

## Key Issues

**CMI has observed the following key issues arising out of the paper on “Patronage and the Recentralization of Decentralization: Comparative Design Analysis of Local Government Reforms in Punjab”**

- The reviewed literature on local government in Pakistan identifies that, historically, local government has been used as an instrument to consolidate path-dependent patron-client networks, at sub-district level, for the ruling elite.
- Historical and empirical analysis shows that Local Governments have had more independence and autonomy during periods of constitutional aberration. As such, successive democratic governments (Provincial and Federal) have shown resistance to devolving political, administrative and financial autonomy to the local authorities.
- The Punjab Local Government Act, 2013 (PLGA) has remained ineffective in achieving the objectives of decentralization and greater accountability of public authority, in terms of process and outcomes.
- Despite local government reforms, power and patronage has been retained by provincial government, especially in the province of Sindh and the Punjab.
- The provincial government of PML(N), in Punjab, has remained ineffective in providing an operational framework for implementation of the PLGA.
- Consequences of centrally controlled politics of patronage have been evident throughout the term of the previous two tenures of government in the Punjab and Sindh.
- Greater cohesiveness of interest groups, along with voter ignorance, illiteracy, poverty, and intra-district inequality has made the local government in Punjab more prone to ‘elite capture’.
- Nonpartisan local elections have historically been used by the central governments to promote political favorites.
- The statutory structure of PLGA, in Punjab, retains power with the provincial government and its bureaucracy.
- Serious reforms must be introduced in order to allow greater fiscal control to the local governments. In this regard, local governments may be granted the legal authority to borrow from banks and issue municipal bonds. Such measures would grant local governments a greater degree of independence from the provincial governments.

# **Patronage and the Recentralization of Decentralization: A Comparative Design Analysis of Local Government Reforms in Punjab**

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*“It is in the dimly lit and paint-starved chambers of provincial legislatures, the dusty municipal offices, the un-imposing local courthouses, and the dense text of oft-revised provincial constitutions that the authoritarian power of the provincial hegemonic party resides and is most visible.”*

*(Edward Gibson)*

## Abstract

In August 2013, the Pakistan Muslim League government in Punjab, Pakistan’s provincial hegemon, passed its first democratic decentralization reforms. This paper is a comparative analysis of those reforms with the previous decentralization in 2001, arguing that the province acted in an authoritarian manner, designing the reforms so as to retain actual administrative and fiscal powers with the province. It is argued that the government’s primary motivation for doing so was to keep its control of essential patronage based political networks intact, leading to a reform which centralized power more than it decentralized it.

## Introduction

The global expansion in population sizes and living standards have been accompanied by an ever-rising demand for representative service delivery by the citizenry. This in turn caused the sphere of state activity to expand in terms of the services it is expected to provide and the oversight functions it is expected to perform. As the state machinery became more complex, more bureaucratized and decision-making remained centralized, the state also became more bloated, inaccessible to local stakeholders, inefficient and unresponsive to changing circumstances. This was also due to informational failures which caused the state to have a less than accurate assessment of grass root realities, at least when it came to policy making and its one-size-fits-all manifestations. In a response to these problems, the decentralization of governing authority down to the local level, in order to ensure greater democratic participation at the grassroots; greater transparency and accountability of elected governments' actions and more responsive and efficient service delivery, along the lines of early federal principles, has been the focus of global developmental efforts, especially over the last few decades. The transference of political, administrative and fiscal functions to constitutionally ordained local tiers of government at the district level and below was advocated almost as a panacea for all the developmental ills of (variable degrees of) centralized governance by developmental institutes and policy advisors globally.

The exact form taken by these decentralization or devolution efforts and the degree to which they are successful varies drastically across different political, social and historical contexts. As with all other developmental paradigms and solutions devised primarily in the affluent and democratic global north, decentralization efforts carried out in the developing world have resulted in a mixed-bag of outcomes and some unique pathologies.

Pakistan too has seen its share of experimentation with different iterations of local government legislation, enforced by different actors to serve different interests. In the colonial era, the British imposed local government systems designed to entrench their control over resource exploitation and cultivate beneficial patron-client linkages with local elites. Since the creation of Pakistan, the establishment of decentralized local governments have been the hallmark of long periods of authoritarian military regimes which have marred the country's political and democratic history. Prima facie, this

seems counter-intuitive but a closer look shows that the design of these local governments made them essential political tools for the legitimation and consolidation of power by these regimes. This in turn caused local governments to be seen with a fair degree of suspicion and hostility by civilian politicians and governments, a trend which arguably remains in effect even today, despite the country nearing the end of its first two uninterrupted terms of democratic government. However, after a period of non-existence during the first democratic term from 2009 – 2013, local government acts devised under democratically elected provincial governments have come into force in all four provinces and led to the establishment of historically unique democratic local governments.

This research paper seeks to explore the nature and dynamics of this representative decentralization reform specifically in Punjab, under the provincial Pakistan Muslim League government, and the extent to which it has resulted in the devolution of power to the local tier. It will do so by analyzing and comparing the design of the reforms to earlier iterations of local government. The central thesis which will be explored is that, similar to military local government reforms, the Punjab local government reforms have been designed to centralize power in the hands of the ruling provincial party's government and consolidate its control over local patronage networks rather than to devolve power in its true essence.

The paper will situate this thesis within the broader literature on local government analysis and patronage politics generally and in Pakistan. There will first be a detailed review of the literature used and the history of local government in Pakistan followed by a comparative analysis of the design specifics of the Punjab Local Government Act 2013 and other legislation surrounding it.

## Methodology

This paper's primary focus is on understanding local government reform in Punjab since 2013, in order to understand the political dynamics at play in the formulation of Punjab's first democratic local government legislation, in specific detail. The nature of the PML-N's approach to politics, the manner in which they concentrate power in the hands of top leadership and aim to monopolize patronage links is also of interest to this analysis. This is especially interesting since the PML-N has been in power in the dominant Punjab province as well as the head of the national government from 2013 to 2018. Additionally, there is a dearth of literature studying the new local governments and local power dynamics which have emerged from such. The terms decentralization and devolution are used interchangeably.

The choice of a comparative design analysis is to understand the detailed nature of the constitutional, electoral, administrative and fiscal arrangement of the new local governments in comparison to the system of local governments which was put in place by General Pervez Musharraf's Local Government Ordinance 2001 and said to be the most progressive. This will help to assess ways in which the democratic local governments are similar and dissimilar from the most recent military led arrangement and the degree of power-sharing and democratization encouraged at the local level by these governments. Design analysis methods have also been highlighted by Bardhan and Mookharjee<sup>1</sup> (Bardhan and Mookherjee 2006), Khan et al<sup>2</sup> (Khan, Khan and Akhtar 2007) and (Zaidi 2005)<sup>3</sup> as important to understanding the dynamics of the resulting governance setups. According to Bardhan and Mookharjee, it is also important to understand why reforms are designed or timed a particular way.

Additionally, it is important to highlight that the recent local governments under this legislation were sworn in in January of 2017 and the process of local government establishment is still in flux, with little data about the governments' functioning to inform or support other methodological approaches.

<sup>1</sup>Bardhan, Pranab, and Dilip Mookherjee. 2006. "The Rise of Local Governments: An Overview." In *Decentralization and Local Governance in Developing Countries: A Comparative Perspective*. Cambridge, Massachusetts: MIT Press.

<sup>2</sup> Khan, S. R., Khan, F. S., & Akhtar, A. S. (2007). *Initiating Devolution for Service Delivery in Pakistan: Ignoring the Power Structure*. Karachi: Oxford University Press.

<sup>3</sup> Zaidi, S. A. (2005). *The Political Economy of Decentralisation in Pakistan: Transversal Theme - Decentralisation and Social Movements. Working Paper 1.*

For the purposes of this paper, I will compare features of the Punjab Local Government Act (PLGA) 2013, and subsequent amendments, and the Local Government Ordinance 2001. I will also analyze the Punjab Civil Administration Act 2017 and the Interim Punjab Finance Commission Award 2017. In addition to a review of the legislation, I have studied transcriptions of the Punjab Assembly debates surrounding the passage of the PLGA 2013 and have interviewed bureaucrats in the Punjab Local Government and Community Development Department and their consultants at Department for International Development (DFID), Lahore and the Centre for Economic Research in Pakistan (CERP) as well as academics who have previously published work on local government in Pakistan. These interviews were carried out on condition of anonymity. Court judgments surrounding the issue have also been used.

Secondary research consisted of reading published works on local government and newspaper sources. It was interesting to me that a majority of literature I encountered on local government was produced by economists and public policy experts, relying more on quantitative analyses to determine service delivery and policy based outcomes, and not enough research was carried out by political scientists or sociologists exploring the political and sociological dynamics at play in local power struggles.

## Literature Review

The following review of literature will lend support to my central argument regarding the civilian local government reforms being used as an instrument for centralization of power and monopolization of patronage by the provincial PML-N government. It will weave together literature on distinct aspects of my field research and provide a contextual grounding for the subsequent design analysis. For reasons of clarity, it has been divided into thematic sections.

## Conceptualizing Local Government

The debate concerning the role of municipal authorities in a federal arrangement and resulting advocacy for devolution of power to the local level for efficient service delivery goes back to the Cooley Doctrine in 19th century America<sup>4</sup> (Cheema 2015) and Adam Smith (Khan, Khan and Akhtar 2007)<sup>5</sup>. However, with the advent of globalization and spread of democracy over the last few decades, the scope of decentralization has increased significantly and devolution efforts have been seen in many areas of the world, especially the developing world (Bardhan and Mookherjee 2006)<sup>6</sup> (Haque 2008)<sup>7</sup> (Shah, Siddiqui and Sayeed 2010)<sup>8</sup>. Devolution or decentralization refers to the transference of public, political, administrative or economic functions previously performed by the central government to a subnational level, below the level of the provinces for the purposes of our analysis. These governments have different responsibilities ranging from municipal functions like sanitation and water provision, land-use control, provision of health and education, implementing environmental laws and revenue collection amongst other things. On the whole, they are the tier of government responsible for essential service provision to the public and thus hold an important place in the democratization process, although there is no necessary link between national and local democracy as demonstrated

4 Cheema, A., Khan, A. Q., & Myerson, R. B. (2015). Breaking the Countercyclical Pattern of Local Democracy in Pakistan. In J.-P. Faguet, & C. Poschl (Eds.), *Is Decentralization Good For Development? Perspectives From Academics and Policy Makers*. New York: Oxford University Press.

