 Devolution in the New Millennium

An examination of three military takeovers and coups in Pakistan, in 1958, 1977 and 1999, and the earliest speeches that Generals Ayub, Zia and Musharraf made, show an uncanny resemblance for the causes and explanations for the takeover, as well as regarding the intention and programme of each General. The speeches are so similar, that they could have had the same speechwriter. While corruption and inefficiency and the incompetency of politicians – always politicians – are cited as the reasons why they have ousted (in the last two cases at least) democratically elected governments, each General, especially the last two, also show their supposed commitment to democracy. They all say they want a good, accountable and open system of democracy for the country. And, they all feel that power should be devolved to the people in some form of decentralisation in the form of local government. In fact, perhaps the first substantive political intervention of all three military governments has been, the promulgation of ordinances that brought about three different structures of local government. In this section, we examine the Devolution Plan and the District Government system initiated in 2001, by the present incumbent military ruler, General Musharraf.³¹ Before we turn to the local government reforms, we give a very brief description of the politics of the Musharraf regime in the context of which the reforms have been undertaken.

4.1 The Politics of the New Millennium

The parallels between the General Zia regime and the Musharraf regime since 1999, even with regard to their attempts to start devolution by setting up a local government system, are quite remarkable. Both military leaders set about bringing a local government system soon after taking power, before major world and regional events changed the nature and status of their regime permanently. General Zia started his local government reforms in 1978 and 1979 at a time when his position was weakening. However, after December 1979 when the Soviet Union invaded Afghanistan, Pakistan's status of a front-line state propelled General Zia to the world stage ensuring his longevity with American support. Almost the same scene has been repeated with regard to General Musharraf's political career, although in his case, his position because of US support remains far stronger than General Zia's ever was. General Musharraf got to work on his local government reform immediately after dismissing the democratically elected government of Nawaz Sharif in October 1999, at a time when his position was being questioned as the supposedly pro-democracy West castigated him for dealing a death blow to democracy, however weak it was. However, after September 11, 2001, and after the second invasion of Afghanistan, this time by the only super power in the world, General Musharraf too, was propelled not just on the

³¹ Over a period of many months, elections were held under General Musharraf's Devolution Plan in 2000 and 2001 and all 106 District Governments were in place by August 2001. At the time of writing, August 2005, District Governments have completed their four year tenure and now stand dissolved with the election process underway to elect new local government representatives.

world stage like General Zia, but perhaps, along with President George Bush and Prime Minister Tony Blair, as one of the most important leaders in the US war against terror, once again ensuring what looks like a very long political career.

Under the leadership of General Pervez Musharraf, the military has claimed its central position in Pakistan's state structure and political scene, as it had in the past, but far more decisively and overtly. The naiveté which many of us believed throughout the 1990s, that the military had removed itself from power and had allowed the democratic transition to continue unhindered – as it has in some countries – received a rude shock with Pakistan's third military coup and fourth military head of government. In the six years that the military government of General Musharraf has been around, major world and regional events have taken place which have had a significant political and economic bearing on General Musharraf himself, on Pakistan's economy and politics, and on the process of democracy.

Similarities exist between circumstances which led to General Zia ul Haq consolidating and extending his rule over Pakistan, and General Musharraf's first few years in power. The two invasions and occupations of Afghanistan, the first by the Soviet Union in 1979 and the other by the US some two decades later, in 2001, led to the entrenchment of military rule (particularly vicious and authoritarian under General Zia), at the insistence of the US, giving Pakistan the unenviable status of a 'front-line' state. On both occasions, Pakistan was ruled by the military, and on both occasions, with the very significant and overt help of the US, Pakistan's military dug deep into the state apparatus, putting any substantive form of democracy in abeyance. Also, under both Generals, Zia and Musharraf, one saw the economy grow significantly (although quite artificially, in a hollow manner, under General Zia), and remittances increased, and aid to Pakistan grew. The experiment of praetorian 'democracy' now fashionable under General Musharraf, was already tried and tested under General Zia. Another trend to be consolidated under General Musharraf, was the growth and extensive involvement of Military Inc. in Pakistan's economy.³²

There are, of course, numerous differences in both regimes as well. The nature of the military in Pakistan has changed compared to two decades ago, as has Pakistan itself.

³² See the extensive work of Ayesha Siddiqi on this and her forthcoming book, provisionally titled *Military Inc: The Political Economy of Generals in Business*. See: Siddiqi-Agha, Ayesha, 'Power, Perks, Prestige and Privileges: Military's Economic Activities in Pakistan', paper presented at the Soldiers in Business: Military as an Economic Actor Conference, Jakarta, October 17-19, 2000; 'The Political Economy of National Security' in Zaidi, S Akbar (ed.), *Continuity and Change: Socio-Political and Institutional Dynamics in Pakistan*, City Press, Karachi, 2003; 'The Politics of Military's Economic Interests', unpublished paper written for DFID, 2004.

More importantly, the world and its political balance has changed with the end of socialism and the demise of the Soviet Union breaking up into numerous independent states. The world is a different place with globalisation now determining economic relations and the military might of the only super power left in the world, determining much else. In addition, despite the failure of many aspects of the democratic interregnum of 1988-99, the press and the media grew in strength and are far freer now than in many decades, all making General Zia's rule very different from that of General Musharraf's. The global telecommunication and media revolution, where hundreds of channels are beamed into peoples houses in Pakistan, also make the 1980s very different from the early twenty-first century.

General Musharraf, first as Chief of the Armed Staff and Chief Executive of Pakistan, and then in his current position, of President of Pakistan but still Chief of the Armed Staff, began his political interventions by beginning work on his Devolution Plan in 1999/2000. Non-party based elections were held for representatives to be elected to the new District Government setup in 2001, and the new system of local government has been in place since August 2001. A highly contentious and controversial referendum was also held in Pakistan, just like it was under General Zia ul Haq, which gave General Musharraf the perceived right to remain President for another five years – not that any General has ever required legitimacy from any referendum, with the power of the military might determining that so-called 'legitimacy'. After ensuring his own mandate and after the local government elections, General Musharraf held General Elections – again like General Zia, although this time these were party-based elections – in 2002, and set in motion the process of party-based politics after the party-less local government elections, again similar to General Zia. Hence, at present, we have a highly vocal and diverse representation in the Provincial and National assemblies where members have been elected on party tickets, as well as representatives at District Government, who were elected prior to this, on a party-less basis.

