



Research Article

# Tracing the tapestry: A comprehensive chronicle of local governance evolution in Pakistan

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## ABSTRACT

Local governments are important for several reasons, e.g., they offer tailored solutions, quick responses to local problems, and efficient resource allocation. While the effectiveness of local governments is evident, successful outcomes depend on factors such as institutional capacity, financial resources, and supportive national policies that enable local autonomy and governance. This research study has examined the importance and rationale of decentralized local governments. Further, this research paper has reviewed the local government system in Pakistan and discussed the merits and demerits of the adopted local system in different regimes.

**Keywords:** *Local Government; History; Evolution of Local Government in Pakistan*

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## 1. WHY DECENTRALIZED LOCAL GOVERNMENTS?

There are various rationales for decentralized local governments which are discussed below;

### 1.1. POLITICAL RATIONALE

Elected local governments can serve as instruments of popular political education where people can learn about their privileges and obligations in a democratic society. Decentralized local governments are political nurseries where leadership for effectively shouldering higher government responsibility can be developed. Higher governments may have a genuine desire to move closer to their citizens and provide a citizen-centered government. A decentralized local government with authority and resources to effectively provide locally demanded services and infrastructural and social sector improvements, with regulatory controls regarding attainment of minimum national standards vested in the central government, may be the best option in this case. Most decentralization reform in the OECD has taken place along these lines (Bouder, 2001; Davey, 1996). During and after the state-led centralized development planning of the 1960s in developing countries, investments in widely distributed and relatively simple forms of public services like primary health and education, water supply and sanitation, road and street construction, etc. have been undertaken by decentralizing the planning and execution of projects to varying degrees (Blair, 2000; Davey, 1996). Rural and urban development have been undertaken



through different forms and degrees of decentralization in Pakistan since the 1950s, although local development has not been the main purpose of decentralization.

## 1.2. ECONOMIC RATIONALE

Two economic rationales for decentralization are usually quoted in the literature: allocative efficiency and production efficiency (Crook & Manor, 1998; Davey, 1996; Shah, 2006). According to criteria of allocative efficiency, decentralized local governments can most accurately allocate public resources to local needs and will be most inclined to do so because of the principles of proximity and choice. The principle of proximity states that by being nearest to the intended consumers of local services and beneficiaries of local development, decentralized local governments will have the best and most accurate knowledge about local conditions. The proximity of allocative choice and resource use to the final consumer improves efficiency and minimizes waste (Davey, 1996). It means that decentralization will lead to variations in preferences for services and local development in different local jurisdictions. However, the principle of choice suggests that allocative efficiency may not be achieved through decentralization if the bulk of local revenue represents transfers from higher-level governments. This is because local choices made about services produced and rendered or infrastructural improvements carried out will not face the population in that local jurisdiction with financial consequences or personal costs associated with those choices. The greatest incentive for local resource use efficiency occurs when users of the resources are faced with the financial consequences of the spending choices they make, i.e., the number and level of local services produced and delivered are funded by locally levied taxes, fees, user charges, etc. While allocative efficiency can be partially achieved through deconcentration or delegation forms of decentralization, where a higher government department can identify local choices with some degree of accuracy through its local offices or separately appointed agents, it is at once clear that high degrees of allocative efficiency are only possible through devolution or democratic decentralization (Blair, 2000; Davey, 1996; Shah, 2006).

The other economic rationale for decentralization is production efficiency. It rests on the concept of local accountability. Decentralization will reduce the cost of producing services or executing local development projects because public funds will be spent more judiciously and scrupulously under close scrutiny at the local level. Elected local representatives will be closely monitoring the utilization of public funds through local officials or private contractors; there will be more transparency and local access to public records in a decentralized system, thus leading to lesser chances for corruption or misuse of funds. Again, while some degree of local accountability is possible under deconcentration and delegation of powers through structural mechanisms like public disclosure and transparent audit and accounting procedures, a high degree of local accountability can be assured through a democratic local governance system operating under the aforementioned conditions (Blair, 2000; Davey, 1996; Rondinelli et al., 1989).