5 Khan, S. R., Khan, F. S., & Akhtar, A. S. (2007). *Initiating Devolution for Service Delivery in Pakistan: Ignoring the Power Structure*. Karachi: Oxford University Press.

6 Bardhan, Pranab, and Dilip Mookherjee. 2006. "The Rise of Local Governments: An Overview." In *Decentralization and Local Governance in Developing Countries: A Comparative Perspective*. Cambridge, Massachusetts: MIT Press

7 Haque, M. S. (2008). *Improving Local Government: Outcomes of Comparative Research*. (M. S. Vries, P. Reddy, & M. S. Haque, Eds.) New York: Palgrave Macmillan.

8 Shah, A., Siddiqui, R., & Sayeed, A. (2010). Empowering States and Provinces or Unshackling Local Governments: Does It Matter for. *The Pakistan Development Review*, 49(4), 333-362.

in the case of China and Pakistan<sup>9</sup> (Bardhan and Mookherjee 2006).

There are several disadvantages to the dual federalism model<sup>10</sup> (Shah, Siddiqui and Sayeed 2010) where actual power is shared only between the federation and the province, and local governments where they do exist, are subjects of the provinces. These include inefficient, slow, bureaucratized service delivery and market failures owing to information not being as robustly available as it is at the local level; higher transaction costs as decision-making happens at the central level; lack of popular ownership of and involvement with government structures which seem too distant; a lack of accountability and deterrence of corruption and rent-seeking behavior by politicians and bureaucrats; stifling of local innovation, good governance and growth of metropolitan areas which can come about as the result of local policy-making; an increased threat of secession as provinces are empowered and local governments "strait-jacketed"; and more elite domination of more inaccessible and expensive national and provincial politics<sup>11</sup> (Bardhan and Mookherjee 2006) (Shah, Siddiqui and Sayeed 2010). In Pakistan's case especially, the sheer size of the provinces and their populations is as big as that of certain countries, making the province an inadequate level to devolve power to. These problems can be resolved by having functional local democracies with adequate fiscal autonomy and administrative power, along with the administrative and technical expertise to carry out their functions<sup>12</sup> (Bardhan and Mookherjee 2006).

This is not to suggest that devolving power to local governments does not have potential drawbacks as well. Coordination problems may arise as local government functionaries are unable to coordinate with each other like the state can; efficiency losses may be incurred as agents at the local level have inadequate expertise; lack of economies of scale, corruption and elite capture may occur. But these problems may be minimized by different configurations of local government design (See Shah et al 2010 for more details).

In the case of South Asia, there are both internal and external challenges

9 Bardhan, Pranab, and Dilip Mookherjee. 2006. "The Rise of Local Governments: An Overview." In *Decentralization and Local Governance in Developing Countries: A Comparative Perspective*. Cambridge, Massachusetts: MIT Press

10 Shah, A., Siddiqui, R., & Sayeed, A. (2010). Empowering States and Provinces or Unshackling Local Governments: Does It Matter for. *The Pakistan Development Review*, 49(4), 333-362

11 Ibid

12 Ibid

faced by local governments. The former includes bureaucratic dominance as a legacy of colonialism, a relationship of dependency where local governments are dependent on provincial governments' approvals, and severe financial constraints. External challenges emerge from significant economic inequality and elite dominance, gender inequality whereby women are underrepresented and social discrimination and segregation<sup>13</sup> (Haque 2008).

Another conceptualization of local government<sup>14</sup> (Faguet 2006) views it as a producer of local services and policies at the intersection of two different market relations with an important organizational dynamic. The first of these is the one between local politicians or political parties and their local voters, whereby they offer a basket of goods and principles in exchange for votes, the second is between local politicians and the private enterprises and interest groups which supply them money. The organizational dynamic is the collective potential of civil society to threaten local governments if they are dissatisfied. The formal and permanent inclusion of the civil society, via design, as with oversight committees into local government structures has a significant impact on accountability improvement.

The conceptual framework that has been most influential for this paper has been the one extended by Bardhan and Mookherjee (2006)<sup>15</sup>. They view decentralization as an important aspect of participatory democracy, with positive outcomes, but do not make a general assumption about decentralization always being beneficial. They also highlight certain distortions which may be introduced into democratic political processes, due to the existence of pressure groups, the absence of stable political parties, a lack of coordination amongst voters, unevenness of political competition, absence of free elections or systemic incumbency advantages. According to this political economy approach, the objectives of decentralization are greater accountability, in terms of process and outcomes, and greater policy responsiveness vis-à-vis the delivery of public goods and services. Like other authors, this framework also highlights the importance of certain prerequisites for effective local government, often absent in developing countries - such as a lack of severe social and economic inequality, educated

<sup>13</sup> Haque, M. S. (2008). *Improving Local Government: Outcomes of Comparative Research*. (M. S. Vries, P. Reddy, & M. S. Haque, Eds.) New York: Palgrave Macmillan.

<sup>14</sup> Faguet, J.-P. (2006). Decentralizing Bolivia. In P. Bardhan, & D. Mookherjee (Eds.), *Decentralization and Local Governance in Developing Countries: A Comparative Perspective*. Cambridge Massachusetts.

<sup>15</sup> Bardhan, P., & Mookherjee, D. (2006). The Rise of Local Governments: An Overview. In *Decentralization and Local Governance in Developing Countries: A Comparative Perspective*. Cambridge, Massachusetts: MIT Press.

and politically aware voters, stable law and order, free and fair elections under an institutional arrangement which does not disproportionately advantage incumbents, effective political competition, access to credible information and the presence of formal and informal oversight mechanisms<sup>16</sup> (Bardhan and Mookherjee 2006).

The framework recommends gauging the success of any decentralization reform by analyzing the dimensions of impact, dimensions of context and dimensions of design. The first dimension relates to the targeting of service delivery and representation. The dimensions of context measure group-based patterns of political participation, as well as less variable traits of communities like the distribution of literacy and education, economic and social status, access to information regarding public officials and the culture of civil society organization and engagement. Voter loyalties and the nature of political competition are also important aspects of context.

The dimensions of design seek to analyze the degree of constitutional authority granted to local governments; different aspects of the electoral process such as direct or indirect elections, party roles, nature of election etc.; the range of expenditure and management responsibilities devolved; the extent of financial devolution and the government's ability to raise revenue; authority and competence of local officials; and informational and oversight mechanisms. The broad categories of motivations for decentralization reforms can be political pressures, external shocks or crisis, ideological changes and other hidden agendas of the leadership (Bardhan and Mookherjee 2006)<sup>17</sup>. It is also important to be aware of the distinction between de jure and de facto decentralization when undertaking an institutional design analysis, because the legislation itself may lead to a variety of incongruent outcomes on the ground.

<sup>16</sup> Bardhan, P., & Mookherjee, D. (2006). The Rise of Local Governments: An Overview. In *Decentralization and Local Governance in Developing Countries: A Comparative Perspective*. Cambridge, Massachusetts: MIT Press.

<sup>17</sup> Ibid

## Patronage Politics & Subnational Authoritarianism

There are two broad modes of exchange relations that can exist between politicians and their voters in a given polity, although they may fall somewhere on the spectrum and not be either one fully<sup>18</sup> (Medina and Stokes 2007). First are programmatic exchange networks whereby votes are exchanged for a basket of ideology, goods and services offered by a particular candidate or politician on a spectrum of left-to-right. These goods are not contingent or “targeted” towards only those individuals who vote for the politician or party, the goods delivered are of a collective or club variety (and thus causing varying degrees of non-exclusionary public benefit). There is a low degree of predictability and monitoring associated with voters’ actions and likelihood of them altering their voting choice based on a stimulus offered by the politician, which is also low<sup>19</sup> (Kitschelt and Wilkinson 2007). Thus, the programmatic politician has to cast their net wide when it comes to policy-making, hoping to capture as many voters as are benefitted by their policies. Programmatic politics are usually associated with more affluent, democratic political setups where voters are well-off enough to not be hit too hard by the costs associated with losing out on targeted goods if their candidate does not win.

The second mode of politician-voter linkages, and the one that will form the crux of this paper, is the clientalistic or patronage (Herbert and Kitschelt use the two terms interchangeably) based linkage which is a form of direct, contingent exchange whereby targeted goods are exchanged for votes by the politicians. The goods are mostly of a private or club (group) nature so they can be conferred only upon voters and the predictability and monitoring (both legal and illegal, individual or group based) of voters, so as to exclude non-voters, is also high. In a system where votes are viewed as a currency to secure welfare goods which are individually and not collectively distributed<sup>20</sup> (Chandra 2007), politicians have to identify a “critical mass” of voters they would need to win an election and confer a high proportion of benefits upon them<sup>21</sup> (Kitschelt and Wilkinson 2007). Thus, politicians in this mode are

18 Medina, L. F., & Stokes, S. C. (2007). Monopoly and Monitoring. In H. Kitschelt, & S. I. Wilkinson (Eds.), *Patrons, Clients and Policies: Patterns of Democratic Accountability and Political Competition*. New York: Cambridge University Press.

19 Kitschelt, H., & Wilkinson, S. I. (2007). Citizen-Politician Linkages: An Introduction. In H. Kitschelt, & S. I. Wilkinson (Eds.), *Patrons, Clients and Policies: Patterns of Democratic Accountability and Political Competition*. New York: Cambridge University Press.