Almost six years into General Musharraf's rule some trends are emerging which are different to those of earlier years. The most important difference seems to be the almost formal cementing of the role of the military in Pakistan's constitutional set up, with the National Security Council having a critical role to play in the political process. The issue of whether a serving General, the Chief of the Army Staff, can hold the office of the President, has also opened up a debate about formalizing the role of the military. With hundreds of serving and retired military personnel in public positions, the individual and corporate interests of the military have also been further entrenched and consolidated in the Pakistani state set-up. Perhaps, because of the US' war on terror in Pakistan's backyard, one also sees far greater presence and influence of US foreign policy in determining domestic and regional policies. While Pakistan's numerous governments have always towed the US line, General Musharraf's government, since it

is the main beneficiary of this tacit submission, has taken this appeasement to new heights.³³

Another important factor that has emerged in Pakistan since 1999, has been the legitimisation of the presence of Islamic parties in the political process in Pakistan. For the first time ever, Pakistan's religious parties were able to build an alliance which continues to hold, and to achieve an unprecedented electoral result, making this religious alliance an important component of the electoral process in Pakistan. Until the 2002 elections, religious parties were not central to the electoral process in the country, but by disallowing the three leaders of the most popular political parties to contest elections, General Musharraf has allowed the elected Parliament to be dominated by the religious right. What role this religious alliance will play in Pakistan's future electoral process, is still uncertain.

Perhaps one of the more significant features of the Musharraf regime, unlike that of previous military governments, has been its ability to carry with it numerous differing social groups and factions. General Pervez Musharraf's regime has been supported by large sections of the middle classes; by political actors, most of whom belong to these middle classes, who have had no qualms of shifting alliances where their politics has been based on opportunism and not principle; by a section of civil society, which considers itself to be 'liberal' and democratic, which misled itself into believing that General Musharraf represented some form of enlightened moderation in terms of religious sentiment; by the military and the beneficiaries of military rule; and by a small, though powerful, economic elite which considers the policies of the Musharraf regime 'forward looking'. Unlike General Zia ul Haq, for the most part, religious sections of society have distanced themselves from the Musharraf government on account of his government supporting US foreign policy so blatantly, although they too have had an ambivalent relationship with the military, supporting it at times, and opposing it on others.

4.2 The Structure of District Governments³⁴

The political issues related to the Musharraf regime notwithstanding, the Devolution Plan and the new system of District Government require a study on its own merit. This section does just that. The District Government structure is an integrated three-tier system, where rural and urban areas are linked together organisationally and administratively, perhaps in response to the changing demographic and locational distribution of people in Pakistan, perhaps even emphasising the primacy of urbanism

³³ See Tellis, Ashley, 'US Strategy: Assisting Pakistan's Transformation', *The Washington Quarterly*, Vol 28, No.1, 2004; and Schaffer, Teresita, *Pakistan's Future and US Policy Options*, Center for Strategic and International Studies, Washington DC, 2004.

³⁴ This Section is drawn from a number of sources, in particular: Zaidi, S Akbar, op. cit. 2005; Cheema, Ali, et., al., forthcoming; Manning, N, et., al., op. cit., 2003; Cheema, Ali and S Mohmand, op. cit., 2003; National Reconstruction Bureau, op. cit., 2002; and Anjum, Z, op. cit., 2001.

as a way of life by removing the urban-rural divide. The system of local government runs from the Union to the Tehsil and then District level, from the smallest electoral and administrative unit to the highest.

The three tiered structure is based on the Union/Tehsil/District levels/stages of administrative hierarchy, with the Union being the first level of contact in this structure, rising to the more important and powerful District Council. The Union Council has an elected representation with the Union Nazim and Union Naib Nazim as the heads of the Council. The Union Nazim is responsible for the preparation of the Annual Development Plan of the Union Council and to decide the priorities and proposals with the Council. He is responsible for the execution of those projects for which funds have been provided by the Union Council budget. He is to send those proposals to the Tehsil Municipal Administration and the district government for inclusion in their budgets and development plans which are beyond the scope of the Union Council resources. The Union Council, the lowest level of elected government, has an average population of around 25,000, corresponding to several small villages or sub-villages and sub-towns in the larger settlements. Each Union Council consists of 21 members elected on a non-party basis.

At the tehsil level, the Naib Union Council Nazims of all Unions in the Tehsil become part of the Tehsil Council, which is headed by a Tehsil Nazim who is the head of the Tehsil Municipal Administration. He is also expected to make an Annual Budget Development Plan for municipal services at the Tehsil level. Since this is one higher rung on the district government tier, the structure of administration is slightly more advanced than at the simple Union Council level. The Tehsil Nazim heads the council and is responsible for efficient municipal service delivery and executing the development plans approved by the Tehsil Council. He is assisted by a Tehsil Municipal Officer and four other Tehsil officers. The Tehsil Council consists of the directly elected union Naib Nazims and around one-third indirectly elected members such as women, minorities and peasants/workers. The Tehsil Municipal Administration which is responsible for municipal functions and spatial planning, includes the offices of the Urban Local Councils established under the repealed LGO of 1979, with some sub-offices of the old system passed on to the tehsil level.

The District Council is the highest and most important entity in the new structure of district government. The system of administration at the district level includes the Zila Nazim who has a large team of district administrators. The district administration comprises District Officers to carry out functions decentralised from previous provincial departments. Some of the offices may represent a single department but have their group of offices headed by an Executive District Officer (EDO) at the District, such as Education or Health. Similarly other officers with related functions are grouped together under Executive District Officers. The work of the district administration is co-ordinated by a District Co-ordination Officer who reports to the elected head of government. The District Council consists of the directly elected Union Council Nazims and around one-third indirectly elected members such as women, minorities

and peasants/workers. Hence, the elected representatives at the lowest tier of government, the Union Council level, find themselves in the Union Council, with their Naib Nazims in the Tehsil Council and with the Nazims of the Union Councils making up the District Councils. The four provincial headquarters have been declared as City Districts and if/when a city or tehsil becomes urbanised and grows in size, it can be designated as a City District. In a City District, a Town Municipal Administration is organised on a pattern to the Tehsil Municipal Administration in any other district.

