

**Undermining Local Governance:
A Review of the
Sindh Local Government System, 2013**



**Dr. Niaz Murtaza, Executive Director, INSPIRING Pakistan &
Senior Fellow, University of California, Berkeley**

Dr. Saeed Ahmed Rid, Assistant Professor, Quaid-e-Azam University

**INSPIRING (Institute of Progressive Ideas to Re-Inform Governance) Pakistan
Islamabad**

**PILER (Pakistan Institute of Labor Education and Research)
Karachi**

JULY 2017

Undermining Local Governance: A Review of the Sindh Local Government System, 2013



Authors:

Dr. Niaz Murtaza, Executive Director, INSPIRING Pakistan and
Senior Fellow, University of California, Berkeley
Dr. Saeed Ahmed Rid, Assistant Professor, Quaid-e-Azam University

Published by:

INSPIRING Pakistan, Islamabad
Pakistan Institute of Labor Education and Research (PILER), Karachi
July 2017



Copyright 2017 by INSPIRING (**I**nstitute for **P**rogressive **I**deas to **Re-Inf**orm **G**overnance), Pakistan (www.inspiring.pk)

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior permission of INSPIRING Pakistan.

Published by INSPIRING Pakistan from public funds

TABLE OF CONTENTS

ACRONYMS	4
EXECUTIVE SUMMARY	5
CHAPTER 1: LOCAL GOVERNMENT SYSTEMS: AN OVERVIEW	10
Introduction.....	11
Overview of this Study	13
CHAPTER 2: THE HISTORY OF LOCAL GOVERNANCE IN PAKISTAN	14
The Pre-Partition LG System	15
Ayub Khan’s Basic Democracies System	16
Zia-ul-Haq’s Local Government System	17
Musharraf’s Local Government System	18
CHAPTER 3: THE SINDH LOCAL GOVERNMENT SYSTEM, 2013	25
Sindh Overview	26
Political Devolution	28
Administrative Devolution.....	33
Financial Devolution.....	38
Local Governance in Commercial Capitals Globally	42
CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS ...	46
Political Devolution	48
Administrative Devolution	49
Financial Devolution	50
REFERENCES	51

ACRONYMS

ACR	Annual Confidential Report
ANP	Awami National Party
BD	Basic Democracies
BMC	Brihanmumbai Municipal Corporation
DC	District Council
DCO	District Coordination Officer
ECP	Election Commission of Pakistan
GOVTs	Governments
HOTA	Human Organs Transplant Authority
IBRD	International Bank of Reconstruction and Development
KDA	Karachi Development Authority
KDC	Karachi District Council
KMC	Karachi Metropolitan Corporation
LG	Local Government
LGB	Local Government Board
LGC	Local Government Commission
LGO	Local Government Ordinance
MQM	Muttahida Qaumi Movement
NFC	National Finance Corporation
PFC	Provincial Finance Commission
PLGC	Provincial Local Government Commission
PML-F	Pakistan Muslim League (Functional)
PML-N	Pakistan Muslim League (Nawaz)
PPP	Pakistan People's Party
PTI	Pakistan Tehrik-e-Insaaf
SLGA	Sindh Local Government Act
SPLGA	Sindh Province Local Government Act
TC	Tehsil Council
UC	Union Council/Committee
VC	Vice Chairpersons

Gulayat Institute



EXECUTIVE SUMMARY

Gul Hayat Institute

EXECUTIVE SUMMARY

Local government (LG) systems are the most basic level of governance under democracies and serve as nurseries for provincial and federal levels. Their key contribution towards improving governance is well-recognized. They help achieve the narrower technocratic aims of increasing the efficiency and effectiveness of government services as well as the broader political economy goals of enhancing equity and egalitarianism in society by restructuring the state in favour of marginalized classes and reducing conflict among different ethnic groups living together.

This study aimed: i) To briefly summarize Sindh's and Pakistan's experiences with LG systems since 1947; ii) To present the coordinates of the Sindh LG system 2013 and analyze whether it provides sufficient administrative, financial and political devolution to help achieve greater efficiency and effectiveness in service delivery, equity and greater egalitarianism and equity in society, iii) To compare the Sindh LG system with earlier attempts at devolution in Pakistan and with the LG systems of 2-3 other states globally, iv) To analyze the opinions of key stakeholders, including local councilors, communities and civil society members about the Sindh LG system, v) To provide recommendations for improving it, and vi) To develop an advocacy agenda around the recommendations.

This study used a variety of research tools and sources of information. It provides an in-depth review of the academic literature on the efficacy LG systems nationally and globally. It interviewed key informants, including elected Local Councilors belonging both to the government and opposition parties, relevant government officials, civil society activists and academicians. Finally, it undertook focus group interviews in selected low-income areas of Sindh, including one Kachi Abadi in its urban areas and one village.

The Sindh LG system introduced in 2013 and implemented in 2016 is an important though much delayed step towards enhancing the quality of local service delivery in Sindh. For the first time in Pakistan's history, LGs have been introduced in Sindh and throughout Pakistan under elected governments. This enhances the ownership of major political parties in local governance. The elections were held on party basis and the legislation provides a sound division of labour and clear line of authority in the rural areas among District Councils and Union Councils. However, the review also highlights a number of areas where decentralization of power to the local governments still needs to be increased further to achieve both the technocratic and political economy goals of LGs.

It is realized that it may not be possible to implement all the conclusions and recommendations given below immediately. The purpose is to help identify a comprehensive list of areas where further work must be undertaken in the future to fully empower Sindh LGs. The most critical overall gap is the absence of a comprehensive analytical framework which clearly defines the type and level of devolution that must occur, based on global experiences and the academic literature on local governance. Such a framework can help in identifying all the functions and authorities that are usually granted to LGs in well-designed LG systems but which are still outside the purview of the Sindh LGs. This can then become the basis for developing a road-map for their eventual transfer to LGs.

POLITICAL DEVOLUTION

- Neither the Sindh 2013 Act nor Pakistan's constitution mandates immediate re-elections for LGs within a stipulated period in case of completion of term or early dissolution. **The Act must be modified to mandate holding of LG elections within 90 days.**
- The Sindh LG system 2013 is based on an act of Sindh assembly and not a constitutional amendment. **Critical aspects of LG systems, e.g., immediate re-elections, sufficient devolution, and protection against arbitrary interference by higher authorities, must be protected constitutionally for LG bodies throughout Pakistan.**
- The four-year term for Sindh LGs under SLGA 2013 is 4 years. **The term must be made 5 years as existing for provincial, national and Islamabad LGs.**
- Taluka Councils are missing in the SLGA 2013. It may be difficult for District Councils based in one place in the district to deal with so many rural councils spread all over the district. **This issue should be re-analyzed with the participation of key stakeholders before the next elections based on the performance of the current system.**
- A single-tiered system appears problematic for both Town and Municipal Committees. Towns up to 50,000 persons may need help from a higher LG authority to undertake complex tasks. On the other hand, towns having population above 50,000 up to 300,000 may need Union Committees. **This issue too should be re-analyzed with the active participation of key stakeholders before the next elections based on the performance of the current system.**
- The army-controlled Cantonment areas in Karachi and elsewhere have their own separate LG structures which create multiple and confusing jurisdictions. **Such areas should be brought under the supervision of the relevant city municipal authority.**
- Political parties have often failed to nominate persons from marginalized groups seats in the 2016 elections and affluent candidates have often captured even those seats reserved for low-income persons. **The election application process must be strengthened to end elite capture of seats reserved for low-income peasants and workers. Political parties are encouraged to nominate more persons from marginalized groups.**
- The 2013 Sindh legislation does not mandate organizations below UCs which usually do not represent natural communities. **Community organizations must be facilitated to mobilize communities and apply strong upward accountability pressures on the UC and higher LG structures.**

ADMINISTRATIVE DEVOLUTION

- Many key functions which the 2001 system had devolved to districts have been re-assigned to the province in the 2013 system, e.g., police, major local development activities and buildings control. City development authorities have not been placed under elected LG, unlike under the 2001 system. **All divisible local services should be re-assigned to local governments.**

