

# Devolution reform

Dr. Sania Nishtar

The fate of the devolution initiative is likely to be decided by the end of this year, regardless of the presidential sanction to the provincial draft proposal—currently in the pipeline—given that the Local Government Ordinance will stand omitted from the Sixth Schedule of the Constitution, after six years of passage of the 17<sup>th</sup> Amendment in December 2009. A turf battle is imminent in the wake of the most likely decision; provincial governments have already stated that they will completely abolish the current system whereas proponents of the devolution initiative, citing 140-A of the Constitution and terming appointment of the administrators unconstitutional are likely to turn to courts. The beginnings of that scuffle are already evident. The ensuing impasse is likely to have implications for the working of the government, the development of democracy, the mandate of the judicial system and citizen's empowerment—all at the grass roots level, where government matters to the poor and marginalized.

Within this context, this comment is aimed at drawing attention to the need for impartiality and evidence-guided decision making in relation to a way forward. A comparative evaluation of impact of the local government system vis-à-vis the divisional system in relation to social, fiscal, administrative and political outcomes can yield important evidence, which can inform policy. Although a case control assessment was not part of the design of the devolution initiative, as the reform was implemented all over the country at one time, evaluations and assessments conducted subsequently can yield meaningful information. The Federal Bureau of Statistics conducts yearly surveys, such as the Pakistan Social and Living Standards Measurement Survey (PSLM); this can yield evidence of impact and social outcome trends overtime, before and after implementation of the devolution initiative. Sequential surveys of the Center for Poverty Reduction (CPRID) and CIET (social audit surveys in 2002 and 2004) can yield similar information. There is a vast body of evidence in the 'pre' and 'post' studies on local revenue by Provincial Finance Commissions. It is important to triangulate information from all these sources to assess impact on outcomes and outputs, before coming to any conclusions.

The devolution initiative was not perfect; but scrapping something as major as this without a thorough analysis, would be unwarranted. Devolution and decentralization is a complex process involving transfer of authority and a range of transformations in the public sector; effective implementation of the reform necessitates adequate capacity to understand and the ability to garner support of stakeholders to implement changes in a complex environment. The National Reconstruction Bureau was mandated to develop norms, standards and guidelines, which could have assisted with the change, but there appeared to be limited will to operationalize such changes in Pakistan in the true spirit. Additionally many prevailing systemic issues were an impediment to its implementation; some of these merit a mention.

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Governance

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to develop norms, standards and guidelines, which could have assisted with the change, but there appeared to be limited will to operationalize such changes in Pakistan in the true spirit. Additionally many prevailing systemic issues were an impediment to its implementation; some of these merit a mention.

First, the local government system was theoretically designed to be a departure from the post-colonial style of district and divisional administration to a paradigm of grassroots governance with the expectation that power would be in the hands of the elected representatives. Devolution/decentralization of government meant to open avenues for accelerating progress in social service delivery and enhancing public sector effectiveness by bringing those responsible for delivering services closer to intended beneficiaries and making them accountable. The system was also expected to allow local voices to set priorities and make decisions based on efficiency of resource allocation. These were important envisaged endpoints. In actual effect, anecdotal evidence and observations from the field show that the performance of the local governments fell across a spectrum — from good at one extreme to poor at the other. Of course, there can be no generalizations, but observations in some districts indicate that the system has been successful as a result of increase in resources and timely utilization; the latter enabled by a centralized system of planning and decision-making. In many other districts, however, that wasn't the case and the initiative fell prey to elite capture and Pakistan's feudal-dominated grassroots politics. The fact that nazim was in fact selected to be elected member of the local government and elected member of was one of the most significant weaknesses of the system and fuelled graft in some districts. This embittered the provincial administrators even further and was compounded by the fact that administrative levers now found another layer of government had access to public resources, this threatened individual interests in a system where collusion is deeply institutionalized. In some poorly performing districts, the dynamics of control also did not desirably change at the grassroots level and the public sector, within the initiative to strengthen the model political culture to empower citizens could not be fully harnessed. It would be interesting to see how these core weaknesses are addressed, by the current political dispensation, whenever it gets to making changes.