The major social sector departments of Education and Health are the key departments which have been devolved to the districts. Both of these departments had already undertaken some detailed planning for decentralisation, prior to the devolution programme of the military government. The management of all primary and secondary schools and colleges is now the responsibility of the district government and not of the provincial Education Department as in the recent past. The EDO Education, bears the major responsibility for ensuring that the educational needs of the District are adequately met; he is also responsible for planning and establishing new institutions where necessary. Amongst the duties and functions of the EDO Education are the following: implementing the provincial education policy through the district education policy and plan; preparing plans for development of education in the district covering the levels that fall within the responsibility of the district; and preparing the annual educational budget of the district.

There have been many significant departures made from earlier models of local government under the District Government system currently in use in Pakistan. Firstly, a number of provincial government functions related to the delivery of social services have been devolved to the District Government. Moreover, many of the functionaries at the local level provincial administration have been transferred to the local government and are accountable to the elected district level administration. While there has been some decentralisation in the nature that some provincial powers, duties and responsibilities have been transferred to the local level, *there has been no decentralisation 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 centralised in the state* and its institutions, particularly the military.

Despite the big claim made about the nature of devolution and decentralisation by the Musharraf government, it is noteworthy that local government is still not part of the Constitution. Only the highly controversial 17th Amendment allows some partial, time bound, protection to local government. One of the more important, perhaps revolutionary, interventions and changes made, however, has been the allocation of one-third seats reserved for women. Now women, in addition to contesting seats at any level directly, also have one-third seats available for them. Only three women were able to become Nazims in the 106 District Governments through direct elections and while there has been and continues to be stiff opposition to this move in more conservative areas of the NWFP and Balochistan provinces, for the most part, there has

been considerable space created for women to enter the political field. Of course, 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. Another equally important and impressive change has been the end of separate electorates for religious minorities who have once again been reintegrated into the political mainstream as well.

An important innovation with the District Government system on paper at least, since it is not fully functional, has been 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. Although most CCBs are still non-existent, there are a few cases where, for example, they have set-up shelterless schools in a district.

On paper then, it seems that the District Government system set up by the Musharraf military government, seems to have some new and innovative ideas. However, whether it actually works, both in terms of devolving political power and allowing greater participation and accountability, and in terms of its ability to be more responsive to the community's needs in terms of the better provision of public services, is something that is partially discussed in Section VII. The first year or so of the new system had considerable teething problems, and studies which looked at that period, not surprisingly, were critical. Even after four years, however, research is still lacking and there is need to examine the system in some detail. However, as has always been the case, electoral politics at the higher tiers – provincial and national – has once again hindered the evolution of the local government system in Pakistan, and any research and study which examines the performance of local government *qua* local government, cannot ignore this imposing reality.

5 Financing Local Government

One of the two most critical factors that have an effect on the functioning of any devolved system of government, is the one related to the *politics of power* at the local level, but also at the provincial and federal levels – particularly in a country like Pakistan, where the military dominates, issues that have been continually raised and elaborated upon in the context of the discussions that take place in earlier Sections. Linked to the politics of power, of course, is the financing of local government, for with service delivery the second cornerstone to devolution, one cannot have a fully functioning and efficient local government system unless financial issues around it are also investigated. We argue, that while local governments have had to deal with authoritarianism and other issues at the provincial and federal level, they have also had to contend within significant financial constraints which have an impact on the performance, and hence on the failure or success of the functioning of local government. In this Section, we describe, highlight and analyse some of the financial issues related to local government that have a bearing on its performance.

5.1 Financing Under the 1979 Local Government System³⁵

The Federation of Pakistan continues to be governed by the Constitution of Pakistan of 1973 and all amendments in it since then, although it has been trampled upon and altered, and subjugated to the personal and political whims of the two military Generals who have held power since. The Constitution specifies the functions of the federal government and of the provincial governments. The federal government has exclusive responsibility for undertaking functions under the Federal Legislative List which is contained in the Fourth Schedule [Article 70(4)] of the 1973 Constitution.

The Federal Legislative List includes functions of a regulatory and service nature. Service functions include defence, external affairs, currency, stock exchanges, national highways and strategic roads, railways, etc. In addition to these functions which are the exclusive responsibility of the federal government, there is a Concurrent Legislative List which contains functions which can be performed either by the federal and/or provincial governments. These service functions included population planning and social welfare, tourism, education, etc. Residual functions not specifically contained in either the Federal Legislative List or the Concurrent Legislative List were the responsibility, primarily, of the provincial governments – functions such as agricultural extension, irrigation, justice, police, etc. Primary Education and Basic Health were, until the last round of devolution, both provincial concerns, although many federal, provincial and local government programmes and schemes also existed concurrently.

While the specific roles and functions of the federal and provincial governments are part of the 1973 Constitution, the existence of local governments, despite many innovations

³⁵ This part of this Section is drawn from Chapter 10 of Zaidi, S Akbar, op. cit., 2005.

and substantial changes, *is still not a formal part of the Constitution*. Many of the Residual functions not part of either of the Legislative Lists which are supposed to be performed by the provincial governments had been delegated to the local governments by the promulgation of ordinances in the past, especially prior to Decentralisation Plan 2000 – see below. Of the functions allocated to local government in the past by the provincial governments, there were a set of *compulsory* functions which, especially urban councils, were expected to perform, in addition to an *optional* set of functions, which as the name suggests, may or may not have been performed by the local governments.

The federal government's role is of a more macro nature, while the provincial and local governments are expected to perform the key role in the provision of basic social and physical services and infrastructure. Moreover, an important observation from the way the responsibilities of the three governments are structured, is that the types and numbers of functions which can be performed is very exhaustive and provides potentially for a high degree of decentralisation of functions to local governments even in the rural areas.

The main source of provincial revenues, was in the past and continues to be, a transfer based on a share of federal tax collections. The type of taxes to be shared and distributed -- the divisible pool – and the ratio of the province/federal share of the pool as well as the formula for its distribution to the provinces, are all to be fixed at least once every five years by the National Finance Commission (NFC) award. In addition, various other tax transfers and grants are also made by the federal government to the provinces.