- The powers of the KMC seem strangely limited given its status as the biggest LG body in Sindh. Some key LG functions do not fall under the purview of the KMC, e.g., health, education, environment, overall development, security etc. Some of the functions included under its domain, e.g., control of stray animals, brick kilns and cattle colonies seem trivial for it and more appropriate for UCs. **The scope of powers of the KMC must be revisited so that all key LG functions for Karachi fall under its purview.**
- The six DMCs are made almost autonomous with little linkage with the Karachi Metropolitan Corporation. Furthermore, the DMCs and even UCs controlled by the PPP liaise directly with the provincial government for funds and direction, bypassing the KMC. **Proper lines of authorities and communication must be established between the KMCs and DMCs and the KMC should have the powers to supervise and control the work of DMCs.**
- The description of the functions of Mayors/chairpersons and Chief Executives and the differences between their powers is brief and vague under the 2013 system. While the 2001 system clearly mentioned that Nazims will conduct the annual reviews of DCOs, this is not mentioned in the 2013 system. This lack of clarity has tilted the balance in favor of unelected Chief Executives and away from elected Mayors. **The powers of elected officials and their authority over subservient bureaucrats should be strengthened and defined clearly.**
- The ability of LGs to fill even junior positions has been curtailed by the provincial government. **LGs should have full authority to recruit and manage junior and middle-management bureaucrats working within the LG system**
- Section 74 of the Act authorizes the government to take over any functions assigned to LGs and vice versa. The section does not specify the situations in which the government may do so. **These powers seem sweeping and must be circumscribed to make them exceptional under clearly defined situations.**
- The Sindh government can start an inquiry into the affairs of any LG council on its own or on application of any individual. Moreover, a Provincial Local Government Commission (PLGC) consisting largely of provincial government nominees is instituted under article 119 to conduct special inspections of the LG councils. The supervision of and checks and balances over LGs is important. **But there is a need to circumscribe these powers to strike a better balance between LG autonomy and supervision and to appoint more neutral persons to the PLGC.**
- Local councillors do not have written job descriptions and in many cases even offices where they can be approached by communities. They have not been given any induction or training on their own role or the different aspects of the LG system. Even communities are not very well aware of the functions and domains of the new LGs. **Councillors must be given proper job descriptions, offices and training, especially on community interaction and accountability. Awareness-raising must be undertaken in low-income communities to inform them of the roles, functions and responsibilities of LGs.**

FINANCIAL DEVOLUTION

- A Provincial Finance Commission (PFC) is provided in the SLGA 2013 to allocate funds to the LGs efficiently and equitably. However, the representation of opposition parties and LG officials in it is inadequate and the Commission is still not fully functional. **The commission should be made functional and greater representation in it should be given to opposition and LG representatives.**
- The list of taxes assigned to the KMS is much shorter than those assigned to other LG bodies despite the fact that it is the biggest LG body in Sindh. **The assignment of taxes between the KMC and DMCs must be reviewed so that all tiers get funds according to their responsibilities.**
- There is still a lot of ambiguity and overlap of financial powers between different tiers of LGs and it is not clear which tier has ultimate control over which tax heads. **The financial powers between different tiers of LGs must be spelled out more clearly.**
- Kachi Abadis and villages house the majority of population of major cities but get much lower levels of municipal services. **It is important that such areas are allocated adequate funds to meet their needs for good-quality municipal services.**
- Local councillors, especially opposition ones, are unclear about budgetary issues, including the overall budget and any specific allocations available for projects in their areas. **Local councillors must be given the lead in undertaking participatory needs assessments in their areas, especially in backward ones, and their budgetary proposals must be given due priority in the annual budget-making processes.**

In summary, the Sindh Local Government system needs major changes to fully achieve not just the broader political economy goals of restructuring of the state in favor of weaker classes and conflict resolution but even the less ambitious technocratic goals of efficiency and effectiveness. In its present form, it is likely to exacerbate tensions between urban and rural ethnic communities.

Gul Hayat Institute



CHAPTER 1
LOCAL GOVERNMENT SYSTEMS:
AN OVERVIEW

Gul Hayat Institute

CHAPTER 1

LOCAL GOVERNMENT SYSTEMS: AN OVERVIEW¹

The role of local governments (LG) in governance has expanded hugely over the last 30 years across the globe as a result of their positive contribution towards improving governance. LGs are devolved government institutions that provide basic public services to a small, sub-provincial, geographical area (Shah and Thompson, 2004). Local governments are the most basic tier in modern governmental structures and, hence, are closest to the masses. As such, LG systems are also called ‘grassroots democracy’.

INTRODUCTION

In fact, the concept of local government predates the concepts of nation-state systems and federal and provincial governments. LGs existed even during 700-400 B.C. in Greece in the shape of autonomous, self-ruled *Polis*- the Greek name for city-states (Hansen 2006). Similarly, local governments in ancient India existed before higher levels of governments in the form of the *Panchayat* (assembly of five elders) system traced in the *Rig Veda* back to 1200 BC (Alok 2006). The advent of colonialism centralized power in national capitals (Willoughby 1986). For example, the British East India Company destroyed the indigenous *Panchayat* system by introducing the *Patwari* system for keeping official land records and the creation of the office of magistrates for controlling law and order in villages (Misra 1959). Later on, the British introduced their own version of LG system in India through several municipal acts but without proper political, administrative and fiscal decentralization.

After colonialism’s end, developing countries globally have re-instituted local government systems based on the recognition that they increase service delivery quality, citizen participation and conflict resolution. Nearly hundred developing countries have embarked upon the devolution of political, fiscal, and administrative authority to LGs since 1980 with many reaping significant benefits from doing so (Bardhan and Mukherjee 2006; Shah and Thompson, 2004). LGs are generally seen as the most efficient and effective way of providing basic services at local levels. Well-designed LG systems confer several advantages over centralized rule. LG systems become nurseries for the grooming of political leaders and ideas and can encourage healthy competition among districts. LGs usually cover less diverse geographies and populations and thus provide the potential for smother governance. Local leaders are more accessible and accountable to people. LG systems bring the government closer to people and increases state accountability. They also provide more opportunities for ‘popular participation’ where people can communicate their preferences directly to their elected representatives (Bardhan and Mukherjee 2006). Moreover, LG officials can meet local needs more effectively because they possess better local knowledge and are better placed to recognize the needs, requirements and sensitivities of local citizens as compared to

¹ This chapter is adapted from INSPIRING Pakistan’s report “Local Governance in the Federal Capital: A Review of the Islamabad Local Governance System, 2016”.

provincial or national government officials. Beyond these technical reasons, the political economy perspective argues that LGs offer greater avenues for lower-income people to attain public office due to the lower electoral expenses associated with the smaller size of constituencies. Thus, LGs provide greater opportunities for breaking the hold of elite classes on power and restructuring the state in favor of the masses (Zaidi, 2005). Well-designed LG systems can also help in achieving the goals of conflict reduction among different communities living together locally and provincially. However, if designed improperly, LGs often do not meet even the technocratic goals and can increase administrative costs, duplication, confusion and unhealthy competition among districts.

Bardhan and Mukherjee (2006) found LG introduction leading to improvements in service delivery in Indonesia, enhancement of local accountability in China, reduction of poverty and interracial inequality in South Africa, improved public education and reduced regional disparities in Brazil and shifting of resources to poorer districts in Bolivia. The focus in most of these efforts was on technocratic and efficiency-oriented benefits and a restructuring of society in favor of the masses was at best expressed without strong commitment. Global experiences reveal that the benefits from LGs may be undermined by politicization, incomplete devolution, poor design and shortage of human and financial resources with LGs (Prud'Homme, 1994). China, Turkey and the European Union used decentralization to actually centralize more; Pakistan (under Musharraf) and Peru decentralized to sideline or weaken their political opponents; and many countries in Africa decentralized to shift responsibility for their unpopular moves to local politicians (Shah and Thompson 2004). Elite capture also means that even LG elected positions are captured by elites or people closely associated with them, undermining a restructuring of the state in favor of the masses. Thus, LG systems must be designed carefully so that their political economy and technocratic benefits outstrip disadvantages.