### 1.3. SOCIAL RATIONALE

Closely related to political and economic reasons for decentralization, there are some social purposes of decentralization well documented in the literature. Probably the most important social rationale for decentralization is equity and justice (Bardhan, 2002; Rondinelli et al., 1989). Based on the principle of proximity, it is argued that local governments have the most accurate knowledge about the intra-regional and inter-group disparities within their territorial and political jurisdictions. Consequently, empowered and resourceful local governments are in the best position to reduce these disparities by introducing local redistributive policies resulting in different measures like universal literacy, primary education and public health campaigns, political awareness campaigns, variable property taxes, and local rental rates in the form of income and local development gaps, etc. (Bardhan, 2002; Crook & Manor, 1998; Rondinelli et al., 1989). Land reforms alone can bring about a substantial change in the socio-economic class distribution in developing countries (Bardhan, 2002). Democratic decentralization entails participatory accountability mechanisms like public hearings, local adjudication bodies, public monitoring committees, local ombudsman, audits and accounts committees, etc., which can promote justice and fairness at the base of society (Bardhan, 2002; Blair, 2000; Ribot, 2002). In conflict-ridden, ethnically heterogeneous societies, decentralization is also used as a strategy for diffusing social and political tensions and promoting social cohesion by allowing varying measures of local autonomy (Bardhan, 2002; Davey, 1996).

## 2. LOCAL GOVERNMENT REFORMS IN PAKISTAN

Different reforms have been introduced and implemented to strengthen the local governments in Pakistan. After independence in 1947, Pakistan adopted the model of local government that was inherited from British colonial powers (Ahmed et al., 2012) and little attention has been paid to responding to the needs of the community (Malik & Rana, 2019). In the beginning, the members of the local government were not elected, and if elections were held, then they took place through a limited franchise (Waseem, 1989). The military has dominated the state ever since the 1950s, when the military and civil bureaucracy first became centralized and in charge of the state (Jalal, 1997). The major decentralization experiments are conducted by the military in Pakistan (Malik & Rana, 2019).

### 2.1. LOCAL GOVERNMENTS DURING 1959-71

In 1958, General Ayub Khan introduced the first local government system in Pakistan. Though the "Basic Democracies Ordinance" was enacted, a new local government was established and a higher-tier of elected government was dissolved (Musarrat & Azhar, 2012). The main reason behind such a local government system was to cultivate pro-military leadership at the local level and control the center. Therefore, the Basic Democracies Act of 1959 did not empower democracy (Friedman, 1960).

Later, General Ayub Khan introduced the "Municipal Administration Ordinance, 1960" (MAO), which had four tiers. The lowest tier of the local government was the union council,

which consisted of elected members. These union council members then elected the chairman. The elected members also elected some members indirectly, and a few members who were nominated by the government consisted of the higher tier of the local government (Batool, 2014; Malik & Rana, 2019). Following the legacy of colonialism, the local government was under the bureaucracy's control and was not independent. The main objective of introducing local government was mainly to provide legitimacy to the 1962 Constitution, which enables the military to take control of the state through the office of the president (Cheema et al., 2005).

## **2.2. LOCAL GOVERNMENTS DURING 1977-88**

The military again took control of the state under the leadership of General Zia-ul-Haq by removing politically elected Prime Minister Zulfikar Ali Bhutto in 1977. During the military regime, the local government system was again revisited, and the Local Government Ordinance (LGO) of 1979 was introduced, which remained operational until 2000 in Pakistan. General Zia-ul-Haq suspended the 1973 constitution and implemented the most coercive and centralized state apparatus through the imposition of martial law. The local government system remained operational under the direct control of the military and in the absence of provincial governments. The local government elections were held in all provinces on a non-party basis (Batool, 2014; Cheema et al., 2005).

The main objective of introducing the new local government system in Pakistan was to legitimize military rule through selected politicians (Jalal, 1997). Despite the fact that much importance was given to local governments during both military regimes, no effort was made to strengthen the local government. Instead of empowering the local government system through constitutional protection, steps were taken to strengthen military rule and maintain centralized control over local governments (Malik & Rana, 2019).