In most sectors and departments at the provincial government (and also federal) level, each bids against the other for funds for development and recurrent expenditures, which the main agencies – finance, establishment, etc. – cut down according to their own priorities and to fit broader budget constraints and available resources. Knowing that their demands for funds are going to be trimmed when they are presented, or even later after the money has been allocated, many departments and ministries bid well above the resources they were likely to get and they minimised their estimates of the costs of the activities for which they sought funding. There is similar competition for development funds when ministries and departments try to get their projects included in the annual Public Sector Development Programme (PSDP) of the federal government and of the provincial governments. Many ministries and departments would try to present their cases for certain projects merely with the hope that through some lobbying they will get incorporated into the PSDP. The gap between demands made by departments and ministries and what actually gets approved and allocated, followed by what actually finally gets implemented is seen to be quite substantial.

Budget preparation by departments and ministries was based mainly on an incremental approach to budgeting, which is reinforced by line-item control-oriented budget

documents which have their own problems.³⁶ Budget preparation begins without explicit guidelines on funds available for each department and activity, which results in departments taking the last year's budget as a natural point of departure irrespective of any special or specific new circumstances. There is a general belief that there is usually a secular increase of the budget of the previous year without much original thinking going into either the design of projects or the demand for funds. Each department prepares its own estimates and bids for limited resources, often without consulting other departments and in isolation. However, final decisions are made by central authorities based on a set of priorities which may be very different to those of the bidding department or ministry. The final allocated budgeted amount, may end up very different from the original proposal and demand for funds. Moreover, this scenario of demand for funds and budget preparation, also has a major impact on actual budget implementation.

During the budget implementation stage, budget allocations may be cut even when a project/programme is underway on account of reasons unrelated to that particular activity. At both federal and provincial level there are difficulties in implementing approved budgets. Budgeted funds are often released late or not at all in the face of fiscal constraints. While new projects under the PSDP are often stopped midway on account of a decline in funds, it is not uncommon that some departments and sections fail to even receive their recurrent budgeted allocation, or receive it after a long time lag.

Under the old, local government system and structure of the LGO 1979, the entire revenue of all local governments - rural and urban - formed a mere 5 percent of revenue generated by the different tiers of government, with the federal government earning close to 89 percent with the remaining being generated by the provincial governments. Over time, the share of revenue generated by local governments had been rising, albeit marginally, while that of the provincial governments had fallen. The local governments had collectively, been able to show a better fiscal effort in terms of tax and non-tax revenue generation in the last ten years. Nevertheless, as a share of all revenues generated, the contribution of local governments was always very small.

As far as expenditure was concerned, local governments spent only about 4 percent of the total expenditure of all forms of governments in the country, showing their relative unimportance in this regard. This relative amount fell over the last decade before the new system was put in place. As far as recurring expenditure was concerned, local governments spent a much larger share on establishment costs as ten percent of all expenditure on general administration in the country used to be spent by local governments. Of the recurring expenditure on the social services in the country, provincial governments spent the largest share since education and health were provincial concerns.

³⁶ Although we are talking about the financial issues related to the 1979 LGO, it is important to say that many of the mechanisms of a broad financial and budgeting nature, are of a more generic nature and these problems and even the mechanisms, continue to exist.

Local governments contributed ten percent to the establishment costs of social services. Over time, the federal government shifted its contribution on the development side to the provincial and local governments, hence causing both to contribute more over the 1990s. Thus, in 1979-80, provincial governments were incurring a share in total development expenditure in the country of about 18 percent; this rose to 29 percent in 1985-86. Similarly, in the same period, local government increased their share from 3 percent to about 6 percent.

Since local governments came under the jurisdiction of provincial governments – they still do -- their right to levy taxes was also subject to the directives of the latter. Local governments assist the provincial governments in the collection of revenue, and thus provincial governments had delegated the right of the collection of taxes to local governments as indicated in the Local Government Ordinance of 1979.

Local governments had been instructed to charge a local rate or local cess on all land assessable to either rent, land revenue, or ushr in their jurisdiction. The provincial government would determine the rate to be charged and could change it from time to time as it deemed fit. Local bodies were authorized by the provincial government to levy all or any of the taxes laid out in the Second Schedule of the LGO. All urban local governments on the direction of their provincial governments could levy the following taxes:

Tax on the import of goods and animals in the jurisdiction of the Committee for consumption, use or sale therein; tax on the annual rental value of buildings and land; tax on cinemas and cinema tickets; entertainment tax on dramatical and theatrical shows; tax on the transfer of immovable property; water rate; drainage rate; conservancy rate; tax on all kinds of vehicles; lighting rate; tax on the birth of children; fee for the erection and re-erection of buildings; marriage tax; fee for the licenses, sanctions and permits granted by the Committee; fees on the slaughter of animals; tax on professions, trade, callings and employment; market fees; tax on advertisements; tax on feasts when more than twenty persons, not belonging to the household of the persons arranging the feast, are entertained with foodstuffs; tax on animals and sale of animals; toll tax on roads, bridges and ferries maintained by the Committee; fees at fairs, agricultural shows, industrial exhibitions, tournaments and other public gatherings; fees for specific services rendered by a Committee; tax for the construction or maintenance of any work of public utility; parking fees; and any other tax which Government is empowered to levy by law.

Other than the taxes identified in the Second Schedule, provincial governments could direct any specific local council to levy any other tax; to reduce or increase any existing tax; and to suspend or abolish the levy of any existing tax. The provincial government had also given permission to the local councils and their Chairmen to make changes in the existing tax structure by drawing up specific taxation proposals. For urban councils, there was basically no variation in fiscal powers by municipal status. Also, for the most part, the taxes, rates, tolls, and fees that could be levied by Union Councils and District Councils, were very similar to those which could be levied by urban government.

The Local Government Ordinance prescribed the various sources of revenue which local governments had access to. As a whole, in urban areas taxes formed about 60 percent of revenue, while the remainder accrued from non-tax sources. The single largest source of revenue for urban councils was the octroi tax which accounted for in excess of 50 percent of revenue. This was more significant for larger corporations, while the share fell as the size of the urban council decreased. This pattern was not unexpected, since this was based on goods being brought into council areas. In highly developed areas with a larger consumer base, and with areas producing industrial goods, more goods were imported and consumed, hence the higher share of the tax.

The property related taxes such, as the urban immovable property tax and the tax on the transfer of property, constituted the next largest source of revenue, and together constituted about ten percent. Again, property related taxes yielded higher revenues in the larger cities such as metropolitan and municipal corporations. The smaller urban councils depended on non-tax receipts more than did the larger councils. Licenses, fees and other non-tax receipts constituted a far greater share in smaller towns/cities than in larger ones. The only tax levied by both urban and rural councils was the tax on transfer of property, which is levied at the time of sale on immovable property. The assessment was based on the total value of the property at the time of the transfer.