To achieve the political economy goals of restructuring of state, major community mobilization and awareness-raising must precede the introduction of LGs. This must be accompanied by strong electoral rules which discourage elite capture of LGs by existing elite classes. The most important technocratic design consideration includes providing LGs with adequate legal, operational and financial independence and functional responsibilities. Such devolution is critical even for the political economy goals. Bardhan and Mukherjee (2004) differentiate between three different types of devolution of power to LGs: administrative, financial and political. Administrative devolution includes the devolution of all state functions to LG systems related to the provision of basic services which can easily be divided geographically, and sufficient protection against unnecessary interference by higher governments in routine LG administrative matters. It also includes the devolution of administrative authority over LG employees, including their recruitment and performance management. Financial devolution refers to the devolution of fiscal responsibilities. This includes the ability to raise revenues through taxes. Generally, LGs are given the authority to tax economic transactions and resources whose benefits and mobility are largely restricted to local areas, e.g., property and sales taxes and taxes on local advertising and markets. Financial devolution also includes giving LG governments leeway in determining their own expenditure priorities in line with local needs. Political devolution includes granting sufficient protection to LGs against arbitrary dismissal and suspension by higher governments, non-inclusion of appointed members on local councils and granting sufficient autonomy to local representatives to take local decisions. Thus, if the federal government does not delegate adequate financial, administrative and political powers to LGs and does not ensure adequate proportionality in the devolution across the three types of powers, LG

performance would be weak. But robust administrative, political and financial devolution to LGs leads to enhanced participatory democracy and more pro-poor development. Therefore, in developing countries like Pakistan where there is huge gap between the rich and the poor, a strong LG system can be helpful in achieving the desired transformation in society.

OVERVIEW OF THIS STUDY

This research study provides an analysis of the contours, strengths and weaknesses of the Sindh Local Government (LG) system which came into existence in 2013. This is the first time that LGs have been introduced in Pakistan under elected governments. LGs under military governments had the underlying goal of perpetuating the hold of the military and bureaucracy in control of the state. Not just politicians within LGs but even those at the national and provincial levels played second fiddle to the former two groups under military rule, thus preempting a restructuring of the state in favor of either civilians or masses. Thus, with LGs introduced under elected governments, it is important to see whether this has resulted in any restructuring of state power in favor of masses through higher election of common people. The politics of ethnicity across rural and urban Sindh and the fact that it includes Pakistan's economically and demographically biggest city (Karachi) makes research on the Sindh Local government system especially critical.

The main research aims of this study were as follows: i) To briefly summarize Sindh's and Pakistan's experiences with LG systems since 1947; ii) To present the coordinates of the Sindh LG system 2013 and analyze whether it provides sufficient administrative, financial and political devolution to help achieve greater efficiency and effectiveness in service delivery, equity and greater egalitarianism and equity in society, iii) To compare the Sindh LG system with earlier attempts at devolution in Pakistan and with the LG systems of 2-3 other states globally, iv) To analyze the opinions of key stakeholders, including local councilors, communities and civil society members about the Sindh LG system, v) To provide recommendations for improving it, and vi) To develop an advocacy agenda around the recommendations.

This study used a variety of research tools and sources of information. It provides an in-depth review of the academic literature on the efficacy LG systems nationally and globally. It interviewed key informants, including elected Local Councilors belonging both to the government and opposition parties, relevant government officials, civil society activists and academicians. Finally, it undertook focus group interviews in selected low-income areas of Sindh, including one Kachi Abadi in its urban areas and one village.

This chapter has provided an overview of the research study and the global rationale and experience of LG systems globally, Chapter Two undertakes a detailed analysis of the evolution of LG systems in Sindh and Pakistan since independence and the strengths and weaknesses of the LG systems adopted in various eras. Chapter Three presents an overview of the geographical, demographic and socio-economic characteristics of Sindh, which serves to highlight the importance of LG services for the province and its different regions. It also discusses the history of local governance in Sindh and provides details of the LG system adopted in 2016 and its strengths and weaknesses. For comparative purposes, the chapter also compares Karachi's LG system with those of Mumbai and New York. Finally, Chapter Four presents conclusions and recommendations for strengthening the Sindh LG system.



CHAPTER 2
THE HISTORY OF
LOCAL GOVERNANCE
IN PAKISTAN

Gul Hayat Institute

CHAPTER 2

THE HISTORY OF LOCAL GOVERNANCE IN PAKISTAN²

India and Pakistan both inherited a fragile, inefficient and dysfunctional LG structure from the British government in 1947. India has gradually revived the centuries old indigenous *Panchayat* system and instituted participatory democracy mechanisms to make it more relevant to the modern age. But the evolution of LG systems in Pakistan has been slow. Pakistan has instituted three different LG systems during the 1960s, 1980s and 2000s when the reigns of the country were held by military dictators (Ayub Khan, Zia-ul-Haq and Pervez Musharraf respectively). But during previous civilian democratic rules, LG systems in Pakistan mostly remained dysfunctional. Cheema, Khan and Meyerson (2015) have termed this as the countercyclical pattern of local democracy in Pakistan. The military rulers used the local governments to create alternative leadership through party-less elections and marginalize their political opponents, earn some legitimacy by providing ‘grassroots democracy’ to the nation and achieve the much needed political connection to local constituencies in otherwise highly centralized undemocratic rules. Thus, the purpose behind the controlled introduction of democracy under dictatorships was to preempt a restructuring of society in favor of civilian and masses and perpetuate the hold of unelected and elite generals and senior bureaucrats. On the other hand, the civilian political elite in provincial and federal assemblies have remained skeptical of LG system in Pakistan because they see local representatives as their competitors. Thus, no restructuring of the state in favor of the masses occurred under them either.

In this chapter the history of local governance in Pakistan is traced from the pre-independence era up to the Musharraf LG system. The pre-partition LG structures, Ayub Khan’s Basic Democracies system, and Zia-ul-Haq’s Local Government system are discussed briefly. However, Musharraf’s Local Government Ordinance 2001 is studied in greater detail to allow a comparison with the Islamabad Capital Territory Local Government Act, 2015.

THE PRE-PARTITION LG SYSTEM

As mentioned earlier, local governments antedated the national and provincial governments in ancient India, including in the regions which now constitutes Pakistan. Local governance structures were called Panchayat in Punjab, Faislo in Sindh and Jirga in the Pashtun belt. These structures remained largely intact even during the Mughal era (Awan and Nemat-e-Uzma 2014). However, the British colonial government introduced the *Patwari* and magistrate system to take over most of the functions of local governance from the indigenous structures. Later on, even when representative LGs were introduced, the vast majority of LG

² This chapter is adapted from INSPIRING Pakistan’s report “Local Governance in the Federal Capital: A Review of the Islamabad Local Governance System, 2016”.

members were nominated by the British bureaucracy while only a few were elected by the local communities (Tinker 1968).

Moreover, unelected Deputy Commissioners (the administrative bureaucratic head of the district) was given authority over all the main local government functions which included district administration, development works, revenue collection and criminal justice (ICG 2004 and Cheema, Khawaja and Qadir 2006). No substantive administrative, political and fiscal powers were transferred to the LGs. The proportion of elected members in LGs kept increasing during British rule with every new municipal act because of increasing local political pressures. But the British always kept the non-elected nominated members in local governments to ensure a check on the elected officials. In a nut shell, British left behind a weak, non-representative and highly centralized LG structure (Awan and Nemat-e-Uzma 2014).

AYUB KHAN'S BASIC DEMOCRACIES SYSTEM

The common perception in Pakistan is that Ayub Khan's Basic Democracies Ordinance, 1959 and the Municipal Administration Ordinance 1960, which together created an elaborate "Basic Democracies" (BD) system, was the first post-partition attempt to give the country a local government system. But Ayub Khan's BD system was actually an elaboration of the "Village AID Programme" (AID standing for Agricultural and Industrial Development) that was launched in 1954 under the first Five Year Plan (1954-59) with the assistance of United States (Mellema 1961). Under the village AID programme, an estimated 15,701 village councils were established before it was finally dissolved by Ayub Khan's military regime in 1961. Its infrastructure and staff was transferred to the BD system (Hussain 2004).

The bases of Ayub Khan's four-tiered BD system were the Union Council (UC) consisting of five or more villages with a total population of around 10,000 to 15,000. Each UC represented one constituency where direct party-less elections were held (Mellema 1961). The UC members elected their Chairpersons who headed the UC and were made ex-officio members of the next higher level, the Tehsil Council (TC). The complete democratic structure was limited to the UCs only. Following the British model, sub-divisional officers or *tehsildars* were made the administrative head of the tehsil and half of the members of TCs came as ex-officio members from UCs and half were local bureaucrats and nominated members (Mellema 1961; Hussain 2004). This same structure was replicated at the two higher levels of District Council and Divisional Council as well. The Deputy Commissioner and Commissioner headed the district and divisional councils respectively and half of their members were chairpersons from UC and town committees and half were 'official members' from the local bureaucracy (Mellema 1961).