20 Chandra, K. (2007). Counting Heads: A Theory of Voter and Elite Behavior in Patronage Democracies. In H. Kitschelt, & S. I. Wilkinson (Eds.), *Patrons, Clients and Policies: Patterns of Democratic Accountability and Political Competition*. New York: Cambridge University Press.

21 *ibid*

constantly seeking to control and extract more resources to offer to their clients or voters, and they “prefer rules and regulations for the authoritative allocation of costs and benefits that leave maximum political discretion to the implementation phase” (*ibid*). It is essential to bear in mind that both programmatic and clientalistic political networks are path-dependent and are shaped by the legacy of previously existing political dynamics. Clientalistic networks hinder political competitiveness and foster hegemonic politics. In the client-broker-patron linkage, higher level brokers have an active interest in consolidating resources to their own use whereas lower level brokers will want to control resources to confer patronage benefits upon their clients<sup>22</sup> (Kitschelt and Wilkinson 2007). We will later see all these tussles manifest in our analysis of our local government reform.

Patronage politics can lead to the entrenchment of political incumbents<sup>23</sup> (Medina and Stokes 2007) and political elites<sup>24</sup> (Martin 2014) as well as political underdevelopment. This happens as patrons, who have the information necessary to monitor voting patterns and confer benefits accordingly, enjoy an economic monopoly over goods (by virtue of private wealth) regardless of their access to office or political monopoly over goods which is tied to their retention of public office<sup>25</sup> (Medina and Stokes 2007). Inequality and poverty facilitate the formation of patronage style linkages, which in turn entrenches the former. Since monitoring and the exclusion of non-voters is an essential requirement of patronage, and individuals are difficult to monitor, patronage is facilitated by homogenous communities where there is block or community voting (*ibid*). Just as smaller constituencies enable greater accountability of politicians to voters, they also make the voter easier to monitor and thus “accountable” to the patron who provides welfare. Disaggregated reporting of election results, balloting systems influenced by parties and more transparent vote casting systems all facilitate monitoring by the patron. Monopoly clientalism is also anti-taxation and redistribution as it weakens the value of its monopolistic offerings (*ibid*).

A useful way to think of a patronage democracy is as a democracy where the state has a relative monopoly over the provision of jobs and services and

22 *ibid*

23 Medina, L. F., & Stokes, S. C. (2007). Monopoly and Monitoring. In H. Kitschelt, & S. I. Wilkinson (Eds.), *Patrons, Clients and Policies: Patterns of Democratic Accountability and Political Competition*. New York: Cambridge University Press.

24 Martin, N. (2014). The Dark Side of Patronage in the Pakistani Punjab. In A. Piliavsky (Ed.), *Patronage as Politics in South Asia*. Delhi: Cambridge University Press.

25 *ibid*

elected officials have the power to distribute these resources on an individualized and discretionary basis. By being one these elected officials, or by being close to them, one gets access to valuable state resources and services as well as the glory that comes with such access<sup>26</sup> (Chandra 2007). These goods may include public sector jobs, medical care, university admissions, land grants, housing loans, access to justice for individuals or roads, schools, electricity and water for communities. Voters often organize collective voting to ensure adequate leverage over the candidate. Whether patronage decisions are made at the information rich micro-level (village, ward, and neighborhood) or the information poor macro-level (province, large district) has an impact on the nature of patronage<sup>27</sup> (Chandra 2007).

The fact that patronage is an enduring feature of South Asian and of Pakistani politics has been recognized by many different authors and theorists<sup>28</sup> (Piliavsky 2014) (Gilmartin 2014)<sup>29</sup> (Martin 2014)<sup>30</sup> (Wilder 1999)<sup>31</sup> (Hasnain 2008)<sup>32</sup> (Zaidi 2005)<sup>33</sup>.

Anastasia Piliavsky argues that in the subcontinent the state controls resources needed for survival ranging from water and healthcare to jobs, and it is the politician's main job to help the citizen access the state and these services via negotiating the bureaucratic labyrinth. In the subcontinent patronage is unavoidable and not entirely seen as undesirable, rather as a dynamic that has been present through centuries. Patronage, while it relies on inherent inequality of status is seen as morally acceptable, based on reciprocity and patrons are revered as being responsible for the welfare of their clients. Any attempt to understand politics on South Asia would be remiss without acknowledging patronage is an essential organizing principle<sup>34</sup> (Piliavsky 2014).

<sup>26</sup> Chandra, K. (2007). Counting Heads: A Theory of Voter and Elite Behavior in Patronage Democracies. In H. Kitschelt, & S. I. Wilkinson (Eds.), *Patrons, Clients and Politics: Patterns of Democratic Accountability and Political Competition*. New York: Cambridge University Press.

<sup>27</sup> *ibid*

<sup>28</sup> Piliavsky, A. (2014). Introduction. In A. Piliavsky (Ed.), *Patronage as Politics in South Asia*. Cambridge University Press.

<sup>29</sup> Gilmartin, D. (2014). The Paradox of Patronage and the People's Sovereignty. In A. Piliavsky (Ed.), *Patronage as Politics in South Asia*. Delhi: Cambridge University Press.

<sup>30</sup> Martin, N. (2014). The Dark Side of Patronage in the Pakistani Punjab. In A. Piliavsky (Ed.), *Patronage as Politics in South Asia*. Delhi: Cambridge University Press.

<sup>31</sup> Wilder, A. R. (1999). *The Pakistani Voter: Electoral Politics and Voting Behavior in the Punjab*. Karachi: Oxford University Press.

<sup>32</sup> Hasnain, Z. (2008). The Politics of Service Delivery in Pakistan: Political Parties and Incentives for Patronage. *The Pakistan Development Review*, 47(2), 129-151.

<sup>33</sup> Zaidi, S. A. (2005). The Political Economy of Decentralisation in Pakistan: Transversal Theme - Decentralisation and Social Movements. *Working Paper 1*.

<sup>34</sup> Piliavsky, A. (2014). Introduction. In A. Piliavsky (Ed.), *Patronage as Politics in South Asia*. Cambridge University Press.

Andrew Wilder in his comprehensive study of voter behavior in Punjab looked at several different social and political determinants of voting behavior in Punjab and found that political factors and primarily patronage were of growing importance for voters. He points out that patronage has been democratized as elected officials at all levels receive thousands of requests for government jobs and transfers, "thana-kachehri" interventions such as getting charges waived and land disputes resolved, admissions to government educational institutions, government medical treatment, connections for utilities, land leases and approvals and so on (Wilder 1999)<sup>35</sup>. Patronage politics have a number of undesirable consequences such as shifting focus away from national policy based politics (Wilder 1999) and deterring universal public service provision (Martin 2014)<sup>36</sup>; turning law-markers into law breakers or at least benders; the commercialization of politics; and political instability stemming from floor-crossing and voter dissatisfaction arising from insufficient patronage<sup>37</sup> (Wilder 1999). Traditional institutions like the "biradari" or the "dhara" which organize voters into identifiable groups to reward or sanction, further oil the wheels of democratic patronage.

Most importantly perhaps, Wilder notices that the PML-N and Nawaz Sharif were the first to recognize that patronage had become "the substance of politics in Punjab" and use that to their advantage. In a competitive political environment, the PML-N have historically relied on the provision of "visible" goods which can be attributed to them and ensure the support of their clients. As Martin notes in his ethnography of rural Punjab, powerful political brokers routinely divert state resources away from the general public and then make the provision of services that people have a legal right to, conditional upon their political loyalty to influential patrons<sup>38</sup> (Martin 2014). This can explain why Pakistan shows lower levels of social development than countries at similar levels of per-capita income and growth rates, with higher infant mortality rate, lower primary school enrollment rates, amongst other things<sup>39</sup> (Hasnain 2008). One specific explanation for this comes from the fact that while major staffing increases were made to public departments and the bureaucracy during the 90's, these jobs were not given out to improve the

<sup>35</sup> Wilder, A. R. (1999). *The Pakistani Voter: Electoral Politics and Voting Behavior in the Punjab*. Karachi: Oxford University Press.

<sup>36</sup> Martin, N. (2014). The Dark Side of Patronage in the Pakistani Punjab. In A. Piliavsky (Ed.), *Patronage as Politics in South Asia*. Delhi: Cambridge University Press.

<sup>37</sup> Wilder, A. R. (1999). *The Pakistani Voter: Electoral Politics and Voting Behavior in the Punjab*. Karachi: Oxford University Press.

<sup>38</sup> *ibid*

<sup>39</sup> Hasnain, Z. (2008). The Politics of Service Delivery in Pakistan: Political Parties and Incentives for Patronage. *The Pakistan Development Review*, 47(2), 129-151.



quality of service provision but rather as patronage benefits (ibid).

Another important perspective which helps us understand the nature of the PML-N's politics in Punjab is the one on subnational authoritarianism<sup>40</sup> (Gibson 2005). Gibson categorizes a subnational or provincial authoritarian regime as being different from the national democratic regime, and engaged in a struggle with local opposition to retain its control while preventing the nationalization of conflict. While this dichotomy in itself does not map onto the PML-N's case, a party which happens to be in power in Punjab and at the federal level, the point about conflicts lying in the realm of territorial politics is salient. The strategy of the PML-N political elite is to control influence, resources and people by retaining their control over how politics are fought out across its territory – the provincial political arena. Since the PML-N is already an actor at the national stage, it is aware of the threat posed by other national actors, namely the Pakistan Tehreek-i-Insaf and their desire to capture and undermine the local bases of the PML-N's support in Punjab. Linkages between the arenas of the territorial system are essential to the organization of power at all levels and the party in power will try its best to retain monopoly over them. These linkages include the flow of revenue and service-delivery between the national level and the local union level politics<sup>41</sup> (Gibson 2005). As pointed out in the literature, a key element in the parochialization of power is control over municipal entities and retaining the authority to dismiss them at the provincial level. This allows the provincial hegemonic party to neutralize any challenges arising from the local level to its control of the state and have leverage over local officials (ibid).