5.2 Financing Under the 2001 Local Government System

The Local Government Ordinance (LGO) promulgated by provincial governments during August 2001, with amendments during 2002, assigns clear powers, responsibilities and service delivery functions to three levels of local governments: district, tehsil and union. In effect, responsibilities for the delivery of social and human development services, such as primary and basic health, education and social welfare, now rests at the district level, whereas municipal services, such as water, sanitation and urban services, are to be delivered at the tehsil level.

The LGO 2001 makes some bold changes into the earlier decentralised local government system with, perhaps, the biggest change and innovation with the case of fiscal decentralisation. Fiscal decentralisation requires provinces to devise transparent mechanisms to transfer revenues to local governments in the form of formula-driven block grants. 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.

Until the implementation of the Devolution Plan and the LGO 2001, as we show above, the system of budgeting was highly centralised and wrought with numerous serious problems. On paper at least, the new Devolution Plan makes radical departures from

the past. The new Plan, claims that earlier the identification, appraisal and approval of development projects was highly centralised, with little community participation, inappropriate design and poor cost effectiveness. The new Plan tries to incorporate and address these weaknesses.

In theory, at least, the provincial departments are not supposed to determine the distribution of funds. For this purpose, a Provincial Finance Commission (PFC) has been established by each province to develop fiscal transfer mechanisms and the formula for the distribution of funds. The Finance Commission is supposed to ensure the distribution of resources between the provincial and local governments out of the proceeds of the Provincial Consolidated Fund into a Provincial Retained Account and a Provincial Allocable Amount, which is then supposed to be distributed to the three tiers of local government in the provinces. The shares of each local government tier are to be provided on a monthly basis. The Provincial Allocable Amount and shares of the local governments are to be on the basis of monthly receipts of the government.

Each local government is expected to have a single fund, which will include the funds received from the provincial governments, the transfer made according to the formula of the PFC, and own revenue generated by the local governments. The transfer is to take place directly from the provincial level to each local government. Since the octroi and zila tax, two of the most important local taxes have been done away with in the new scheme, 2.5 percent of the General Sales Tax is to be provided to the local governments. In addition to the fiscal transfers from the provinces, the local governments have been authorised to levy a number of taxes, depending on the level and capacity of each tier of the local government structure. Local governments have been given new statutory sources of revenue. They now have the independence to decide on the rates as well as the levies. Two new taxes, namely health and education taxes, have been given to the local councils.

Under the new budgeting system, the Nazim, before the commencement of each financial year, is expected to present the budget for approval by the respective Council at each tier. The provincial governments are to inform the district governments in March of each year, the total share including development and non-development share, expected to be available to each local government. Once they are informed of the share, each local government will need to develop its own budgets for development and non-development purposes. The development budget amount is to be the amount left over after budgeting for recurring costs and liabilities. The budget for running the Councils is to be a charged expenditure.

With regard to the non-development expenditure, which is to cater to the recurring costs of offices and service delivery, the concerned Finance and Budget official will be responsible for preparing the non-development budget for the district government, which is to be prepared by function and by object. The district/city governments will need to allocate the non-establishment budget to various offices under them; the single

budget would now include the expenditure of the Council and development and non-development activities funded previously through the local fund.

The development budgets are to cater to the needs for new assets or for improving old ones at the local government level. The new system envisages that development funds will be available after deducting all liabilities and recurring costs. The Executive District Officer (EDO) for Finance and Planning at the local level is to be responsible for the consolidation and co-ordination of the development budget of the District government. The Tehsil Officer for Planning will be responsible for the consolidation of the development budget at the tehsil municipal level. Under the new system, a Citizen Community Board has been set up which is to play a crucial role in budgeting and planning at the district level. At least twenty five percent of the development funds need to be spent through these boards, while the remaining 75 percent can be spent through the offices of the concerned local governments.

The military government proposed and began implementing the Devolution Plan 2000 in order to restructure the entire governance and development structure of the country, with the aim to empower citizens through their local governments. According to the new development planning system, every local government is required by law to undertake development within its own area. Projects are to be selected by all three levels of local government: Union Councils are required to play a pivotal role at the Union level where they identify and select projects. The Tehsil Municipal Administration is to focus on municipal service projects like the sewerage system, drinking water, etc., while the district government will focus on social sector projects, like building schools and the provision of basic health.

The new system claims a radical departure from the old especially in terms of development planning, selection and execution. While, as we show above, in the old system, project identification and execution was managed by the federal and provincial governments. The change envisaged is that at the District/Tehsil/Union levels, project identification and selection is *supposed to be made through a collaborative and consultative process involving communities and citizens.*

Once a project has been identified, say a school at the Union level, a women's college at the District level, or a Basic Health Unit at the Union level, the project appraisal and approval is supposed to take place. Under the new Local Government Ordinance, the planning and development function has been decentralised to the local level. In the District Office a separate office has been created to look after the District functions, and is to perform broadly, economic and social planning functions at the District, and make sure that it carries out appraisals of the projects formulated by the District and submits these proposals for approval to the Zila Nazim and to the Zila Council. The Finance and Planning Group Office is required to furnish the working papers to the District consultative councils and boards and prepare a development perspective for the whole District. Once finalised by the District Government, the entire set of development projects will constitute the Annual Development Programme of the

District and is to be approved by the Zila Council. Every Union Nazim is a part of the Zila Council and they know which of their projects (or those of others) have been accepted or rejected. Along with the Annual Development Budget, the non-development budget is also sent to the Zila Council for approval. Once the Zila Council approves a project or the budget, then the Executive District Officer for Finance and Planning, communicates the approval to all concerned. Once finalised, the projects are ready for execution and the funds are available.