There was nominal administrative and political decentralization, as the bureaucracy still enjoyed a strong presence in elected local bodies above UCs. Under the BD system, districts were run as the kingdoms of Deputy Commissioners who were assigned twenty-eight obligatory and seventy optional functions along with the powers to levy taxes (Shafqat 2014). Although BD system vested several regulatory and developmental functions to the elected UCs, financial decentralization was not allowed and the government could quash the proceedings, resolutions or orders made by any local body (Cheema, Khawaja and Qadir 2006). As mentioned above, the BD system was enforced through two ordinances during the

initial days of the Ayub Khan regime, but in 1962 it was made part of the constitution. Being a substantive part of the 1962 constitution, the BD system could not be revoked unless a constitutional amendment was made. However, its weakness lay in the fact that no one among politicians and masses expressed ownership for the BD system, except Ayub Khan himself. Therefore, with the demise of Ayub Khan, the demise of BD system was a foregone conclusion.

ZIA-UL-HAQ'S LOCAL GOVERNMENT SYSTEM

After the demise of the BD system in 1969, the elected civilian government of Zulfikar Ali Bhutto decided to promulgate their own Local Government Ordinance in 1975 but failed to hold elections for the same. But following the lead of Ayub Khan, General Zia-ul-Haq decided to reintroduce the LG system to give some legitimacy to his military regime. Despite many similarities, Zia's LG system was quite different from Ayub Khan's BD system in many respects.

Unlike Ayub Khan, who had promulgated two ordinances from the center completely superseding the provinces, Zia used the four provincial governors and respective administrators to promulgate separate ordinances for each province, the Federally Administered Tribal Areas (FATA), Azad Jammu and Kashmir (AJK) and the capital territory of Islamabad (Hussain 2004). Hence, Zia's LG system was brought under the provincial governments rather than being directly controlled by the center. A three tiered LG structure consisting of Union, Tehsil and District Councils was envisaged for the rural areas. For the urban areas, Town Committees were established for areas having populations of between 5,000 and 30,000. Municipal Committees were formed for areas with a population of up to 250,000, and Municipal/Metropolitan Corporations were formed for major cities like Karachi, Lahore and Peshawar with populations in excess of 250,000 (ICG 2004).

Unlike the BD system, the bureaucrats were not made direct members or chairpersons at any level in the three tiered LG system and all the members and chairpersons of local bodies were required to be directly elected representatives of people. Hence, the hold of the bureaucracy over LG systems decreased to some extent. But the controlling mechanism was kept intact by giving suspension powers and the powers to quash resolutions and proceedings of local bodies to the provincial administration (Cheema, Khawaja and Qadir 2006). Also, as compared to the BD system, relatively more administrative powers were devolved to different LG tiers. There was also increased but still limited financial devolution by empowering the local bodies to levy local taxes for managing their accounts (Hussain 2004).

In a nut shell, Zia's LG system was surely an improvement over the BD system but it lacked the constitutional cover and a political consensus which is required for such a system to survive when its benefactor (the military ruler) is gone. Zia did not choose to make his LG system part of his infamous 8th constitutional amendment which was secured from the rubber parliament in 1985. Therefore, Zia's non-party based LG system could only survive until the early 1990s. The subsequent civilian political leadership of PPP and PML (Nawaz) increasingly became wary of non-partisan local bodies members and chairpersons who were viewed as their competitors.

MUSHARRAF'S LOCAL GOVERNMENT SYSTEM

Following in the foot-steps of his predecessors Ayub Khan and Zia-ul-Haq, Musharraf introduced a new LG system to consolidate his military rule and create an alternative leadership as he had declared that he would not allow the two former Prime Ministers, Nawaz Sharif and Benazir Bhutto, to make a comeback in Pakistani politics. Although his LG system could not achieve longevity either, it received far more acclaim from local and international observers as compared to the Ayub and Zia models of LG system.

Political Devolution

Unlike Zia who got provinces to introduce his LG system, Musharraf, like Ayub, launched his LG system directly from the center through a single Sindh/Balochistan/NWFP/Punjab LG Ordinance 2001 which was largely incorporated into provincial ordinances passed by the four Governors in the absence of provincial assemblies then. This step was criticized by both independent scholars and political opponents as a clear negation of the federal principle as powers must devolve from center to provinces and then from provinces to the LG. The Musharraf LG system did not give provinces to adopt LG systems independently in line with their local situations in the presence of duly-elected provincial assemblies.

Zia's three-tiered model with union, tehsil/taluqa and district councils (or unions, towns and city districts for urban areas) was retained with each level having an elected council and an appointed administration. But subtle changes were made to improve electoral decentralization. Unlike the past, Nazims (mayors) and Naib Nazims (deputy mayors) were elected directly on a joint ticket. Nineteen councilors (12 general seats including 4 reserved for women; 6 seats reserved for peasants/workers, including 2 women; and one minority member) were also directly elected by the people for each UC to complete the council of 21 people (SBNP LGO 2001). The UC Nazims became ex-officio members of their respective District Council, and the Naib Nazims that of the Tehsil Council. Unelected, appointed persons could not become part of the councils at any of the three levels. District and Tehsil Nazims and Naib Nazims and women, peasants, workers and minorities reserved seat members were elected by all the members of Union Councils in the district and tehsil respectively. As a result of these reforms, 107 new district governments, four city district governments, 396 tehsil/town councils, and 6,125 union councils emerged in the country (Hussain 2012). In addition, there were also village and neighborhood councils.

Moreover, several steps were taken to enhance the representation of unrepresented groups. The voter age was reduced from 21 to 18 to give increased representation to the youth, one-third seats were reserved at all three levels for women and special seats were created for workers/peasants and minorities. But Musharraf continued the policy of non-party LG elections to make it easier for his government to manipulate the results at tehsil and district levels and secure as many Nazims as possible for his own party, PML (Q). Furthermore, LGs could still be arbitrarily dismissed by the provinces and there was no constitutional requirement for immediate elections after premature dissolution or completion of tenure. Furthermore, provincial Chief Ministers could remove district Nazims with the approval of the provincial assembly on somewhat vague grounds like the Nazim acting against the public policy or interest of the people or being guilty of misconduct (SBNP LGO 2001).

Administrative Devolution

Administrative decentralization improved as well since the vast majority of public services that were previously held by the provincial administration were devolved to the LG bodies (SBNP LGO 2001). The following were the main groups of offices under this system:

- **DISTRICT COORDINATION:** Coordination, Human Resource Management and Civil Defence.
- **AGRICULTURE:** Agriculture (Extension), Livestock, Farm Water Management, Soil Conservation, Soil Fertility, Fisheries, and Forests.
- **COMMUNITY DEVELOPMENT:** Community Organization, Labour, Social Welfare, Sports and Culture, Cooperatives, and Registration office.
- **EDUCATION:** Boys Schools, Girls Schools, Technical Education, Colleges, (other than professional) Sports (Education) and Special Education.
- **FINANCE AND PLANNING:** Finance & Budget, Planning & Development, Accounts, Enterprise and Investment Promotion.
- **HEALTH:** Public Health, Basic & Rural Health, Child & Woman Health, Population Welfare, District and Tehsil (Hqrs.) hospitals.
- **INFORMATION TECHNOLOGY:** Information Technology Development, Information Technology Promotion, and Database.
- **LAW:** Legal advice and drafting, and Environment.
- **LITERACY:** Literacy Campaigns, Continuing Education, and Vocational Education.
- **REVENUE:** Land Revenue & Estate and Excise and Taxation.
- **WORKS AND SERVICES:** Spatial Planning and Development, District Roads and Buildings, Energy and Transport.
- **PUBLIC TRANSPORT:** Public transportation and mass transit, Passenger and freight transit terminals, Traffic planning, engineering and parking
- **ENTERPRISE AND INVESTMENT PROMOTION:** Industrial estates and technological parks, Cottage, small and medium sized enterprise promotion, Investment promotion and protection

Moreover, the colonial model of comprehensive bureaucratic control over LG systems, which had only received a minor setback in Zia's LG system, received far bigger blows in Musharraf's system. The posts of Assistant Commissioner, Deputy Commissioner and Commissioner were abolished which used to enjoy special executive, judicial and revenue functions in a tehsil, district and division respectively under Zia. Instead a new office of District Coordination Officer (DCO) was created to head the bureaucratic administration in a district and coordinate with the elected district Nazim. The DCOs and the appointed district administrative staff under them were made to work under the district Nazim who could write Nazim's ACR and could appoint and remove a DCO with the approval of the district council. The DCO did not enjoy magisterial and legal powers as they were allocated to the lower judiciary under LGO 2001 and the police oversight powers were also now transferred directly to the district Nazim (SBNP LGO 2001; ICG 2004). But these changes received severe criticism from the all-powerful civil service elite and led to a 'tripartite confrontational mode' where civil bureaucracy and provincial ministers joined hands against the LG Nazims (Hussain (2012).