<sup>40</sup> Gibson, E. L. (2005). Boundary Control: Subnational Authoritarianism in Democratic Countries. *World Politics*, 101-32.

<sup>41</sup> ibid

## History of Local Government in Pakistan

This section will provide a brief overview of the salient features of different local government frameworks implemented in Pakistan by unrepresentative military dictatorships, along with some key political implications of those reforms. This will provide important contextual background for understanding the causes and motivations behind the 2013 reforms.

Local government in the region that is now Pakistan harkens back to colonial times, where after the War of Independence, local governing institutions with very restricted mandates and members nominated by the British bureaucracy were established in order to pacify and coopt native elites<sup>42</sup> (Cheema, Khwaja and Qadir 2005). But as the nationalist movement intensified, provinces became the locus for political organization and contestation causing local bodies to become largely irrelevant, something which would have a continued impact on the salience (or lack thereof) of local bodies in the region.

The next significant attempt at decentralization happened under the Ayub Khan dictatorship, imposed in 1958. National and provincial assemblies were dismissed and every effort was made to sideline civilian politicians from the political arena, such as the passing of the Public Offices Disqualification Order 1959 and the Elective Bodies Disqualification Order 1959, resulting in the disqualification of about 6000 politicians (ibid). Thereafter the Basic Democracies Ordinance 1959 and the Municipal Administration Ordinance 1960 were passed, establishing a four-tiered system of local government. The lowest of these tiers the union council, town council and union committees were to be elected by direct election, and the remaining by a mix of government nomination and indirect election by members of the lower tiers.

The controlling authority for these governments lay with the central government and the bureaucracy via the Commissioner and Deputy Commissioner (ibid). This control meant that they could stop the proceedings of the governments, nullify any orders or resolutions given by them or order these bodies to perform any function. Even while there was decentralization in terms of the functions devolved to these bodies, they were given almost no fiscal capacity to perform these functions with (ibid).

<sup>42</sup> Cheema, A., Khwaja, A. I., & Qadir, A. (2005). Decentralization in Pakistan: Context, Content and Causes. *Harvard Kennedy School Faculty Working Paper Series*, 1-41.

Ayub Khan later declared these local government bodies and their 80,000 members as “Basic Democrats”, to serve as the Electoral College for his own election and that of national and provincial assemblies. Thus, these bodies were a tool for the legitimation of Ayub’s continued reign. Additionally, they were to serve as a tool for resource and patronage distribution by the government in order to cultivate some degree of a public mandate (ibid). Another important feature of the Basic Democracies system, shared by the colonial local arrangements, was that it instituted a rural-urban divide and channelized developmental resources to the rural areas in order to consolidate Ayub’s bases of support. By the late 1960’s, urban areas became the site of political organization and mobilization, rallying around the rise of the Pakistan People’s Party and as the anti-Ayub movement gained strength, the Basic Democracies system, as the symbol of his rule, also came to be seen with much hostility.

The first democratically elected government which followed, with Bhutto at the helm, abolished the Basic Democracies system but Bhutto expressed the intent to introduce a new system of democratic local governance. But despite the passage of Local Government Ordinances in 1972 and 1975, Bhutto was much too occupied with his political agendas at the national and provincial level to implement these and local governance functions continued to be carried out by the bureaucracy albeit in a more politically active environment<sup>43</sup> (Zaidi 2005).

The second major iteration of local government was introduced by General Zia-ul-Haq after the staged military coup in 1977 and promulgated the Local Government Ordinance 1979. Some key differences of context between then and Ayub’s era were that Pakistan was territorially half its previous size, increasingly urban, had a consolidated middle class, much more politically active and democratically inclined (ibid).

The LGO 1979 created a four-tier system in urban areas consisting of town committees, municipal committees, municipal corporations and metropolitan corporations and a three-tier system in rural areas consisting of union councils, tehsil councils and district councils, thus maintaining the rural-urban divide. The controlling authority for these was the provincial government. The administrative functions given out to these were divided into compulsory and optional functions, with the Karachi metropolitan

<sup>43</sup> Zaidi, S. A. (2005). The Political Economy of Decentralisation in Pakistan: Transversal Theme - Decentralisation and Social Movements. *Working Paper 1*.

corporation having additional functions (ibid). Other than the two metropolitan corporations, the remaining tiers of local government were organized into administration, finance and engineering departments regardless of their size. The metropolitan corporations had additional departments and parallel organizations working alongside local bodies in the cities. Even though a large number of functions were devolved, very few of them, garbage disposal, maintenance of roads, street lighting and preventative healthcare were ever performed by local bodies. The lack of adequate fiscal devolution and expertise at the local level rendered these bodies mostly ineffective (ibid).

The non-party basis of these elections had several important consequences. It was a tool to exclude members of the PPP and traditional political elites from the political arena, and gave some political space to emerging groups while keeping important economic, political and foreign policy concerns in the hands of the military (ibid). Since many established politicians were excluded, space was created for members of the middle class to emerge into the political arena at the local level. By the time the 1985 elections were held, many of these new political actors had organized, and resultantly more than 70 percent of the members of the national and provincial assemblies had risen from local politics (ibid) and continue to shape politics today, chief examples being the Muttahida Qaumi Movement and Nawaz Sharif himself. A broad consequence of this, highlighted by several commentators is that it led to the localization and personalization of politics<sup>44</sup> (Cheema, Khwaja and Qadir 2005) (Wilder 1999)<sup>45</sup> to varying degrees at all levels. Conversely, it is argued that holding local elections on a party basis have many benefits for political culture and parties in the country<sup>46</sup> (Cheema, Khan and Myerson 2015). A second important outcome was that these politicians who had risen from the local level themselves, realized the significance of local level politics as entry points for competitors and thus viewed them with much suspicion. Given that these provincial bodies also had the authority to dismiss local bodies, the latter were often subjugated and controlled as much as possible.

After 1988, local governments became redundant again during fluctuating periods of democratic rule, with decentralization being seen as the preferred

<sup>44</sup> Cheema, A., Khwaja, A. I., & Qadir, A. (2005). Decentralization in Pakistan: Context, Content and Causes. *Harvard Kennedy School Faculty Working Paper Series, 1-41*.

<sup>45</sup> Wilder, A. R. (1999). *The Pakistani Voter: Electoral Politics and Voting Behavior in the Punjab*. Karachi: Oxford University Press.

<sup>46</sup> Cheema, A., Khan, A. Q., & Myerson, R. B. (2015). Breaking the Countercyclical Pattern of Local Democracy in Pakistan. In J.-P. Faguet, & C. Poschl (Eds.), *Is Decentralization Good For Development? Perspectives From Academics and Policy Makers*. New York: Oxford University Press.

tool of military dictators, until the military coup staged by Pervez Musharraf in 1999. In 2001, he introduced the Local Government Ordinance 2001, which has been called dramatically different from previous decentralization attempts, in that it radically restructured sub-provincial government<sup>47</sup> (Cheema, Khwaja and Qadir 2005). It established elected government at the district level, making the powerful District Commissioner report directly to its elected head, the Nazim. Provincial line departments and a greater range of functions were also devolved to local governments. The specifics of this design and its implications will be discussed in more detail in comparison to the current local government setup in Punjab in the next section.

<sup>47</sup> Cheema, A., Khwaja, A. I., & Qadir, A. (2005). Decentralization in Pakistan: Context, Content and Causes. *Harvard Kennedy School Faculty Working Paper Series*, 1-41.

## Local Government and Patronage

It is often argued that the nature of politics at the local level, by virtue of taking place in a smaller, more personal arena and the goods being provided, makes local government perfect for the dispensation of patronage benefits to political clients. This is bolstered by the fact that the provincial governments and politicians view local government as a competing tier of patronage and are hesitant to devolve authority to it as a consequence<sup>48</sup> (Wilder 1999). An oft-repeated claim about local government is that it is prone to “elite capture” which in turn results in it being used for the entrenchment of elite control and in Pakistan’s case for the dispensation of patronage. A rigorous modelled analysis of this claim shows that the relative proneness of local government to elite capture is dependent on a range of factors specific to the context<sup>49</sup> (Bardhan and Mookherjee 2000). Greater cohesiveness of interest groups, along with higher voter ignorance, illiteracy, poverty, and intra-district inequality as well as lack of electoral competition will make local government more prone to capture. Where voters are more politically aware, inequality is low and elections are competitive, local governments are not more prone to elite capture than any other tier of government.

According to this set of factors however it would not be unwarranted to assume that local governments in Punjab are susceptible to elite capture. One form taken by elite capture in the rural Pakistani setting is that of feudal control over rural politics especially at the local level. This is explored in great detail by Khan et al, who hypothesize that in the rural political setting, only those who are able to facilitate the delivery of administrative, police and judicial services and intercede with the state on behalf of locals can secure votes. Since this can only be done by wealthy individuals and that subset overlaps with the feudal elite, these feudal will continue to dominate politics unless decentralization is carried out as part of a comprehensive reform package including land reform along with civil service, electoral and judicial reform<sup>50</sup> (Khan, Khan and Akhtar 2007). They thus combine feudalistic elite capture and patron-client linkages in their analysis of local government and test it using election data. Their findings are supported by Martin’s ethnography researching the intersectionality of patronage and land

<sup>48</sup> Wilder, A. R. (1999). *The Pakistani Voter: Electoral Politics and Voting Behavior in the Punjab*. Karachi: Oxford University Press.

<sup>49</sup> Bardhan, Pranab, and Dilip Mookherjee. 2000. “Capture and Governance at Local and National Levels.” *The American Economic Review* 135-139.