Four years is not a very significant period of time for the amount of change required, particularly in the case of fiscal decentralisation and financial reform with regard to local government, to make its presence felt. It is far easier to change the electoral college or the structure of governance systems, but fiscal issues, given the deep vested interests of all actors involved, takes more time. Hence, it is still too early to assess the impact of this new fiscally decentralised model. Nevertheless, some early studies, particularly by donors, have made attempts to examine these trends. The ADB/DfID/WB multi volume study, does find some overall ‘modestly optimistic trends’, although still finds most districts are ‘hugely’ dependent on transfers from higher tiers of government, and despite the budgetary provisions discussed above, finds that local governments have limited autonomy in preparing their budgets. Moreover, the tax base of most District Governments remains weak and very limited, which has not allowed them to raise substantial additional own-source revenues.³⁷

It is important to state that ADB/DfID/WB study is an apolitical, technocratic, study which looks at managerial and fiscal issues, but specifically stays away from political issues. We think this undermines the worth of any analysis, for the real issues, as we show in this paper, are always about *power* and are, therefore, *political*. Even fiscal issues are about power, control and about politics. Time and again, we have seen that even the best designed technocratic solutions fall apart when they enter the real world of politics. Nevertheless, it is worth just highlighting the main observations from this study, since it does cover a large amount of ground, even though the entire framework of the study is technocratic and side-steps political issues.

The study finds ‘evidence of genuine change, particularly in the opportunities that citizens have gained to make their concerns heard’, yet finds ‘the evidence of progress [in the practice of devolution] ... scattered’. On financial control, clearly a *political* issue more than any other, the study identifies problems which most people studying local government are familiar with, such as district officials having ‘weak control over staff numbers’, that they cannot decide salary budgets or dismiss surplus staff and nor can they recruit with a free hand. Importantly, the study finds that ‘neither district nor tehsil authorities have any autonomous power to determine pay policy’. Similarly, local officials ‘must respond to program goals and priorities that they have no hand in defining’, again, clearly highly political issues given Pakistan’s highly centralised state.

³⁷ See ADB/DfID/WB, op. cit., 2004.

The ADB/DfID/WB study does, nevertheless, make numerous recommendations of a 'governance'/managerial/administrative nature which could improve the functioning of local government, *within limits*, but the broader issues of substantive change, as we argue below, are of a highly politicised and political nature.

6 State and Society in Pakistan

Without a doubt, Pakistan's military is the most powerful and influential institution in the country. It dictates politics, foreign policy and now increasingly has a deep interest in the economy, making it Pakistan's most important interest group. It is responsible for creating its own form of democracy – a praetorian democracy/electioneering – and soon after creating governments and building up individuals as Prime Ministers, dismisses them as easily. The military intervenes in the democratic process in Pakistan whenever its leaders believe that Pakistan is in 'danger' or in 'trouble' and rescues Pakistan from itself. The fact that it has the power of the gun and excessive power at that, allows it to impede any form of development related to the political process with which its leaders do not agree. This has led some observers to argue, that Pakistan is not a country with an army, but an army with a country.

The fact that the military – specifically, the army – dominates the state and its institutions, does not mean that there are no other contending institutions and social groups who have a bearing on state and society in Pakistan. In the 1960s, the analysis of the state in Pakistan suggested that along with the military, it was the bureaucracy and the large landlords – often called 'feudals' – who controlled the state. In the 1980s, the military was back in power and was the most important component of the state once again, this time in partnership with Islamic groups and a rising industrial and service sector bourgeoisie. The middle class, which is not institution-specific and cuts across different, often contradictory, ideological divides, has numerous factions as part of it. Rather than a single or some unified class, it is perhaps more useful to talk about social forces as 'fractions and factions'.

Moreover, the nature and even *quality* of the state in its role in capitalist accumulation, is fluid and changes. Ali Cheema in an excellent article argues, that 'state intervention in Pakistan was consistent with the patterns of *efficient accumulation* during the sixties, but this correspondence had broken by the eighties and nineties. During the latter period we witness *inefficient corruption*'.³⁸ Cheema argues that over time, the state has become more 'politicised' and become a partner in corruption and rent-seeking, leading to these inefficient outcomes.

In the Zia period, what one can call the socially conservative and religious sections of the middle class, supported the military government, while the liberal and 'progressive' elements of this class were against him. With the military back in government (it has always been in power, however) in 1999, it once again began to dominate the institutions of the state, however, with Pakistan's social structure and group formation

³⁸ Cheema, Ali, 'State and Capital in Pakistan: The Changing Politics of Accumulation', in Reed, A M, *Corporate Capitalism in Contemporary South Asia: Conventional Wisdoms and South Asian Realities*, Palgrave, London, 2003, p. 139, emphasis in original.

having undergone considerable change, this time with a different set of actors and social groups.

If one were to identify the main social groups and actors in Pakistan today, one would probably include the following: the military, Islamic political groups, members of Pakistan's civil and political society and of NGOs, international powers and donors, and segments of the middle class who are to be found in all institutional and ideological moorings. The military as an institution, has representatives from very poor social and economic backgrounds, as well as from the very well-to-do elite, a position to which many serving and retired senior officers rise; it also has members of Pakistan's conservative middle classes safely entrenched in the military's political world view.

6.1 The Search for Pakistan's Civil Society

While there have been failures of democracy in Pakistan, of the state, and of governance, and despite the dominance of the military in Pakistan's state and society, there has also been a noticeable failure of Pakistan's civil society. Social groups and institutions located outside of government and not working purely for profit in the private sector; groups of academics, intellectuals and journalists; political groups and parties; non-governmental organisations and community and neighbourhood organisations; and other groups which in some way are perceived to be of a liberal bent, working to change/improve society, with some notion of justice, all tend to constitute what is commonly called 'civil society'.³⁹

Civil society, or at least important sections of it, are perceived to be groups which keep a check on government, and keep niggling government regarding its policies and positions. The notion of civil society is not static and is a dynamic concept across time and region. What constitutes civil society in one era, may change form. The social and political groups which constituted civil society in Eastern Europe in the Soviet era, were transformed into statist and government organisations, often becoming oppressive and as authoritarian as the statist institutions they replaced. Now, new social groups, often in opposition to the first in these countries, constitute civil society. Also, in stable democracies, the notion of civil society is very different and changing, from that found in undemocratic regimes. Although there is a tendency to use the term 'civil society' rather unscientifically and loosely, it is not always an easy concept to understand or locate.