Citizen Community Boards (CCBs) and School Management Committees (SMCs) were two new participatory development initiatives under Musharraf's LG system that tried to directly involve communities in developmental works and service delivery. Theoretically both of

these initiatives were a step in right direction but practically it failed to show the expected results as a whole. In the span of five years (2003-07), 37057 CCBs were registered all over Pakistan but only 3,516 projects were completed out of a total 12,849 submitted schemes at both district and tehsil levels (Khan and Anjum 2013). This shows most of the CCBs could not complete or even submit a single scheme in all that period. Several qualitative and quantitative studies were conducted on the effectiveness of the Musharraf system which overall showed mixed results. Aslam and Yilmaz (2011) in their quantitative study of 183 Pakistani villages found the evidence for a significant increase in provision of all services as a result of the implementation of LGO 2001. Similarly, the study of Hasnain (2008) shows an increase in accessibility of citizens to policy makers but a heavy tilt in LG priorities towards physical infrastructure like roads and rural electrification. Moreover, Cheema and Mohamand (2008) claimed they found evidence that as a result of the implementation of Musharraf's LG system a good number of previously underprovided households and villages were brought into provision net.

Financial Devolution

As compared to previous LG systems, a positive change was visible in terms of financial devolution as well. Previously LG systems failed to provide finances even for basic expenditures to local bodies. But under Musharraf's LG system, for the first time 'formula-based fiscal transfers' were given to the districts through Provincial Finance Awards (PFA) and each tier of LG was also allowed to levy local taxes from a specified list mentioned in LGO 2001 (Anjum 2001). Although the list of allowable taxes for each tier given below is long, except for a few exceptions like property taxes, most of these taxes heads have limited revenue potential outside major cities.

MAIN HEADS OF LG TAXATION UNDER LGO 2001

UNION COUNCIL	TEHSIL / TOWN COUNCIL	CITY / DISTRICT COUNCIL
<ul style="list-style-type: none"> • Fee for licensing of professions and vocations. • Registration fee for births, marriages and deaths. • Charges for services rendered by UC. Union • Rate for remuneration of Village and Neighborhood guards. • Rate for the maintenance of any work of public utility • Rent for land, buildings, machine and vehicles. • Collection charges for recovery of any tax on behalf of other Governments 	<ul style="list-style-type: none"> • Local tax on services. • Fee on sale in animal markets. • Market fees. • Tax on transfer of immovable property • Fee for public events organized by the Town. • Fee for licenses or permits and penalties or fines for violations. • Collection charges for recovery of any tax on behalf of other Governments • Fee on cinemas and shows. • Rent for land, building, machines and vehicles. • Fees for specific services. • Property taxes • Fee on approving building plans. • Tax on vehicles other than those registered in Town. 	<ul style="list-style-type: none"> • Education tax. • Health tax. • Local rate on lands assessable to land revenue. • Fees on educational and health facilities maintained by the District. • Fee for licenses or permits and penalties or fines for violations. • Fees for specific services rendered • Collection charges for recovery of tax on behalf of other Governments • Toll on roads, bridges, ferries within District, other than national/provincial highway • Rent for land, buildings, machinery and vehicles. • Fee for public events organized by the District

The PFA awarded budget to LGs was non-discretionary and non-lapsable because once award decided, the provincial government had no discretion in its allocation and it does not

lapse even in case it is not used in that fiscal year. Moreover, Musharraf removed the infamous octroi and zila (district) tax. This removed the Urban-Rural divide which was created by Zia's LG system that had divided areas under same tehsil into urban and rural areas merely on the basis of the size of populations. Cheema, Khawaja and Qadir (2006) claim this may have helped to correct the urban bias which had resulted in lopsided progress between urban and rural areas within the same district. According to one estimate about forty percent of the Provincial Consolidated Fund went in the head of local bodies (Hussain 2012). However, despite this, Hussain (2012) claims the fiscal transfers to LGs were limited and local bodies had to rely on provincial and federal governments to meet most of their expenses because they could not levy sufficient new taxes while they had to pay salaries of all government employees working within their district.

Musharraf LG System Controversies in Sindh

While Musharraf's LG system was clearly an improvement over Zia's LG system, it became very controversial in Sindh. The problem was with the way it was implemented in Sindh to favour the Muttahida Qaumi Movement (MQM), a political ally of Musharraf. After the 2002 general elections in Pakistan, the MQM had become a political ally of Musharraf's Pakistan Muslim League-Quaid-i-Azam (PML-Q) in the central and the Sindh provincial governments. Evidence suggests that before the LG elections in 2005 gerrymandering was done to secure a clear majority for MQM in Karachi and Hyderabad. Divisions were abolished all over the country including Sindh as old Commissionerate system was done away with under Musharraf's LG system. But in Karachi rather than forming five separate district governments, the five districts of Karachi were merged to form one all-powerful City District Government of Karachi. But the Hyderabad district was further divided by creating the new districts of Matiari, Tando Allahyar and Tando Muhammad Khan in 2004 to secure the slot of Hyderabad city Nazim (mayor) for MQM which had previously been won by the PPP in the unified Hyderabad district. At one stage, even the then Chief Justice of Pakistan, Chaudhary Iftikhar in *Watan Party v. Federation of Pakistan* case had directed new delimitations to end the ethnic enclaves of MQM in Karachi that were gerrymandered by the Musharraf regime (Cheema 2016).

Under Musharraf's LG system, the Karachi Development Authority (KDA) was merged with Karachi Metropolitan Corporation (KMC) in 2002 and brought under the direct control of Karachi district Nazim (mayor). Moreover, Karachi Water & Sewerage Board (KW&SB), the Karachi revenue Department and the Karachi Land registry also came under the direct control of Karachi Nazim. Hence, the authority of the Sindh government over Karachi was minimized to a great extent. The hold of Sindh government over Karachi further weakened after the 2005 LG elections, as MQM's Karachi district Nazim, Mustafa Kamal used to get direct funding from Musharraf for development projects in Karachi. Musharraf and his hand-picked Prime Minister, Shaukat Aziz, were both from Karachi, which made these direct contacts easier.

This turned the PPP and Sindhi nationalists against Musharraf's LG system and made LGs a very controversial matter in the politics of Sindh. Therefore, when the Pakistan People's Party (PPP) came back to power in 2008, the expectation was that they will reverse the changes made by Musharraf. But as MQM was an important ally of PPP during the post-Musharraf phase in the centre and the provincial government in Sindh from 2008-13, the PPP government in Sindh found it extremely difficult to undo any of the changes made by Musharraf regime. Nonetheless, the tug of war over local government continued between

PPP, MQM and Sindhi nationalists over the issue of local government in Sindh throughout this phase.

Despite the relative successes of Musharraf's LG system mentioned above, it also could not survive its benefactor like previous LG systems. Musharraf, like Zia, failed to provide a constitutional cover to his LG reforms in the 16th and 17th amendments and left it at the mercy of the new democratic civilian dispensation. The 18th constitutional amendment under PPP rule, otherwise a very comprehensive and consensus document, also said nothing about LG system and merely left it to the discretion of provinces to legislate and implement a LG system of their choice. Hence, the fate of Musharraf's LG reforms was not different from Zia's reforms because provinces viewed their authority was being challenged by the local bodies. Moreover, like Ayub's and Zia's LG systems, Musharraf's system also could not win popular ownership among most major political parties of Pakistan. The PML (N), PPP and PTI, the three largest political parties of Pakistan which came to power in all four provinces of Pakistan after the 2008 general elections decided to abolish the Musharraf LG system.