<sup>50</sup> Khan, S. R., Khan, F. S., & Akhtar, A. S. (2007). *Initiating Devolution for Service Delivery in Pakistan: Ignoring the Power Structure*. Karachi: Oxford University Press.

ownership in rural Punjab<sup>51</sup> (Martin 2014). Additional research in a rural Punjab tehsil also highlights the focus of local bodies on providing targeted goods such as sanitation and sewerage rather than universal goods like healthcare and education, which may also be attributed to elite capture and the inequality it breeds<sup>52</sup> (Cheema and Mohmand 2009). Others yet have highlighted elite capture of Citizen Community Boards under the LGO 2001<sup>53</sup> (Ahmad and Talib 2013). These distortions can only be addressed by establishing political and electoral rules of local government which foster accountability and incentivize local officials to provide quality public goods as opposed to patronage-friendly targeted goods<sup>54</sup> (Keefer, Narayan and Vishwanath 2006).

A study of the 2001 decentralization's impact on social and spatial inequality in the provision of services in a rural Punjab highlights the importance of patron-client vote blocks or "dharas", which organize voting alliances and enable vote-monitoring<sup>55</sup> (Cheema and Mohmand 2008). Aligning with the dominant biradari's dhara in one's village is more likely to ensure access to provision of goods, even if the dhara voted against the winning local politician in the union council. Thus, the mechanism of patronage provision is more complicated than just voting for the winning candidate. There is a greater salience of group voting and politicians tend to prioritize their own villages when dispensing benefits in the fashion of pork barrel politics. Informal local government institutions based on socially shared, unwritten rules also exercise political authority over citizens by virtue of being embedded in tradition and the legacy of colonial rule in our part of the world<sup>56</sup> (Mohmand 2016). These institutions can be collegiate or personalistic and organize votes, mediate disputes, regulate access to services and mediate access to local governments. Thus, restricting one's analysis only to formal institutions may be misleading.

<sup>51</sup> Martin, N. (2014). The Dark Side of Patronage in the Pakistani Punjab. In A. Piliavsky (Ed.), *Patronage as Politics in South Asia*. Delhi: Cambridge University Press.

<sup>52</sup> Cheema, A., & Mohmand, S. K. (2009). Accountability Failures and the Decentralisation of Service Delivery in Pakistan. *IDS Bulletin*.

<sup>53</sup> Ahmad, M. S., & Talib, N. A. (2013). Local Government Systems and Decentralization: Evidence from Pakistan's Devolution Plan. *Contemporary Economics*, 7(1), 33-44.

<sup>54</sup> Keefer, P. E., Narayan, A., & Vishwanath, T. (2006). Decentralization in Pakistan: Are Local Governments More Accountable Than Central Governments? In P. Bardhan, & D. Mookherjee (Eds.), *Decentralization and Local Governance in Developing Countries: A Comparative Perspective*. Cambridge Massachusetts: MIT Press.

<sup>55</sup> Cheema, A., & Mohmand, S. K. (2008). Decentralization and Inequality in Pakistan: Bridging the Gap that Divides? In S. M. Ali, & M. A. Saqib (Eds.), *Devolution and Governance Reforms in Pakistan*. Karachi: Oxford University Press.

<sup>56</sup> Mohmand, S. K. (2016). Informal Local Government Institutions: What They Do and Why They Matter. *IDS Working Paper 468*.

Almost all the work on local government in Pakistan reviewed so far agrees, to varying degrees, that local government has historically been used as an avenue to consolidate path-dependent patron-client networks at the local level for the ruling elites, in what can, I will add, broadly be categorized as a patronage based democracy. Decentralization reforms have given the appearance of devolving power, while continuing to keep key administrative and fiscal functions under central control. Combine this with the fact that decentralization in Pakistan is inseparably associated with authoritarian rule, seen as a source of political competition and that the PML-N seeks to hegemonize power in Punjab. It thus becomes rather inevitable that the provincial government would be motivated by a desire to monopolize vital local sources of patronage and keep the levers of power centralized when pushed to form local governments. How these motivations manifested themselves in the design of Punjab's first democratic local government will be explored in the next section.

## Design Analysis

In this part of the paper, I will present a comparative design analysis of the local government framework constructed by the Punjab Local Government Act (PLGA) 2013, along with its amendments up till 2016, the Punjab Civil Administration Act (CAA) 2017 and the Interim Punjab Finance Commission (IPFC) Award 2017, with the structure of the local government which was put into place by the Local Government Ordinance (LGO) 2001, the latter being treated more as a point of reference with focus being on the framework currently in place. I will look first at the constitutional and political context under which the local government legislations were formed and briefly describe the structures put into place by them. I will then describe and analyze the electoral, administrative and fiscal dynamics of the local government frameworks, in that order, in confirmation of my central thesis.

Here, it is important to highlight that while the institutional design of decentralization, even in its minute details, has important consequences for the political and functional dynamics of local government – there are many de facto realities and constraints of implementation which sometimes become more salient than what is prescribed by the law. But interviews conducted have all pointed out that the recency of local government, the ongoing process of legislative changes and fleshing out of procedure surrounding it, make it difficult to say much with certainty. One interviewee shared that even the salaries of local government employees had not been finalized until a month ago, indicating that the local government and associated departments are themselves in the process of figuring out the new system.

At the time of the passage of Musharraf's LGO 2001, Pakistan was a two-tier federal state with no constitutional recognition or protection for a third local government tier<sup>57</sup> (Cheema, Khwaja and Qadir 2005). The 17th Amendment passed later in 2003 afforded some limited constitutional protection to local governments for a period of 6 years. After the formation of the Pakistan People's Party federal government in 2008, local governments were starved off of funds and sidelined by the newly elected provincial governments after about a decade of military rule. The provincial governments had to consolidate their own control and as in the past, saw the local governments

<sup>57</sup>Cheema, A., Khwaja, A. I., & Qadir, A. (2005). Decentralization in Pakistan: Context, Content and Causes. *Harvard Kennedy School Faculty Working Paper Series*, 1-41.

as a relic of the now vastly unpopular Musharraf regime. Thus, in 2009, the tenure of local governments was ended with no announcement of reelections, while their municipal and district level functions continued to be carried out by DCOs under the order of provincial ministers and the District Management Group<sup>58</sup> (Islam 2011). However, important changes were introduced in the following years by the passage of the 18th Amendment to the 1973 constitution which revived and strengthened the federal nature of the state with a series of structural changes favoring the devolution of power to lower tiers of the government. The most significant of these changes for decentralization would be the abolition of the concurrent list of joint federal and provincial authority and dissolution of federal ministries, devolving control of education, health, environment, population planning and local government and rural development, amongst others, to the provinces<sup>59</sup> (Dawn 2011). The second was the adoption of Article 140-A which made it mandatory for each province to establish a local government and devolve political, administrative and financial responsibilities to elected officials of local governments<sup>60</sup> (Ali 2015). While this was a positive step towards protecting local government constitutionally, the problem remained wherein it treats local governments as subjects of the province (and subject to their dismissal) and not as independent third tiers of the federation, as local governments are recognized in India after the passage of the 73rd and 74th constitutional amendments.

In spite of greater constitutional endorsement of the process of devolution all the way down to the local level, the creation of local government legislation was done reluctantly by local governments on the orders of the Supreme Court, which declared local government as indispensable to democracy in the country, especially after the institution of Article 140-A<sup>61</sup> (Dawn 2013). Despite the creation of local government legislation in 2013, and repeated Supreme Court deadlines to conduct elections for local government formation<sup>62</sup> (Yasin 2014), the government did not carry out the first round of local government elections in Punjab until November 2015 because of lack of agreement on issues of delimitation and authority to

<sup>58</sup> Islam, M. Z. (2011). *Development of Local Government in Pakistan: 1947-2011*. Lahore: Sangat Foundation.

<sup>59</sup> Dawn. (2011, June 28). Cabinet Approves Devolution of Seven Ministries. Retrieved May 20, 2017, from Dawn News: <https://www.dawn.com/news/640139>

<sup>60</sup> Ali, M. (2015). Decentralized Governance Initiatives in Pakistan: Post 18th Amendment Perspective. *Pakistan Perspectives*, 20(2).

<sup>61</sup> Dawn. (2013, July 6). Detailed judgment: Local bodies Vital for Democracy: SC. Retrieved May 20, 2017, from Dawn News: <https://www.dawn.com/news/1023135>

<sup>62</sup> Yasin, A. (2014, November 30). Local bodies elections in Punjab not on govt agenda. Retrieved May 20, 2017, from Dawn News: <https://www.dawn.com/news/1147880>

conduct election etc. However, these elections did not result in actual functioning local bodies and the most recent round of elections has taken place in December 2016, with the PML-N sweeping the polls, as it did in the 2015 local government elections in Punjab<sup>63</sup> (Samaa 2016). Independent candidates secured the second greatest number of seats with the PTI coming in at third place<sup>64</sup> (Javed 2017).

The structure of government put into place by the PLGA 2013 has two tiers, differentiated by population size and a rural-urban distinction. The union council or ward is the lower tier of government, both in rural and urban areas. Rural union councils are called “village councils” and urban union councils are called “city councils”. At the district level, in the rural areas there is a “district council” and in urban areas there is either a “municipal committee” for a population of up to 30,000 or a “municipal corporation” for a population of up to 500,000. For the Lahore district, it makes a “metropolitan corporation”, a status which can be extended to other urban areas upon the government’s discretion. In addition to this, at the district level there is the District Education and District Health authority for all rural and urban districts.

The LGO 2001 structure famously removed the rural urban divide in local governance and created a three-tier system of the union administration at the lowest level, the tehsil or town municipal administration at the tehsil level and the district or city district government at the district level.

In the PLGA framework, the metropolitan corporation takes on the rights, assets and liabilities of the City District Government and the Town Municipal Administrations. The District Council, Municipal Corporation or Municipal Committee takes on those of the City District Government, District Government and Town/Tehsil Municipal Administration which may have fallen into their respective areas. The Municipal Committee also takes on the rights, assets, liabilities of any Union Administration which may have fallen into its area, and the Union Councils in turn take on those of any Union Administrations which falls into their area. Interestingly, the District Health and Education Authorities take on the concerning rights and assets previously held by the City District or District government (Section 3).