The local government system under the military regime followed colonial policy, i.e., the rural-urban divide. For example, Ayub Khan increased the rural development budget to gain political support from the elite in rural areas. During the first military regime, significant urban bias existed in provincial and federal governments (Ahmed & Amjad, 1984). During the military regime of Zia-ul-Haq, the urban-rural regime still existed, and the urban councils did not share their resources with the rural councils. The reason behind this privilege was to accommodate the interests of the political class that participated in the anti-Bhutto movement and serve the interests of Zia-ul-Haq. It was high time to pay back and safeguard the interests of the political class that worked for the military regime. The interests of that political class were served by keeping the urban-rural divide and by giving them control and funds, and in return, the interests of the military regime were served.

The non-party election-based local government system had a significant impact on Pakistani politics. As a result, the candidates were not able to mobilize people based on any political ideology. Consequently, the candidates who participated in the election mobilized people based on their cast, and the personal interests of the people were served in the absence of political ideology. In this situation, the loyalties of the people were developed around their personal interests, and such loyalties ultimately strengthened the politics of

patronage. Zia-ul-Haq revived the Constitution of 1973, and it was significantly amended through the 8th Constitutional Amendment in 1985. As a result of this amendment, a quasi-presidential government was formed, which helped establish indirect military rule (Batool, 2014).

The experience of non-party elections produced a political elite that was later elected as members of the national and provincial assemblies and had only experience to safe guard their personal interests and how to exploit people to gain political mileage (Noman, 1990). These newly elected members of the national and provincial assemblies started using development funds for their personal promotion as a tool to be re-elected in the next election instead of utilizing development funds according to the needs of the respective constitutions and communities (Wilder, 1999). In this situation, a conflict was raised between representatives of local councils and provincial politicians. The provincial politicians started considering representatives of local councils as their competitors on the issue of development funds (Wilder, 1999). This conflict even existed after the death of Zia-ul-Haq in 1988 due to a weak political system. The political parties never made any promising efforts to strengthen the local government system.

### **2.3. LOCAL GOVERNMENT ORDINANCE, 2001**

Martial Law was again imposed in 1999 by removing the political government in Pakistan. Once again, a new local government system was introduced in Pakistan under the name of the Local Government Ordinance (LGO) of 2001, with the objective of decentralizing power and authority. The LGO of 2001 was remarkably different from the previous local government systems, and therefore, it requires a close examination. The LGO of 2001 completely restructured the local government system. The powers of the previous local government were limited, and most of the functions were the responsibility of the provincial line departments (Batool, 2014; Cheema et al., 2005). The local government system at the district and sub-district [Tehsil (Town) and Union Council] levels was created under LGO 2001. One major difference between LGO, 2001, and previous local government ordinances is that it eradicated the rural-urban divide and established the local government system at three different tiers, i.e., district council, tehsil council, and union council (Batool, 2014). The voters directly elected Nazim and Nain Nazim of the Union Council, and they became members of the district and Tehsil Council, respectively. This ordinance also removed the hierarchical relationship between provincial and local governments, and the local governments were directly linked with the office of the President. The quasi-civilian government was again formed in 2002 through a presidential referendum, and as a result, General Pervaiz Musharraf was elected as the head of the state. The military sponsored politicians again to safeguard the interests of the military by forming an alliance under the banner of the Pakistan Muslim League Quaid-e-Azam (PML-Q) and forming the federal and provincial governments. As a result, the local government remained under the control of the central government.