In Sindh, Musharraf's LG system was abolished on February 14, 2010, while it was abolished immediately after the 2008 elections in Punjab and the other provinces. Then in July 2011, the PPP Sindh regime revived the old commissionerate system in the province and brought five districts back in Karachi. But then to save its government in the centre, under tremendous pressure of the MQM, the PPP government passed the Sindh People's Local Government Act-2012 (SPLGA 2012) keeping most of Musharraf's LG system intact on October 22, 2012.

The SPLGA 2012 constituted five single-district Metropolitan Corporations at Divisional Headquarters comprising Karachi, Hyderabad, Larkana, Sukkur and Mirpurkhas while devising Union Council based separate system for the rest of the districts. This enraged the Sindhi nationalists and PML(F) who termed it *bitto nizam* (dual system) and started mass agitation in Sindh against the SPLGA 2012. Moreover, for Karachi a special explanation was given under article 8, "It is clarified that for the purposes of this Act, the District of Karachi shall comprise all the five districts of Karachi existing immediately before the commencement of this Act" (SPLGA 2012). The explanation meant that for Karachi the old commissionerate system did not apply while the same was functional in the remaining four divisions of Sindh. This anomaly was later removed and the commissionerate system was altogether withdrawn from the whole of Sindh. But this did not satisfy the Sindhi Nationalists and PML(F) who continued their movement for complete reversal of the SPLGA 2012. Succumbing to the pressure of Sindhi nationalists, PML(F) and its voters in rural Sindh, PPP government finally withdrew SPLGA 2012 on February 21, 2012, just a few months before the general elections scheduled in May 2013 and revived the old commissionerate system back in the whole of Sindh.

**COMPARISON OF DECENTRALIZATION UNDER
PRE-2013 LOCAL GOVERNMENT SYSTEMS**

	COLONIAL LG SYSTEM	AYUB KHAN'S LG SYSTEM	ZIA-UL-HAQ'S LG SYSTEM	MUSHARRAF'S LG SYSTEM
ADMINISTRATIVE DECENTRALIZATION	Bureaucracy heads all tiers of LG	Bureaucracy heads all tiers above UC	No bureaucratic head in LG, DC still head of district; provincial govts could fire elected officials	No bureaucratic head in LG, Dist. Nazim writes ACR of DCO; provincial govts could fire Nazim with assembly approval
FINANCIAL DECENTRALIZATION	Nil	LG could levy some local taxes	LG could levy specified local taxes, no Provincial Finance Award (PFA)	LGs could levy more local taxes, Non-discretionary and non-lapsable (PFA)
POLITICAL PARTICIPATION	Non-party elections, no political participation	Non-Party elections, Political activity banned	Non-party elections, political parties participated with changed names	Non-Party elections, political parties participated with changed names
	Nominated members at all tiers of LG, restricted franchise	Nominated members above UC, Adult franchise	No nominated members, UC chairpersons elected by UC members	No Nominated members, UC Nazim/Naib Nazim directly elected
	Colonial Govt had all powers to dismiss LGs	Constitutional Cover for LGs	No constitutional cover, provincial govts could dissolve LGs; no mandatory immediate elections	No constitutional cover, provincial govts could dissolve LGs after 2010; no mandatory immediate elections

Gul Hayat Institute

The discussion in this chapter clearly shows that the three LG systems practiced before 2013 in Pakistan, despite being the product of dictatorial regimes, demonstrated only gradual improvements in administrative, political and financial decentralization. Table 2 shows that political decentralization gradually increased with all council members in LG councils being directly or indirectly elected by adult suffrage by the time of the Musharraf LG system. The change is even more visible in administrative decentralization as in Musharraf's LG system the district Nazims used to write the ACRs of the district's main bureaucrat, the DCO. Similarly on the financial side, LGs under Musharraf received their finances through a non-discretionary and non-lapsable Provincial Finance Awards and were also allowed to levy certain local taxes. However, sadly in terms of ease of arbitrary dismissal, no progress was observed in LG systems of the three military rulers. Overall, in one way or the other, LGs under the three military governments were designed to forestall state restructuring in favour civilians and the masses and perpetuate the hold the military on state structures while keeping politicians in a dependent state.



Gul Hayat Institute



CHAPTER 3
THE SINDH LOCAL
GOVERNMENT SYSTEM 2013

Gul Hayat Institute

CHAPTER 3

THE SINDH LOCAL GOVERNMENT SYSTEM 2013

SINDH OVERVIEW

In its current boundaries, Sindh became a province of British India on April 1, 1936, after being separated from the Bombay Presidency. However, as an administrative and political unit with different boundaries, Sindh has existed since time immemorial and is linked to the ancient 'Indus Valley Civilization' that existed between 2600-1900 BCE) (Talpur 2014). Over the centuries, Sindh had its own indigenous local government system called Faislo.

Sindh with around 55-60 million (unofficial recent estimate) people is the second largest province of Pakistan in terms of population. The province is divided into seven administrative divisions and twenty-nine districts. The seven divisions include Karachi, Hyderabad, Mirpur Khas, Sukkur, Larkana and the two new divisions of Shaheed Benazir Abad (previously called Nawab Shah) and Bhambhore. Historically, the twenty-nine districts were further divided into tehsils or talukas and finally Union Councils, the most basic LG unit.

Genuine administrative, financial and political devolution to local governments is even more important for Sindh than the other provinces of Pakistan because of two factors. Sindh has Pakistan's second largest industrial and advanced service economy after Punjab. But almost all of it is based in Karachi, its capital, which is the country's premier commercial city and home to two of Pakistan's commercial seaports— Port Bin Qasim and the Karachi Port. The rest of Sindh has an agriculture based economy. This economic division is over-laid by a politically explosive ethnic division. Karachi and Hyderabad, the next largest city, are dominated by Mohajirs, the descendants of non-Punjabi immigrants from India who came to Pakistan after its separation from India in 1947. Karachi also hosts millions of Pakhtun immigrants from KP province and Punjabi immigrants from Punjab. The smaller towns and rural areas are dominated by indigenous Sindhis.

First languages of Sindh (according to 1998 Census)

Sindhi	59.7%
Urdu	21.1%
Punjabi	7%
Pashto	4.2%
Balochi	2.1%
Saraiki	1%
Others	4.9%

The politics of ethnicity across rural and urban Sindh and the fact that it includes Pakistan's economically and demographically biggest city Karachi makes a robust LG system essential

for Sindh. The LG system provides an avenue to Sindh province where all ethnic identities can be given a stake in the political system.

The Pakistan People's Party (PPP) and MQM are the two largest political parties in Sindh. PPP has secured a clear mandate from rural Sindh in all fair elections since 1970, while MQM has bagged most of the seats in most elections in the urban centres of Karachi and Hyderabad since 1985. Both parties have their own set of grievances. The PPP feels that it has been denied power at the federal level on several occasions by the Punjab-dominated Pakistani establishment and is also the standard-bearer of Sindhi grievances about being marginalized within Pakistan, mainly by Punjab. Sindhis also feel they are being converted into a minority in Sindh due to the initial migration of Mohajirs after 1947 from India and subsequent migration from upcountry, both into Karachi. Sindhi nationalists also resent the domination of Sindh's larger cities by outsiders. The MQM is the standard-bearer of Mohajir grievances, who complain about being marginalized both by the Punjab-dominated Pakistani establishment nationally and by the PPP provincially. Finally, the ethnic minorities in Karachi, e.g., Punjabi, Pakhtun etc. complain of suffering triply: from the federal and Sindh government's neglect of Karachi and MQM's neglect of them within Karachi.

The Sindhi nationalist political parties are another key stake holder as far as the LG system in Sindh is concerned. The major interest of Sindhi nationalists lies in keeping MQM at bay in the LG system and securing a better deal for rural areas by pressurising and demonising the PPP in rural areas. The Sindhi nationalists are represented by more than a dozen small political parties and factions that cannot agree on many issues among themselves but their position on LG system in Sindh is almost identical. As far as Karachi is concerned, one can add the Awami National Party (ANP), Pakistan Muslim League-Nawaz (PML-N) and Pakistan Tehrik-i-Insaf (PTI) as other important stake holders. The Pashtun vote in Karachi mostly goes either to the ANP or PTI and the Punjabi vote mostly goes to the PML-N.