Secondly, the system attempted to abolish the divisional tier and empower districts by granting them financial and administrative autonomy. Although empowering the districts was a desirable step, abolition of the divisional administrative and technical hierarchy had implications at various levels — in particular, capacity at the level of federal/provincial institutions to handle data and information, which had not been sifted and/or consolidated at an intermediate level. These implications could not be adequately addressed as the devolution initiative got implemented. Additionally, attempts to build capacity at both ends, some level of incremental progress could have been made. Thirdly, the system abolished the executive magistracy. Although the approach was in line with the constitutional provision to ensure independence of the judiciary, it created a gap at the local level, as concomitant investments were not made to bridge prevailing gaps in the judicial system.

Some conclusions can be drawn from this account. First and foremost, it must be recognised that a system mandated to restructure the local political and administrative arrangements cannot be fully successful if the central systemic issues in state functioning and political systems continue to prevail. The need for systematic governance and political dispensation at the district level should therefore be accompanied by the much-needed reform of the political, judicial and broader public resource management systems, at the federal and provincial levels in order to be effective.

Secondly, administrative restructuring should never be used as a lever to consolidate power or as a means to accumulate power and a basis for controlling resources and using power for patronage, but as a means of strengthening grassroots democracy and a mechanism for effective delivery of services. Thirdly, existing evidence points to specific action in certain areas. For example, the issue of strengthening accountability and capacity at multiple levels and across the entire administrative hierarchy, particularly with reference to technical functions, needs to be carefully taken into consideration. Similarly, there is a need to make use of the sizable allocations for community citizens' boards as an instrument to empower local communities and strengthen avenues for demand side financing to support grassroots development.

Finally, it must be acknowledged that the governance reforms are largely based on anecdotal reports, personal and group perceptions and isolated observations, which have been widely generalised and in some cases also politicised. In charting a way forward, provinces must refrain from making sweeping changes; the answer is not in scraping the current system and instead, amending the existing one, by trying to adapt policies in order to create the optimal balance between authority, responsibility and accountability. In many ways this will be a test of leadership capacity at the provincial level. Provinces have the right to restructure the local government system according to the needs of their people. Article 143(3)(d) of the Constitution of Pakistan mandates provinces to implement Article 32 of the principles of policy. But that progressive needs to be exercised with great prudence.

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Secondly, the system attempted to abolish the divisional tier and empowered districts by granting them financial and administrative autonomy. Although empowering the districts was a desirable step, abolition of the divisional administrative and technical hierarchy had implications at various levels—in particular, capacity at the level of federal/provincial institutions to handle data and information, which had not been sifted and/or consolidated at an intermediate level. These implications could not be adequately addressed as the devolution initiative got implemented. With careful attention to capacity building at both ends, some level of incremental progress could have been made. Thirdly, the system abolished Executive Magistracy. Although the approach was in line with the constitutional provision to ensure independence of the judiciary, it created a gap at the local level, as concomitant investments were not made to bridge prevailing gaps in the judicial system.

Some conclusions can be drawn from this account. First and foremost, it must be recognized that a system mandated to restructure the local political and administrative arrangements cannot be fully successful if the central systemic issues in state functioning and political systems continue to prevail. Restructuring the system of governance and political dispensation at the district level should therefore be accompanied by the much-needed reform of the political, judicial and broader public resource management systems, at the federal and provincial levels, in order to be effective.

Secondly, administrative restructuring should never be used as a lever to consolidate the administrative and political power base and a basis for controlling resources and using power for patronage, but as a means of strengthening grass roots democracy and a mechanism for effective delivery of services. Thirdly, existing evidence points to specific action in certain areas. For example, the issue of strengthening accountability and capacity at multiple levels and the possibility of crafting a useful divisional role, particularly with reference to technical functions needs to be carefully taken into consideration. Similarly, there is the need to make use of the sizable allocations for Community Citizens Boards as an instrument to empower local communities and strengthen avenues for demand side financing to support grass roots development.

The current opinions about the governance reform are largely based on anecdotal reports, personal and group perceptions and isolated observations, which have been widely generalized and in some cases also politicized. In charting a way forward, provinces must refrain from making sweeping changes; the answer is not in scraping the current system and installing something *de novo*, but using evidence to shape policy in order to create the optimal balance between authority, responsibility and accountability. In many ways this will be a test of leadership capacity at the provincial level. Provinces have the right to restructure the local government system according to the

mandate in Article 140-A, which seeks to implement Article 32 of the Principles of Policy. But that prerogative needs to be exercised with great prudence.

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