It is important to state, that the nature and location of civil society and that of different forms of 'governance' of the state – including local government -- differ widely as per

³⁹ For an excellent discussion on the idea, theory, existence and practice of civil society, see: Kaviraj, Sudipta and Sunil Khilnani (eds.), *Civil Society: History and Possibilities*, Cambridge University Press, Cambridge, 2001.

the historical nature of the evolution of the state and its institutions within specific and particular contexts. This also implies that multiple forms of expression of civil society and governance can co-exist, and may include ‘modern’ and very ‘traditional’ forms of both. Despite the writ of the state which is supposed to run through the entire geographical entity of the nation state, there are numerous institutions who’s writ overrides that of the state. Local and traditional forums and institutions and practices, often provide a very different sense of community, justice and participation. The pre-modern *jirga* system of collective decision making -- though highly hierarchical and male -- prevalent in some parts of Pakistan, is a case in point, where numerous collective decisions are taken through this institution, without troubling the formal institutions of the state.⁴⁰ Yet another institution which does play a critical role in local politics in less developed societies, is that of the mosque, or more broadly religion, where local decisions are taken to enforce rules of law often in contravention to the laws of the state, and one finds pronounced forms of social movements as well.⁴¹ Often, local affairs are ‘governed’ not by the formal institutions of the state, but by other groups and institutions. One could also continue to argue that such ‘local forms of governance’ do have more legitimacy (including moral, religious) from the side of the people than the more formal concepts introduced by the very young nation state.⁴²

In Pakistan, the tendency has been to restrict the notion of civil society to NGOs and other groups, because they are seen to be working for change. Advocacy NGOs and groups, often criticising government and ostensibly working for democracy, have been active components of civil society, as have writers and intellectuals. Yet, when these same groups have become apologists for government, particularly military rule, and have joined and become partners in military governments, their credentials to be part of ‘civil’ society have to be questioned. In fact one would argue, that once civil society actors join the ‘other side’, they are no longer part of civil society.

One major reason why the military tends to dominate state, society and politics in Pakistan, is because of the failure of civil society in Pakistan. Like other social actors in Pakistan, members of civil society are eager to be co-opted and ‘serve’ military governments, as has most recently been seen after General Musharraf’s coup in 1999. Like technocrats, who perhaps make no qualms of their distaste and distrust of

⁴⁰ For a fuller discussion of different forms of civil society see the papers in Kaviraj, Sudipta and Sunil Khilnani, *Civil Society: History and Possibilities*, Cambridge University Press, Cambridge, 2001. Questions that emerge in the presence of multiple levels and modes of participation include some of the following: what is the meaning of the state for the local masses? Do they consider themselves as citizens of this modern nation state? - the (modern) concept of local government is based on the concept of citizenship, i.e. enrolling the people more in the affairs of the state. Do they feel that the state has a role to play in their local affairs, and is legitimised in doing this? This paper does not engage with these questions and only raises them in order to suggest that when we examine ‘modern’ notions of the state, or civil society and participation – as we do in this paper -- we often overlook the articulation by non-modern forms in the process.

⁴¹ In one district in the province of the NWFP in Pakistan in the 1990s, Islamic *sharia* law was enforced inspired by the Taliban government in Afghanistan.

⁴² I am very grateful to Dr Urs Geiser for raising these points.

democrats and politicians, civil society groups and actors, many of whom have at least joined the chorus in favour of democracy in the past, also eagerly embraced General Musharraf and his government and endorsed the military coup in 1999. Important, well-respected and articulate members of Pakistan's civil society became ministers in the Musharraf government and justified their support for military government at the cost of democracy, by arguing that a liberal and efficient non-elected, undemocratic, authoritarian government, was preferable to an illiberal, inefficient and increasingly authoritarian democracy. For these actors, democracy as it was practiced in Pakistan, had failed and was secondary, and what mattered was not a civilian/military distinction, but apparently, liberal values emanating from the person of one General were preferable to illiberal policies being pursued by elected representatives.

Pakistan's civil society has had a key role in strengthening and supporting military government in Pakistan at the cost of democracy, a fact most clearly seen with regard to the wide support given to General Musharraf after October 1999 when he led his coup against a democratically elected Prime Minister. Members of the intelligentsia and academics in Pakistan, have done no better and have had no qualms in supporting military rule in preference to Pakistani style disfunctioning democracy. By co-opting members of the 'liberal' sections of civil society and giving them lucrative handouts, those who benefit from this system also become its greatest protectors and they have a great stake in its continuity. Unlike many other countries, in Pakistan, civil society actors and groups have, for the most part, and most certainly since 1999, become *collaborationists*, not *confrontationists*, working with and for military governments, not against them.⁴³

⁴³ It is only very recently, after six years, that many NGOs and civil society activists are having a rethink about how they see the Musharraf regime and their previously unconditional and enthusiastic support, is now wavering.

7 Three Military Rulers, Three Local Government Systems: History as Farce

It is exactly four years since the existing devolved and decentralised District Government system of General Musharraf's military regime has been in operation. At the time of writing this paper, when local government elections are to be held in Pakistan in August/September 2005, for the second time after the promulgation of the 2001 Local Government Ordinance of 2001, not a day goes by when the local press, both English and Urdu, is inundated with articles, stories, news reports and letters which discuss either the system itself, or the ongoing electioneering campaign. There are serious analyses by scholars about the District Government system and structure as well as interviews of candidates and incumbent Nazims. The two themes that emerge in the discussion are based broadly on the politics related to the system and about the impact and performance of the sitting councils and their Nazims in terms of service delivery. In this last Section we first briefly, discuss developmental aspects of the devolution process, followed by the far more important political aspects, related to the state, participation and the military.

Given Pakistan's huge development deficit, its development 'problems' will not go away in many years to come. There will always be a shortfall of targets and aspirations, the demand for services will always outstrip supply. Governments will continue to be criticised for not doing enough, and perhaps local governments more than any other tier, since the work – or lack of it – which they are supposed to do, is more visible. This makes assessment of the output/work of local government difficult, yet something that cannot be avoided. Clearly, for this reason it is not possible or fair, to make any comments on the service provision and performance of the incumbent local governments in Pakistan, especially given the fact that data may be hard to come by at the moment. However, one can make some general observations about how *one ought to* look at the performance and evaluation of local governments in Pakistan and outline future research needs.