One main distinction between LGO 2001 and previous ones is that financial, administrative, and development powers were given to the elected members of the councils, while at the same time all other departments became accountable to the district councils. The office of

the Deputy Commissioner was replaced with that of the District Coordination Officer (DCO) under LGO 2001. DCOs were legally and administratively subordinated to the District Nazim (Batool, 2014). Another major milestone in LGO in 2001 was the development of the Provincial Finance Commission (PFC). The basic purpose behind PFC was to provide an institutional framework that could allocate resources between local governments and provinces. Previously, there was no mechanism for the allocation of resources between provinces and local governments, and the National Finance Commission (NFC) was responsible for providing an intuitive framework for the allocation of resources between provinces and federal governments. 33% of seats in local government were reserved for women in the LGO in 2001 in the name of empowering women. Different committees were constituted to monitor the work and improve the performance of the government departments. District Monitoring Committees (DMC) were constituted to monitor the performance of the government departments. Citizen Community Boards (CCB) were constituted with the objective of empowering citizens by increasing their participation in designing and monitoring development projects. Citizen Police Liaison Committees (CPLC) were constituted to protect civil rights and promote the rule of law (Hasnain, 2008).

The LGO of 2001 also had several similarities with the earlier local government systems. E.g., local government elections were conducted on a non-party basis following the legacy of previous military regimes. This decision had badly affected politics at the local level, and it helped the politicians work for their personal interests. Politicians also divided people based on their caste, which polarized society. The LGO of 2001 was implemented through a Presidential Ordinance until 2009, but no permanent constitutional cover was provided to the local government system. Fiscal decentralization was implemented in LGO in 2001, but unfortunately, the planning of the budget was still in the hands of the bureaucracy, which did not produce the desired results. The DCOs and other bureaucrats appointed by the provincial government were responsible for preparing the budget, and District Nazim was only responsible for proposing the prepared budget to the local council for approval.

#### **2.4. LOCAL GOVERNMENTS SINCE 2010**

The 18th Amendment was introduced by the political government of the Pakistan People's Party (PPP) after the dismissal of Musharraf's government in 2008. The constitutional restriction to amend the LGO, 2001, expired in 2009, and provinces got an opportunity to legislate the local government system of their choice. As a result of this, different provinces decided to opt for different structures according to the needs of the government. The provincial assembly of Baluchistan passed the "Local Government Act" in 2010. The other provinces, Punjab, Khyber Pakhtunkhwa and Sindh passed "Local Government Acts" in 2013 as well.

In these acts, limited autonomy regarding revenue, control over service delivery, tax, fiscal management, and the police department has been provided to the local councils. However, some service delivery functions are decentralized to local councils but still remain under the control of large entities, e.g., the Sindh Building Control Authority, Solid Waste Management (SWM), Karachi Water and Sewerage Board, and Lahore Development Authority (LDA). They also had administrative control over health service delivery and

education. One important drawback of all these acts is that they subordinated the local governments to provincial governments. For example, the Chief Minister is allowed to dismiss the head of the council or even the local government, and after that, he may appoint officeholders. One major distinction between these acts introduced by political governments and previous local government systems of military regimes is that these acts allowed party-based elections of local governments. However, the provided laws were too submissive to provincial governments and restricted in their reach, offering no true "democratic ethos at the very heart of the concept of local government". Political governments were not able to establish a strong local government system. One major reason behind the weak local system was the interest of the provincial governments to keep the development funds under their control so that they could use them for their own political interests. This has emerged as a result of lengthy decades of military control that have destroyed political parties, systems, and democratic political cultures, making it difficult to bring about real change. The dissident voices of politicians were forcefully silenced, and politicians who were pro-military were promoted. Effective use of local governments helped achieve this goal (Malik & Rana, 2019).