<sup>63</sup> Samaa. (2016, December 22). PML-N sweeps polls for heads of local governments in Punjab. Retrieved May 20, 2017, from Samaa News: <https://www.samaa.tv/pakistan/2016/12/pml-n-sweeps-polls-for-heads-of-local-governments-in-punjab/>

<sup>64</sup> Javed, U. (2017, January 2). Devolution in Punjab. Retrieved May 20, 2017, from Dawn News: <https://www.dawn.com/news/1305816/devolution-in-punjab>

## Electoral Design

According to the amended PLGA 2013 the union council consists of directly, jointly elected Chairman and Vice-Chairman along with six elected members, one from each ward of the Union Council, as well as directly elected members on reserved seats. These include two women members, one peasant member, one youth member and one non-Muslim member (Section 12).

The district council consists of the chairmen of all union councils in the area of the district council, and reserved members elected by the chairmen including women members, peasant members, technocrat members, youth members and non-Muslim members. From amongst themselves, these members vote to elect the Chairman and Vice Chairman (men), as joint candidates, of the district council (section 14).

For urban local governments, the metropolitan corporation consists of all the chairmen of the union councils in the district as well as indirectly elected 25 female members, 5 worker members, 2 technocrat members, 2 youth members, 10 non-Muslim members. The municipal corporation also consists of the chairmen of its respective union councils while the municipal committee consists of the elected members of its wards, who then indirectly elect the reserved female, worker, technocrat, youth and non-Muslim members of the body. From amongst themselves, the metropolitan and municipal corporations go on to elect their own Mayor and Deputy Mayor, and the municipal committee elects its own Chairman and Vice-Chairman. Thus, at the district level, the indirect election principle is followed in both rural and urban districts.

The LGO 2001 also had a direct election principle at the Union Council level. The Union Nazims would become part of the Zila Council and the Union Naib Nazims would become part of the Tehsil/Town Council. All of the elected union council members, including those directly elected on reserved seats for women, peasants, workers and minorities would in turn serve as the Electoral College for the Zila Nazim’s, the Zila Council’s reserved, Tehsil Nazim’s and Tehsil reserved seats’ election.

Although both systems make use of a mix of direct and indirect elections, the LGO 2001 has a broader electoral college for the election of higher tier Nazims and reserved seats than just the Chairmen of Union Councils as with

the PLGA 2013's election of Mayor.

The use of indirect elections at the local level has been argued as being undemocratic in essence. Additionally, the use of a small union-membership based electorate for indirect election of nazims<sup>65</sup> (Cheema, Khan and Myerson 2015) or now an even smaller UC Chair electorate for mayors makes it easy to manipulate the outcome of the elections in favor of preferred candidates. This manipulation can take an ugly illegal face in the form of corrupt practices like vote-buying from easily identifiable and approachable UC chairmen. But this manipulation can also take the form of consolidating one party's monopoly over local government at all levels because of the fact that, once it has gained something of a majority at the union level, it will automatically have a greater presence at the district level and when electing reserved members and mayors of district government and will, thus, dominate opposition quite strongly. A good illustration of such consolidation and party domination is the fact that the PML-N's Mubashir Javed was elected Mayor of Lahore unopposed in December 2016 whereas the PTI, the second largest party in the province and the country, did not even field candidates for the 9 Deputy Mayor positions – all of which also went to the PML-N<sup>66</sup> (Dunya 2016). Additionally, having a direct election system at all levels would result in stronger mandates for the members of local government, which in turn would increase their leverage with higher tiers of government as well as promoting more popular participation in local government.

Another point of controversy in the design of the PLGA 2013 became the question of constituency delimitation and who had authority over it. Initially under section 8 of the legislation, union councils would consist of one or more revenue estates or census blocks such that the boundaries of one UC would not cross over into multiple district, municipal or metropolitan corporations and the populations of all UC's would be uniform. Districts were defined according to delimitation under the Punjab Land Revenue Act 1967. However, the opposition challenged the then government's ability to define the limits of local constituencies amidst claims of potential gerrymandering to benefit the PML-N and the matter was taken to court. In the judgment of

<sup>65</sup> Cheema, A., Khan, A. Q., & Myerson, R. B. (2015). Breaking the Countercyclical Pattern of Local Democracy in Pakistan. In J.-P. Faguet, & C. Poschl (Eds.), *Is Decentralization Good For Development? Perspectives From Academics and Policy Makers*. New York: Oxford University Press.

<sup>66</sup> Dunya. (2016, December 10). *PML-N's Mubashir Javed Elected Lahore Mayor Unopposed*. Retrieved May 20, 2017, from Dunya News: <http://dunyanews.tv/en/Pakistan/364879-PMLNs-Mubashir-Javed-elected-Lahore-mayor-unoppo>

the case<sup>67</sup> (Pakistan People's Party vs The Government of Punjab and Others), the court ruled that, according to Article 140-A and 219-D of the Constitution, the delimitation of constituencies and the creation of electoral rolls had to be done by the Election Commission and thus the government was left with no option but to amend the PLGA to reflect the election commission's authority over union delimitation and election preparation at the local level<sup>68</sup> (Shaukat 2014). However, the provincial government used this to delay elections further by not cooperating and neglecting to share data that the Election Commission needed for the delimitation exercise<sup>69</sup> (Dawn 2015), until the Supreme Court intervened again and in this back and forth of blame the election itself was delayed till the end of 2016.

A third aspect of the design which is perhaps more important than the others and seems counter-intuitive is the fact that the initial PLGA 2013 held that elections were to be held on a non-party basis and any party affiliation would render a candidate disqualified according to Section 27. While this might be perfectly rational for a military dictatorship wanting to undermine and keep competing parties out of the electoral power while patronizing an alternative class of collaborative local politicians, as was the case with all three previous iterations of local government; a party based government wanting to enforce the same appears like Gibson's hegemonic party in its suppression of competitors.

Nonpartisan local elections have always been used to keep competitors out of office while advantaging one's own favorites and creating essential links between the removed federal dictators and politics at the micro level. It is argued that this legacy of nonpartisan local politics has been very damaging for political culture and electoral competition thus weakening democracy as a whole<sup>70</sup> (Cheema, Khan and Myerson 2015). Due to sheer numbers, local politicians make up a wide pool of potential political talent, which should be allowed to actualize itself and be rewarded by progression from local to provincial and national level politics. However, this can't happen when the political parties which dominate politics at higher levels are entirely

<sup>67</sup> Pakistan People's Party vs The Government of Punjab and Others, PLD 330 (Lahore High Court 2014).

<sup>68</sup> Shaukat, A. (2014, October 28). *Local Government: Law Amended to Provide for Delimitation by ECP*. Retrieved May 20, 2017, from The Express Tribune: <https://tribune.com.pk/story/782143/local-government-law-amended-to-provide-for-delimitation-by-ecp/>

<sup>69</sup> Dawn. (2015, February 13). *Delay in Local Government Elections Irks Supreme Court*. Retrieved May 20, 2017, from Dawn News: <https://www.dawn.com/news/1163265>

<sup>70</sup> Cheema, A., Khan, A. Q., & Myerson, R. B. (2015). *Breaking the Countercyclical Pattern of Local Democracy in Pakistan*. In J.-P. Faguet, & C. Poschl (Eds.), *Is Decentralization Good For Development? Perspectives From Academics and Policy Makers*. New York: Oxford University Press.

removed from politics at the local level. Given that Pakistani parties are themselves highly centralized (ibid), their organizational structures don't extend down to the political grassroots – at least not to grant anyone office or status beyond that of party workers or to recruit fresh blood. So, nonpartisan local elections serve as a significant barrier to entry to higher level politics and thus may be a disincentive to participation in local politics. Additionally, when established party machines cannot associate themselves with the performance of candidates at the local level, and use that to bolster their perception and support, they grow indifferent and suspicious of local level politics in their entirety. Having local politicians with definite party identities also has informational and accountability benefits for voters, as parties hold party candidates accountable to avoid censure of the party by voters. The lack of entrenched political party presence at the grassroots also creates political vacuums which are exploited by non-democratic forces in the event of military takeovers.

In wanting to conduct nonpartisan local elections, the previous government may have sought to keep its political competitors and their party machines away from local government bodies, to eliminate any chance of them capturing local sources of patronage and undermining the PML-N's hold over politics in the province. Unfortunately for them, this stipulation was challenged in the Lahore High Court by the PPP, whose representation argued that nonpartisan elections would thwart the spirit of Article 140 of the constitution and the idea of devolving power in a party based political federation as well as undermine the right to political association and organization. The government argued that all previous local government reforms had stipulated nonpartisan elections, showing blindness to the authoritarian context of those reforms. It also argued that since local government is meant to perform executive functions on behalf of the province rather than act as an elected legislative body, it doesn't need to be politicized or carry a party identity. These arguments are indicative of the government's view of local government as merely an organ to carry out its own agendas rather than an avenue for extending democracy and accountability. The court however held that the fundamental right of political parties to contest elections extends to the local level, as well as Article 140-A requiring provincial governments to devolve political authority which cannot be secured in the absence of political parties in the local arena<sup>71</sup> (Pakistan People's Party vs The Government of Punjab and Others).

<sup>71</sup> Pakistan People's Party vs The Government of Punjab and Others, PLD 330 (Lahore High Court 2014).

It was also pointed out that local government, in its entirety or as a whole, is not meant to exercise executive functions, only the head of the government or the Mayor is the executive functionary. Most interesting perhaps is the court's observation that, due to the system of indirect election, party identity makes it easier for union council chairs to make informed voting choices and party affiliation makes their vote less likely to be influenced in an untoward manner (ibid). In the aftermath of this judgment, the PML-N had to amend the PLGA to reflect that local government elections, in a historic first, would be held on party basis.