Without a doubt, there is a need for greater monitoring and evaluation of local governments by citizens and research organisations outside of government. Perhaps some generic measure of 'best practices' needs to be drawn up against which one can assess the performance of other local governments. An institution (or long term research agenda) can monitor the performance of a selection of District Governments against a set of measurable criteria underlining achievement and failure and publicising the results in the media, as a sort of local government watchdog. The absence of Citizens Community Boards, a cornerstone to the existing District Government Plan, is a case in point. With very few CCBs existing, one already has a research and political angle to evaluating the performance of the local government system in place in Pakistan. However, such an effort will require a group of citizens working with a

research team at an institution, to follow this through. A key issue in the problems of local government has been the insufficient finances that local governments have available – as we show above – and hence research needs should address solutions to this core problem. Another persistent problem in the quality of delivery of services from local government, is their lack of skills and training. Many District Governments do not have the capacity to do what they are expected to do, simply because they do not have the managerial or administrative capacity to do so, areas where research can identify specific gaps. However, while these governance and financial issues are important, we feel that many of these problems have their roots in the larger politics of the land and how the state is run and how resources are controlled.

The *Dawn* newspaper from Karachi in its 1 August 2005 report, for example, gives a detailed report of a seminar held in Lahore in which technocrats, former Nazims, officials of the present Musharraf government and a host of others spoke.⁴⁴ The Nazims of Kohat in the NWFP and of Karachi, both of whom were members of political parties and groups which were not in power at the provincial level, stated that their local governments ‘performed well during their first year [2001-02] in office, but started having problems after the induction of provincial governments’.⁴⁵ The chairman of the National Reconstruction Bureau, a government think tank responsible for managing and developing the District Government system, defended the system and spoke about many of the new powers that Nazims had acquired through the new system, including some functions of the provincial government which had been devolved to the tier of local governments. Many of the other speakers criticised the system for its weaknesses, particularly because they felt that the provincial government had too much power over the District Governments and had ample room to interfere. Many speakers felt that the system had not really been devolved. However, from the newspaper report one gets the sense that despite the problems and criticism, there was grudging acceptance of the local government system as it exists today.

In the same issue of the newspaper while there were numerous reports about the ongoing election campaign, there is also a detailed analytical article by one of Pakistan’s more prominent civil society democrats who also heads the Human Rights Commission of Pakistan. The key argument that I A Rehman makes, is that the four provincial ministers are trying to make the local governments their ‘fiefdoms’ and ensure that their candidates are elected. He writes that the ‘chief ministers ... are working overtime to ensure that local government elections are won by their protégés

44 *Dawn*, Karachi, 1 August 2005.

45 Since the 2001 District Government elections were held on a non-party basis, supposedly independent candidates were elected. In the 2002 party-based General Elections at the provincial and national level, political parties formed governments. Whenever the provincial government, particularly in the case of Sindh and the NWFP but in other provinces as well, came into conflict with a Nazim not of the ruling party in government at the province, provincial governments made life very difficult for the them, curtailing their mandate considerably, even starting summary proceedings against them on various occasions.

and favourites, as if their future in office depends on this. (They may well be right)^{.46} He argues, that it is the ‘central authorities’ who have ‘willed that the local bodies should, instead of empowering the people, become fiefdoms of the provincial chief ministers’. Rehman’s article discusses the numerous amendments which have been made in the LGO 2001 for the current round of elections. He shows, for example, that further powers have been given to the provincial chief ministers to dismiss elected Nazims, and how the Nazim’s powers have been curtailed through these amendments. Despite these changes, Rehman accepts that the reasons that ‘the grant of unbridled powers to chief ministers over the life and death of Nazims has not dampened the enthusiasm of candidates for such offices is easy to understand. If all that a nazim is required to do is to keep the boss in the provincial capital happy, the office becomes more attractive, not less’.⁴⁷ One gets the feeling, that we have been here before.

The general perception in Pakistan is that the much touted Devolution Plan of the military government is in the state of a near crisis. After the election of the national and provincial assemblies, as has happened so many times in the past, 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 between the politics of democracy – even a praetorian democracy -- and the politics of the military, reemerges. To make matters worse and to undermine the local government system established by the military government, elected representatives at the national assembly level have all been promised large sums of money for developmental purposes which they are supposed to spend in their constituency, throwing into peril the carefully crafted local government fiscal and development model. Even donors, otherwise the most vociferous supporters of Musharraf and all his policies, particularly that of devolution, concedes that ‘the opportunism of national and provincial assembly politics has resulted in further competition between MPAs [Members of the Provincial Assembly] and local councillors for control over assets through which they can manage their constituency relations’.⁴⁸

Lest it be misunderstood that these examples from the immediate past are either infrequent or very recent, related only to the current electioneering phase and the public debate, some examples from the past will only help highlight some of the many issues that exist around the process and system of local government in Pakistan. In March 2004, the International Crisis Group (ICG) launched its *Devolution in Pakistan Report* and stated: ‘While the ostensible aim of Musharraf’s devolution scheme may be the transfer of administrative, political and financial authority to the lowers tiers of government, the reality is starkly different. Local governments in fact exercise only

⁴⁶ Rehman, I A ‘Local Bodies: Whose Fiefdom?’, *Dawn*, Karachi, 1 August 2005.

⁴⁷ Ibid.

⁴⁸ Asian Development Bank, *Decentralization Support Programme: Progress Report*, ADB, 3 December 2004.

nominal autonomy with respect to administrative and financial matters in their respective jurisdictions'.⁴⁹ The Report adds, that:

'Local governments have proved to be the key instruments in the military's manipulation of the Pakistani polity to ensure regime survival. District nazims used public funds and other state resources to stage pro-Musharraf rallies during the April 2002 presidential referendum and to support the Pakistan Muslim League (Quaid-e-Azam) parliamentary candidates in the 2002 national polls. Local governments have also had significant utility for the military's divide-and-rule tactics. By juxtaposing more than 100 new local governments between it and the provinces, the centre, where the military continues to maintain its grip on the levers of state power, has been strengthened at the cost of Pakistan's four federating units.

'If Pakistan's chequered political history is any barometer, the question of devolution cannot be addressed in isolation from the larger issue of provincial autonomy ... 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.'⁵⁰

The ICG Report believes that 'the military's political engineering that accompanies it [local government reform] is widening divisions at the local and provincial levels. Some of these could well lead to greater domestic violence and instability'.⁵¹ Clearly, 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 decentralised local government system. History, it seems, has repeated itself, not just the first time as tragedy, but the second, 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? Is History to repeat itself, not just the first time as tragedy, but the second, as farce, yet again?

49 Cited in Iqbal, Nadeem, 'Devolution Questioned', *The News on Sunday*, Karachi, 11 April 2004.

50 Ibid.

51 Ibid.