The new political government of the PTI was formed in August 2018, after the election. The new political government suspended the local government system in provinces controlled by PTI instead of strengthening the system and followed the foot prints of the military regime. The political government of the PTI introduced the Local Government Act (LGA) of 2019 in Punjab. The LGA of 2019 dissolved the existing local government system, and the Punjab government had until April 2020 for new elections under this act. The rural/urban divide was again introduced in LGA in 2019. This act has set up metropolitan, municipal, and town corporations and committees for urban areas and tehsil councils for rural areas. In a clear departure from earlier local government regimes, the head of each local government will be directly elected by the people. The elected head will have a cabinet to assist him in the discharge of functions (an extensive list [including education, but excluding healthcare] provided in Schedules 3, 4, and 5) by a set of councilors and professionals as specified in the 4th Schedule to the Act (see Section 19 in the Local Government Act of 2019). In another significant departure from the past, the councilors will be elected on a closed-list proportional representation basis. Thus, elections will be held on a political party basis, and each party will provide a list of its candidates. The formation of panchayat and neighborhood councils for rural and urban communities, respectively, is another distinctive aspect of the new local government system. These are intended to be local forums that promote democratic involvement at the basic levels of a community. According to the Act, these forums have no inherent authority or responsibility, but the local government has the authority to give or delegate any task to these forums. In other words, if the Metropolitan/Municipal Corporation or a Tehsil Council decides to engage the other institutions. The engagement of the institutions with local government depends on the pressure they can exert on higher forums. However, Pakistan's history of devolution does not inspire any hope. Each governance layer wants the top tier to distribute authority but is hesitant to do the same to lower levels, as historical experience dating back to the 1950s has revealed.

By explicitly requiring local government to follow provincial instructions, the new act upholds the provincial government's supervisory role. This supervision specifically includes matters related to finance. This requires the Chief Officer of every local government to send every estimate of receipt and expense to the provincial government for prior approval in accordance with Section 137. If a local government's decision or activity is found to be "prejudicial to the public interest," the provincial government may suspend the resolution or cease the action (see Section 228 of the Act). The Act also gives the Minister, Secretary, or any other functionary they designate the right to attend (and speak at) any local government meeting.

The Act also calls for the establishment of a new institution named the "Inspectorate of Local Governments," whose sole responsibility is to oversee, monitor, and evaluate local governments. This inspectorate must thoroughly inspect each local government at least once a year, and it may do so as often as necessary. These inspections are an addition to the standard audit procedures that are currently in use. In a way, all of this undermines the devolutionary principle by placing local government under the control of the provincial government in both implementation and policy. The new local governments, in contrast to the LGO 2001, will neither be "governments" nor have a strong, independent funding source or stream to help them with their plans.

### **3. CONCLUSION**

The history of the local government system in Pakistan is characterized by phases of centralization and decentralization, which are reflective of the changing political environment of the country. A centralized administrative structure was initially implemented by Pakistan when it gained independence in 1947. This structure was inherited from British colonial governance. When it came to local governance, the presence of bureaucratic institutions was a defining characteristic, and local authority was severely restricted. In 1959, during the reign of Ayub Khan, a democracy system known as Basic Democracies was implemented with the intention of decentralizing power. The system of basic democracies was condemned for being an instrument of central control, despite the fact that it incorporated indirect elections at the grassroots level during its implementation. Over the course of Zulfikar Ali Bhutto's tenure as Prime Minister, the system of local government underwent a number of transformations, including the establishment of elected bodies like Union Councils.

But in 1977, a military coup brought an end to Bhutto's rule and brought it to an abrupt end. During the administration of General Zia-ul-Haq, power was centralized, which restricted the role that local government organizations could play. The municipal government system that existed during this time period was characterized by officials who were appointed rather than representatives who were elected. During this time period, elected administrations experimented with a variety of models of local governance, yet the system continued to be susceptible to political instability and upheavals.

It was in the year 2000 that General Pervez Musharraf presented the devolution of power plan, which had the objective of decentralizing authority and giving local governments



more autonomy. District governments, Tehsil municipal administrations, and union councils with elected representatives were all components of the system. Changes were made to the structure of the local administration by successive civilian governments, which resulted in variances amongst the provinces. In some provinces, alternative kinds of local governance were tried out, while in others, the implementation of effective decentralization was difficult to accomplish. Over the course of the past few years, various provinces have been engaged in continuing discussions and proposed reforms concerning the organization and operation of local governments. Concerns pertaining to financial autonomy, administrative ability, and variances in implementation between provinces are among the challenges that must be acknowledged. The history of local government in Pakistan represents a dynamic interplay of political, social, military and administrative forces.

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Mr. Kashif Ali conceived the research problem and research questions, filtered and selected literature for review, analyzed data and wrote the script. Dr Kashif Rathore mainly contributed in synthesis of literature and framing conclusions of the study.

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