On the subject of why the PML-N would want to hold nonpartisan elections, even though it was well-positioned to come out the victor (as it did in the 2015 and 2016 elections), one of the interviewees explained that the initial nonpartisan arrangement was a political ploy to buy time for the government. According to him, the PML-N government uses a tried and tested policy of delay for situations it cannot bend to its will. In this case, the initial local election timeline for 2013 or 2014 was also a time of political antagonism between the PML-N and its rival PTI in the wake of the 2013 General Elections. While the PML-N had emerged victorious in the national election, the PTI had established itself as a close second in hot pursuit. Having the local election in that environment might have led to undesirable outcomes for the PML-N, reminding the public once more of the PTI presence getting uncomfortably close, even if it lost at the local polls as it had at the national polls. Thus, the passage of the PLGA in a form that would obviously be challenged and judicially opposed by opposition parties, thereby delaying the event of local elections, would have bought the PML-N precious time even as the superior judiciary was pushing for the institution of local government post-haste.

Regardless of the PML-N's resistance to partisan local elections, the fact that it has been ordained as such is a positive step, which will hopefully stimulate political competition, encourage new entrants to politics, improve accountability and foster a culture of democracy at the grassroots as the process of local democracy is allowed to continue.



## Administrative Design

This part of the analysis will look at certain key aspects of the administrative structure established under the PLGA 2013 and associated legislation. This includes the balance of power between the elected local bodies and the provincial government and provincial bureaucracy; the range of powers and functions devolved to local governments and the accountability mechanisms in place.

The LGO 2001 was considered unprecedented in the degree of power and control that it devolved to the district government and below, making the elected Nazim the head of the District Government and the several provincial line departments that were devolved to it. The bureaucratic head of district government, the District Commissioner who had previously been the head of the District government was stripped of his many powers which included the executive magistracy powers under the Criminal Procedure Code, renamed the District Coordinating Officer – with a primarily coordinating function between district departments – and made answerable to the elected Nazim. The Executive District Officers (EDOs) for district departments were also made accountable to the Nazim. And while, the district police as a whole, with its investigative and prosecution functions was not subordinated to the Nazim, he was granted some authority over the District Police Officer<sup>72</sup> (Cheema, Khwaja and Qadir 2005).

The new local government setup unfortunately has seen a roll-back on this shackling of the ever-powerful civil bureaucracy and decentralization of power to an elected district head. More significantly, though, most of the elected government's actions at the district level and below are subject to the approval of the provincial government itself. This is illustrated most pertinently by the office of the Chief Officer, a bureaucrat appointed to every district level local government authority, including the metropolitan and municipal corporation and the municipal committee directly by the provincial government (Section 64). The Chief Officer is the Principal Accounting Officer of the Local Government, which the DCO was in LGO 2001. He also has responsibilities for coordination, human resource management, public relations, legal affairs and emergency services of the district level local body. The Chief Officer, most tellingly, has to ensure that all

<sup>72</sup> Cheema, A., Khwaja, A. I., & Qadir, A. (2005). Decentralization in Pakistan: Context, Content and Causes. Harvard Kennedy School Faculty Working Paper Series, 1-41.

actions of the local government are in line with the “policies and oversight frameworks” of the provincial government. In a way, the Chief Officer is a rebranded form of the DCO under LGO 2001, except, rather than being accountable to the elected head of the district government, the Chief Officer is beholden to the powerful provincial government who retain the power to appoint and transfer him. The interviews conducted also suggested that on the ground, the Chief Officer would bear the primary responsibility for the functioning of the local government.

The second major change to the balance of elected and bureaucratic power at the district level has been made by the passage of the Civil Administration Act 2017. The act revives the office of the District Commissioner and Deputy Commissioner (DC), who are to be in charge of the administration and coordination of all departments at the division and district level respectively and subject to the control of the provincial government (Section 3 & 4). The act also allows for the making of “coordination committees” by the provincial government, consisting of heads of local government, provincial government and district administration to carry out governance and service delivery functions at the district or tehsil level. The DC is also given review and inspection powers over all offices and public services in his jurisdiction, and the prerogative to require the officers-in-charge to take corrective measures or be reported to the provincial government. The DC is also intended to oversee public order, grant permissions for public processions and gatherings, and be in charge of all public properties and use of public space in the district (Sections 14-17). The District Police is to assist the DC as needed, while the local government bodies seem to occupy only a peripheral role in this system of district administration.

While the executive magistracy powers of the DC under the Criminal Procedure Code have not been revived, Section 19 gives the DC powers of enquiry in relation to any complaint or “receipt of information” of maladministration or neglect, over all offices and public facilities in the district. To redress this, the DC has the power to take any legal action and is imbued with “all the powers of a Civil Court under the Civil Procedure Code 1908” to facilitate an inquiry.

While the Act itself states that public facilities and offices of the local government are exempt from the purview of the DC, it is undeniable that this act creates a parallel system of bureaucratic governance at the district and

tehsil level, headed by the provincial government. Upon the discretion of the government, developmental functions may be assigned to whichever entity the provincial government deems suitable. Given that the PML-N government has a constant interest in centralizing control over sources of patronage and keeping it away from the hands of its political competitors, it stands to reason that the DC led bureaucratic administration will occupy a more prominent role in future development.

Additionally, the provincial government still retains the power to dissolve local governments before the end of their term and replace them with bureaucratic administrators (Section 126).

A second important assessment of the extent of administrative decentralization is to look at the range of functions and services which have been devolved to the local government bodies. Here I will argue that the provincial government has been aware of the importance of the services usually devolved to local governments as sources of local patronage and was thus extremely hesitant to devolve them to the local level, where they may be captured by competing parties or allow local politicians to cultivate independent bases of support and become a challenge for PML-N.

The LGO 2001 famously devolved a significant extent of key provincial departments to the District government, headed by the Nazim along with the respective Executive District Officers of the relevant departments. These included the agriculture, public works, health, education, literacy, commerce, law, environment, community development, information technology, revenue and planning departments<sup>73</sup> (Islam 2011). This was a drastic extent of decentralization, albeit done to serve the central government's aim of sidelining provinces as administrators and the extent of devolution varied from department to department<sup>74</sup> (Cheema, Khwaja and Qadir 2005)

Under the PLGA 2013, the District Chairman or the Municipal or Metropolitan Mayor is the indirectly elected executive head of the district government, and the union councils falling within. The dominant role of the Chief Officer has already been discussed above. The union councils and different district authorities perform a range of functions listed in Sections 71-90 and have a range of powers described in the Eighth Schedule of the

<sup>73</sup> Islam, M. Z. (2011). *Development of Local Government in Pakistan: 1947-2011*. Lahore: Sangat Foundation.

<sup>74</sup> Cheema, A., Khwaja, A. I., & Qadir, A. (2005). Decentralization in Pakistan: Context, Content and Causes. *Harvard Kennedy School Faculty Working Paper Series*, 1-41.

PLGA and while they cannot all be listed here in detail, I will broadly outline what they are.

The union councils are meant to approve union budgets, nominate members of the Panchayat or Musalihat Anjuman (a local body for dispute resolution), provide and maintain public ways, roads, streets, gardens, lighting, graveyards etc. and oversee public plantation, water-supply management and sanitation, cattle management, libraries and similar services. Another important function is that they are to control land-use, zoning, land development and manage encroachments.

District Councils also perform similar functions at the district level overseeing land use and planning, public ways, parks, water supply and sanitation, regulating trade, managing animals, enforcing municipal laws and undertaking developmental activities.

The metropolitan and municipal corporations perform and oversee similar functions broadly, with additional responsibilities therein concerning land-use, zoning, and approval of master plans for industrial, agricultural, commercial and private residential use. Importantly, they also approve plans for public transport, mass transit, and infrastructure. They are responsible for environmental management; implementing rules and bye-laws for land use, housing, markets, zoning, environment, roads, traffic, taxes infrastructure and public utilities. They also oversee water supply, solid waste management, parks and horticulture, public ways, regulate trade and markets, issue licenses, maintain public databases and municipal records and collect approved taxes among other functions. The district bodies also propose future developmental plans and agendas for the district.

It is evident that myriad opportunities for the dispensation of small to medium, and even large in the case of bigger metropolitan and municipal areas, patronage arise from the control of these functions. But it is also evident that these functions devolved under the PLGA 2013 are nowhere near as comprehensive or vast in their reach as those devolved under the LGO 2001 and even where functions are devolved, there are caveats present such that the province does not lose control over anything too important to its own agendas.

This is illustrated by the conspicuous lack of devolution of healthcare and

education. While the PLGA 2013 addresses the administration of health and education, it does so by constituting District Health and Education Authorities (Section 17) consisting of a provincially appointed Chairman and Vice-Chairman as well as technocrats with relevant experience. The province would also appoint a Chief Executive Officer to serve as the principal accounting officer. There are also token indirectly elected members from district level local bodies but by and large these authorities are responsible for district level provision of health and education and work under the budget and instructions of the provincial government.

Even in the case of areas which have been devolved such as water works, sanitation and land use control, the municipal committee and municipal and metropolitan corporations may outsource or assign any of its functions to an authority, agency, person or company on a contractual basis. This again creates an avenue for political manipulation to make local governments give up functions to third parties as it may suit the ruling party. Especially, in the Metropolitan Corporation of Lahore the Land Development Authority (LDA), the Lahore Solid Waste Management Company, the Water and Sanitation Agency, the Park and Horticulture Authority all continue to perform the function of the local government bodies. In the Rawalpindi Municipal Corporation, the Water and Sanitation Agency is responsible for water-related matters, Parks and Horticulture Authority for parks and greenbelts and Rawalpindi Municipal Waste Company for sanitation. Section 87 of the PLGA even makes an exception for Parks and Horticulture Authority to retain its functions independent of the local bodies. This is of course presented with the reason that these corporations can provide verifiably better service delivery than local or district governments can. Which in turn begs the question of why these government departments can't be "fixed" to enable better service delivery by removing perverse incentives such as having extremely bloated public enterprises to provide employment and other benefits to the state's clients. Additionally, the PLGA provides for the constitution of "Urban Improvement Committees" which are to oversee developmental projects which are presented by the province.