The party politics which surrounds the LG systems in Sindh makes its implementation more controversial and difficult. So, Musharraf's LG system in Sindh initially did not spark much criticism from PPP and other nationalist parties but after 2004 when certain changes were made to only benefit MQM at the cost of PPP and other political parties, it became very controversial. Criticizing Musharraf's LG system, Naseer Memon, a noted Sindhi intellectual wrote, "Musharraf's LGO 2001 was rabidly opposed by Sindhis in the province. Sindhi leadership including the then PPP considered it as a precursor of administrative division of Sindh that effectively converted Karachi into a semi-autonomous unit rendering provincial government a mere spectator in the affairs of its capital city" (Memon, 2013).

Similarly, the SPLGA 2012 became controversial from day one. The PPP was under tremendous pressure at the Centre and needed MQM on its side in the federal government to remain in power. This brought PML(F), Sindhi nationalists and PML(N) on one platform in Sindh and they started a mass campaign against PPP in the rural areas of Sindh. This ultimately forced PPP to take back SPLGA 2012 just a few months before the 2013 elections fearing a possible negative impact on its chances of winning the 2013 elections in Sindh. After repealing SPLGA 2012, a senior minister in Sindh government told the *Friday Times*, "PPP had passed the law only to please the MQM. We were all against it" (Chishti, 2014).

To understand and analyze the Sindh Local Government Act 2013 (SLGA 2013), one must understand the political dynamics of the time and the manner in which it was framed. In the 2013 elections, the PPP badly lost at the centre and in Punjab, KP and Balochistan; while

securing a clear majority in the Sindh provincial assembly. Therefore, in the changed political dynamics PPP was no more reliant on MQM's support either at the centre or in Sindh. Moreover, now the PPP was wary of Sindhi nationalists and their possible reaction over the LG system in rural Sindh- its last remaining political bastion. This new political reality compelled PPP to bring the Sindhi nationalists on board while framing the SLGA 2013. The PPP started a major consultation process with journalists, intellectual and politicians having Sindhi nationalist background ("Social perspective", 2013). The critics of SPLGA 2012 in local Sindhi press were asked to give their feedback and the amendments proposed by them were incorporated to make sure that the SLGA 2013 receives no opposition from the local Sindhi press and the Sindhi nationalist circles. The MQM was now completely taken out of the loop and not consulted at all before the presentation of the bill in the Sindh Assembly. Hence, resultantly SLGA 2013 was severely criticized by MQM which termed it a "black law" while PML (F) and other political forces either criticized only some sections at times or afforded a tacit approval to the act ('Voicing concerns', 2017). Even after the passage of the 2013 LG Act, the provincial government kept delaying LG elections in Sindh on one pretext or another. It was only after a lot of interventions by the Supreme Court that the elections were finally held in the last quarter of 2015 and elected governments only took charge in 2016. In the opinion of many independent analysts, this delay in elections reflected the PPP's unwillingness to devolve power locally and share power with other political parties.

In this chapter the political, financial and administrative devolution under SLGA 2013 is discussed in detail. The structure of SLGA 2013 as implemented all over Sindh is analyzed and it is clarified how Karachi has been dealt differently under this act from the rest of Sindh. The SLGA 2013 is also compared with Musharraf's LG system and SPLGA 2012 to clarify why it is being resented by the MQM while PPP and other political forces in Sindh have welcomed it.

POLITICAL DEVOLUTION

The SLGA 2013 borrows much of its structure, vocabulary and rules from General Zia's LG system. Like Zia's LG system, a separate structure is enshrined for the urban and rural areas of Sindh. The concepts and structures of union councils, district councils, town committees, municipal committees and municipal/metropolitan corporations have been adopted in SLGA 2013 from Zia's LG system too.

As in other provinces and the federal capital, for the first time the LG elections in Sindh were envisaged on party basis. The term of office for LG councils in Sindh is four years, which commences from the day of the first meeting of local bodies. Moreover, SLGA 2013 makes it clear that the first meeting of the council must be held within thirty days from the day when the names of its members are notified by the Election Commission. Hence the law gives clear deadlines for the first meeting of councils and their tenure. However, it does not provide for immediate elections within 90 days in case of early dissolution or completion of term, as provided for provincial and national assemblies in Pakistan's constitution. The four-year term is also less than that of provincial, national and Islamabad LG terms (5 years).

LG System for Rural Areas

The structure of LG system in rural areas under SLGA 2013 is quite simple and comprises of Union Councils (UCs) and District Councils.

A **Union Council** consists of a Chairperson and a Vice Chairperson to be elected as joint candidates; four general members each elected from their respective wards; two women members, one labourer or peasant member, one youth member and one non-Muslim member. Under SLGA 2013, direct elections on the basis of adult franchise are held for Chairpersons, Vice Chairpersons and the four general members, while the mode of election for the members on reserved seats was left with the government to decide later. The Sindh government later decided that the six directly elected members will elect the members on reserved seats.

All the rural areas in a district are brought together for joint management under a district council which does not include the urban areas. For District Councils, each Union Council falling within its jurisdiction elects one directly elected councillor on the basis of adult franchise. Apart from this, for a District Council 33% seats are reserved for women, 5% for youth members, 5% for non-Muslims and 5% for labourer and peasant members. The District Council thus constituted then elects its Chairperson and Vice Chairperson as joint candidates from its members by “secret ballot”.

Tehsil or Taluka Councils, which had been a regular feature of the LG systems in Pakistan since Ayub Khan’s BD system, are missing in the SLGA 2013. This omission was criticized by some key informants who felt that it may be difficult for District Councils based in one place in the district to directly deal with so many rural councils spread all over the district without an intermediate structure like the Taluka.

The Structure of Sindh Local Bodies, 2013

Geographical area	LG Structure	Mode of Elections
Rural Areas	Union Councils	Directly elected: Chairperson and Vice Chairperson (joint candidates) and four general members from their respective wards Indirectly elected reserved seats: two women members, one labourer or peasant member, one youth member and one non-Muslim member
	District Councils (covering only rural areas)	Directly elected: One member from each Union Council in the district. Indirectly elected: Chairperson and Vice-Chairperson plus reserved seats: 33% for women, 5% for youth members, 5% for non-Muslims and 5% for labourer and peasants
Urban Areas		
Population from 10,000 to 50,000	Town Committees	Directly elected: General members elected from each ward of size of 2,000 to 3,000 persons Indirectly elected: Chairperson and Vice-Chairperson plus reserved seats: 33% for women, 5% for youth members, 5% for non-Muslims and 5% for labourer and peasants
Population above 50,000 to 300,000	Municipal Committees	Directly elected: General members elected from each ward of size of 4,000 to 5,000 persons Indirectly elected: Chairperson and Vice-Chairperson plus reserved seats: 33% for women, 5% for youth members, 5% for non-Muslims and 5% for labourer and peasants
Population above 300,000 to 3.5	Union committees	Directly elected: Chairperson and Vice Chairperson (joint candidates) and four general members from their

million (Hyderabad, Sukkur and Larkana city)		respective wards Indirectly elected reserved seats: two women members, one labourer or peasant member, one youth member and one non-Muslim member
	Municipal corporation	(a) All the elected Chairpersons of the Union Committees of the districts of Karachi, (b) Reserved seats to the extent of 33% for women members, 5% for non-Muslim members and 5% for labourer / peasants members, to be indirectly elected by the members elected under sub clause (a). (c) The Metropolitan Corporation so constituted shall elect a Mayor and a Deputy Mayor from amongst its members elected under sub clause (a).
Population above 3.5 million (Karachi city)	Union committees	Directly elected: Chairperson and Vice Chairperson (joint candidates) and four general members from their respective wards Indirectly elected reserved seats: two women members, one labourer or peasant member, one youth member and one non-Muslim member
	District municipal corporations	(a) All the elected Vice Chairpersons of the Union Committees in Karachi urban districts, (b) Reserved seats: 33% for women members, 5% for non-Muslim members and 5% for labourer / peasants members, to be indirectly elected by the members elected under sub clause (a). (c) The District Municipal Corporations so constituted shall elect a Chairperson and a Vice Chairperson respectively from amongst its members elected under sub clause (a).
	Metropolitan corporation	(a) All the elected Chairpersons of the Union Committees of the districts of Karachi, (b) Reserved seats to the extent of 33% for women members, 5% for non-Muslim members and 5% for labourer / peasants members, to be indirectly elected by the members elected under sub clause (a). (c) The Metropolitan Corporation so constituted shall elect a Mayor and a Deputy Mayor from amongst its members elected under sub clause (a).
	Karachi District Council (rural areas)	As per system described above for rural areas

LG System for Urban Areas

There are four types of LG structures in the urban areas of Sindh.