This blatant usurpation of local government bodies' powers by the provincial government was taken up in the Signal-Free Corridor case in 2015 where it was pointed out that the development of this infrastructural scheme landed within the purview of the Lahore Metropolitan Corporation's (LMC) power and thus the provincial government and the LDA could not proceed with it

unilaterally under PLGA 2013. The Lahore High Court, in a landmark judgment found that the LDA in fact violates the jurisdiction of the LMC and the provincial government does not have the authority to carry out development projects without the approval of relevant district level local body. Had this decision been upheld, it would have landed a huge blow to the PML-N's ability to do its politics in Punjab and especially in Lahore, which relies upon grand developmental schemes of the mass-transit and infrastructure variety, and established local government as a political force to be reckoned with<sup>75</sup> (Mehboob 2016). Unfortunately, this decision was overturned by the Supreme Court later.

The PLGA 2013 also constitutes a Punjab Local Government Commission (Section 122) which is made up of the provincial minister for local government, members of the Punjab Assembly, technocrat members and the secretary of the local government and community development department. This commission has oversight, inquiry, audit, consultation and dispute resolution powers over local government bodies, thus being another avenue for provincial control of local bodies.

All in all, the current administrative design of the PLGA 2013 aims to concentrate as much power, and as many avenues for patronage, as possible in the hands of the provincial government and its bureaucracy, not devolving even a single provincial line department to the elected district or local level, rather re-provincializing or re-centralizing pretty much all (11 out of 13 departments even if one falsely assumes that health and education have been devolved) the power that had been given out to local governments by the LGO 2001. This is especially significant since the passage of the 18th Amendment has made the province responsible for a lot more subjects, thus some transfer from the provincial to the local level would only have been the logical next step. Even where powers are devolved there is a distinct lack of clarity and competing organizations which have overlapping functions with the local government continue to exist and operate under the wing of the provincial government.

<sup>75</sup> Mehboob, A. B. (2016, December 27). Give LGs A Chance. Retrieved May 20, 2017, from Dawn News: <https://www.dawn.com/news/1304711>

## Fiscal Design

The degree of fiscal independence of a local government is the true litmus test of the success of any decentralization effort. The more independent a local body is in its budgeting and revenue decisions, the more robust it is considered to be in its functioning and its ability to represent the wishes of its constituents, free from distorting influences. However, fiscal independence is also the biggest challenge to successful decentralization in the developing world, given that there is a constraint of funds at all levels of government. Decentralization efforts in Pakistan have also been marred by the inadequacy of funds for the local level.

The LGO 2001 made a significant break from the past in the arena of fiscal decentralization as well by establishing a system of rule-based transfers from the province to the local government in the form of the Provincial Finance Commission (PFC) Award. This divided the Provincial Consolidated Fund between the province and the local governments and made non-lapsable transfers to the latter. Each local government had one fund which contained the transfers received from the PFC Award as well as revenue generated by the local government from its own sources<sup>76</sup> (Zaidi 2005). The LGO also abolished the Octroi and the Zila taxes, which had been major sources of revenue for local bodies previously and instead replaced them with the local government receiving 2.5% of the general sales tax in the province. In addition, the local government was given the ability to determine the rate and levy taxes on local assets and services, such as health and education and the urban immovable property tax – which usually constitutes the majority of own source revenue. Own source revenue however remained quite deficient as compared to the inflows from provincial transfers. The urban property tax was collected at the provincial level and 80% of it was transferred to the tehsil administration<sup>77</sup> (Peterson 2002).

The Budget for the local government was to be made by the bodies themselves, with assistance from the EDO's of different departments and approved by the district or union level body in general attendance.

<sup>76</sup> Zaidi, S. A. (2005). *The Political Economy of Decentralisation in Pakistan: Transversal Theme - Decentralisation and Social Movements. Working Paper 1.*

<sup>77</sup> Peterson, G. E. (2002). *Pakistan's Fiscal Decentralization: Issues and Opportunities. World Bank Draft.*

Under the PLGA 2013, the budget (Section 104) of the local government is to be made keeping grants from the government and the provincial allocable amount, as well as other estimated sources of inflows and all expected outflows in calculation. The budget must keep planned expenditures below planned inflows, otherwise it would not pass. This essentially means that no local government can ever run a deficit as it would be brought to a halt until its inflows equal its spending. The budgets for the respective union council and district level bodies will be made under the leadership of the respective body's Chairman or Mayor and passed by the general membership of the body with a simple majority. However, the provincial government retains the power to review the budget and to ask for changes to be made to it. In case a local government does not make a budget within the given time frame, the provincial government will make the budget for it.

The local government is to have two broad sources of fiscal revenue, transfers made by the government from the Provincial Allocable Amount also called the Finance Commission Award and own revenue generated from taxes and service provision. There is also a provincial grant made in lieu of the abolished Octroi and Zila tax and consists mostly of indirect tax revenue from the collection of General Sales Tax by the province. Additionally, the province reserves the discretion to make a "grant-in-aid" to a local government, independent of the PFC Award. Given the discretionary nature of this grant, it could plausibly be used for preferential and patronage based spending by the provincial government in select local constituencies to further its political ends. The Provincial Finance Commission, consisting of the provincial ministers for finance and local government along with the provincial secretaries for finance and local government, finance experts and members of the provincial assembly are to devise the amount of money to be transferred to local governments in a given financial year. The award is to be devised on the principles of population, backwardness, need and performance of a local government.

The major source of own source revenue for the local governments is tax levied on immovable property within the jurisdiction of the government, along with smaller sources such as tax on maintenance of public works, advertisement, entertainment and sale of animals. In addition to this they generate some revenue from levies on water, sanitation, tolls, licensing fees, market fees parking fees and approval fees. Even though local bodies have the tax collecting authority over these taxes, they lack the infrastructure and

capacity to collect most of these taxes themselves which is why the provincial department for excise and taxation carries out the collection process. Thereafter it keeps about 10% of the revenue for itself and passes on the rest to the relevant local government. Thus, even for the collection of own revenues the local governments are dependent on infrastructure and departments controlled by the province, thus leaving room for all sorts of political obstruction and delays.

The Interim Provincial Finance Commission Award was released in early 2017 and is to last till June 2017 and then be replaced by the actual PFC Award. According to the provincial government, the award is unprecedented in the amount of funding - Rs.337.5 billion - that is being transferred to the local governments despite the fact that most departments have been re-provincialized. It creates a rule-based system of transfers whereby money flows from the province down to the district level and is spread between the districts. The award puts into place three types of grants, the general-purpose grant with 82% of the resources, the development grant with 11% of the resources and transition grant with 7% of the resources. The inter-district distribution of general and developmental grants is weighted according to population, poverty, expenditure needs and cost of service delivery<sup>78</sup> (Malik 2016).

It is interesting that of this “unprecedented” fiscal transfer to local government, 66.9% will go to the District Health Authority and 16.3% to the District Education Authority, both of which are not really under the ambit of any elected local government. The remaining 12.4% goes to local district councils and 4% to union councils for their functioning (Jamal 2017). Thus, the share of local governments proper, if one excludes the health and education authorities, remains rather paltry, especially if seen in contrast with the estimated Rs.12 billion that is paid to private contractors for cleaning in Lahore city alone (according to a Local Government and Community Development Department source). This would support the fact that local governments believe this allocation to be biased and inadequate, while apparently very generous.

Administrative hurdles aside, local government bodies can never truly be free of the high degree of power wielded over them by the provincial government as long as they are dependent on the province for financing, and

<sup>78</sup> Malik, M. (2016, December 31). *Local Councils to Get Rs.391 Billion In Current Fiscal Year*. Retrieved May 20, 2017, from Dawn News: <https://www.dawn.com/news/1305539>

in this case even for the collection of its own revenues. Although, given the number of other political hurdles it faces, good fiscal practice might seem like shooting for the stars in the current setup – there needs to be serious consideration given to allowing local governments more fiscal control. City governments in other parts of the world have their own credit ratings, and the ability to borrow from banks and mutual funds as well as issuing municipal bonds to finance spending, granting them a fair degree of independence from provincial governments. These are only some of the avenues which can be considered with the overall intention to fiscally emancipate local governments.

## Conclusion

Local government elections held over November and December 2016 led to the PML-N sweeping the election, and securing an overwhelming majority of Chairman, Vice-Chairman, Mayor and Deputy-Mayor seats throughout Punjab. According to some accounts the election was largely contested only by members and affiliates of opposing factions of the PML-N. Independents had the second largest number of seats, many of whom were later coopted by PML-N elects, and the PTI came in third – performing even worse in the later indirect stages of the election as the PML-N vote got consolidated. These results make sense if one looks closely at the electoral, administrative and fiscal arrangements created by the PLGA 2013. While these institutions are historically unique by virtue of being Punjab's first democratically devised local governments, a closer look illustrates the degree to which they are captive to the provincial government and its political agendas.

While the average local constituency voters might not be aware of the mind-numbing details hidden deep in complicated legislation which make it such, they do know that local governments are beholden to the party in power in Punjab. And that if they are to receive access to adequate water, sanitation, road maintenance, district level jobs or health facilities – either as individuals or as groups- then, in a closely monitored local environment, they should just vote for the PML-N candidate most likely to be able to deliver these services and amenities. And even if they don't, they should definitely not vote for an opposition candidate who will actively be locked out of patronage networks by the provincial government or vote in a local government opposed to the PML-N, which wouldn't stand a chance against the province's administrative and fiscal dominance. The PML-N as an established force in Punjab's patronage based politics also knows the importance of monopolizing these patronage networks which go all the way down to the voter's doorstep. And thus, we see the patronization and recentralization of decentralization play out in Punjab. This is a shame because given the sheer size and population density – the horror of which is revealed in the census results of Punjab, if the government could stop viewing local bodies as its executive stooges, it could usher in a new era of strengthened democracy and accountable development.

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