For small towns with populations ranging from 10,000 to 50,000, **Town Committees** are constituted. The town committee comprises of each member (councillor) elected from his/her respective ward, and 33% reserved seats for women, 5% for youth members, 5% for non-Muslims and 5% for labourer and peasant members. The town committee thus constituted then elects its Chairperson and Vice Chairperson as joint candidates amongst its members by “secret ballot”. A **Municipal Committee** is constituted for towns with population ranging above 50,000 to 0.3 million. The municipal committee has the same structure as a town committee and it is composed of several wards each electing its municipal councillor for the municipal committee. Apart from the councillors directly elected by wards, the other reserved seats in Municipal committee are indirectly elected and then municipal committee thus formed elects its Chairperson and vice Chairperson. Wards for town committee range in size

from 2000 to 3000, while the size for wards in municipal committee is 4000 to 5000. Thus, small towns up to the size of 300,000 persons only have a single-tiered structure although an earlier draft of the 2013 legislation did provide for Union Committees below the Town/Municipal Committees. This single-tiered system appears problematic for both Town and Municipal Committees. Towns up to 50,000 persons are often extensions of rural areas, and, like rural UCs, may not have the capacity to undertake complex tasks on their own and may need help from a higher LG authority as provided for rural UCs. On the other hand, towns having population above 50,000 up to 300,000 may be in need of a lower structure like Union Committees.

Cities with population above 300,000 to 3.5 million (Hyderabad, Sukkur and Larkana cities) have **union committees and a municipal corporation**. The Union Committee (UC) population ranges from 10,000 to 15,000. The union committee consists of a Chairperson and a vice Chairperson to be elected as joint candidates; four general members each elected from their respective wards; two women members, one labourer or peasant member, one youth member and one non-Muslim member. Under clause 18 (2) of SLGA 2013, direct elections on the basis of adult franchise are held for Chairperson, vice Chairperson and the four general members, while the mode of election for rest of the members is left with the government to decide later. The Sindh government later decided that directly elected members will elect the members on reserved seats. The Chairpersons of union committees in Hyderabad, Sukkur and Larkana districts become ex-officio members of the Municipal Corporations of their respective cities. Moreover, 33% seats are reserved for women, 5% for youth members, 5% for non-Muslims and 5% for labourer and peasant members in Municipal corporations. The Municipal Corporation thus constituted elects its Mayor and Deputy Mayor as joint candidates by “secret ballot”. The two-tiered structure for such cities seems appropriate.

The structure of LG system in Karachi is unique in many respects compared with the other districts in Sindh. The MQM wanted it to be declared a single district as was the case in Musharraf’s LG system and SPLGA 2012, while PPP wanted to divide Karachi in its six districts. In SLGA 2013, the status of six districts of Karachi has been maintained, while also providing Karachi a joint Metropolitan Corporation covering all six districts of Karachi. This appears to be an attempt by the Sindh government to go for a middle ground in Karachi. Thus, Karachi has a three tiered LG system in the urban areas which comprises of union committees, district municipal corporations and one joint Karachi Metropolitan Corporation (KMC) for its six District Municipal Corporations (DMCs).

In contrast to the other districts of Sindh, Karachi is mostly urban with 209 Union Committees for urban areas and only 38 Union Councils for the rural areas. Out of the 38 **Union Councils** in rural areas, 36 Union Councils fall in Malir district and six in Karachi West district (Mansoor, 2015). The other four districts in Karachi were declared as completely urban territories. For the 38 rural Union Councils of Malir district and Karachi West district a joint **Karachi District Council** (KDC) is constituted to supervise and guide them in running the municipal affairs of rural areas in Karachi, as true for other rural areas (Mansoor 2015). The KDC consists of 38 councillors elected directly one each from all 38 Union Councils in the rural areas. The KDC thus constituted then elects its Chairperson and Vice Chairperson as joint candidates by the secret ballot.

The Union Committee is the smallest unit in the urban areas of Karachi. Out of the 209 Union Committees, 51 fall in Karachi Central, 46 in Karachi West, 37 in Korangi, 31 each in Karachi South and Karachi East districts, and 13 in Malir district (Mansoor, 2015). The

complete structure and mode of elections in Union Committees is already provided above. For Karachi, the population of UCs ranges from 40000 to 50000.

The two next levels, **District Municipal Corporation** and **Metropolitan Corporation** are two Karachi specific institutions in SLGA 2013. Six District Municipal Corporations (DMCs) are constituted in Karachi for its six districts, which are DMC Karachi East, DMC Karachi West, DMC Karachi South, DMC Karachi Central, DMC Karachi Malir and DMC Karachi Korangi. The composition of **District Municipal Corporations** (DMCs) and **Karachi Metropolitan Corporation** (KMC) is on the same lines as that of the Municipal Corporations in Hyderabad, Sukkur and Larkana. The only difference is for DMCs all of the elected Vice Chairpersons of the Union Committees falling under the jurisdiction of its district become ex-officio members of the DMC concerned, while Chairpersons of union committees from all six districts of Karachi become ex-officio members of the KMC. For both DMC and KMC, reserved seats include 33% for women, 5% for youth members, 5% for non-Muslims and 5% for labourer and peasant members. The DMC and KMC thus constituted then elect their Chairperson and Vice Chairperson for DMCs; and Mayor and Deputy Mayor for KMC from amongst its members by “secret ballot”.

The rural KDC does not fall under the purview of the KMC nor do the army-controlled Cantonment areas which have their own separate LG structures and which by some estimates account for 30%+ of Karachi’s land. The latter is particularly problematic as these cantonment areas run throughout Karachi and create multiple and confusing jurisdictions.

Although the 2001 system had created a single district in Karachi, given Karachi’s significant ethnic diversity, the creation of multiple districts governments functioning under KMC strikes a better balance between the need for the city to have a unified local government and the creation of political space for all ethnic minorities. Currently, the MQM, which represents the Mohajirs, controls the overall metropolitan government and 3 out of the 6 district governments. This latter percentage roughly reflects the percentage of Mohajirs in Karachi’s population. Thus, the creation of multiple districts has given some political space to other ethnic groups resident in Karachi.

While there is a different system for rural and urban areas and multiple systems even within urban areas, the system has not evoked any major criticism from Sindhi nationalists. This suggests that behind the protests against SPLGA 2012, the real issue was not the separate system for urban and rural areas. Rather, it was the lack of clear relationship between the Sindh provincial government and the Karachi city government and the fact that the central government was often dealing directly with KMC while by-passing the provincial government. This tendency was reinforced by the facts that the Musharraf LG system was crafted not by the province but the central government and that Musharraf was from Karachi. With the passage of the 18th amendment, LG systems have been fully devolved to provinces and each province has devised its own unique LG system with no direct contact between the central and local governments. Thus, even a vastly different system for Karachi, which makes sense given its size and complexities, has not evoked any major reaction from the rural areas.

The system does provide reserved seats at all levels for marginalized groups like laborers, peasants, women etc. But in the opinion of key informants, in many cases the seats reserved for peasants and laborers have been captured by elites who do not meet the definition of peasant and laborers. Key informants also felt that while LG representatives are generally from lower strata of society than provincial and federal representatives, in most cases they are

part of the patronage networks of these higher representatives and the top leadership of political parties. This would undermine partially the egalitarian goals associated with the introduction of LG systems, i.e., greater representation of marginalized groups in state structures. It was not possible to collect more evidence on this question within the limited scope and time duration of this study.

ADMINISTRATIVE DEVOLUTION

In terms of administrative devolution, the SLGA 2013 represents a backward step. Many key functions which the 2001 system had devolved to districts have been re-assigned to the province in the 2013 system, e.g., police, major local development activities and buildings control. The Police Ordinance of 2002 is replaced with the colonial era Police Act 1861. The Karachi Development Authority, the Hyderabad Development Authority and other similar development authorities have not been placed under elected LG, unlike under the 2001 system. Section 74 of the Act also authorizes the government to take over any functions assigned to LGs and vice versa. The section does not specify the situations in which the government may do so. Thus, these powers seem sweeping. Clearly, the principles underlying the development of LGs globally suggest that the implementation of all divisible local services should be assigned to local governments.

In SLGA 2013, schedule III part I, 43 compulsory functions are mentioned for the District Councils in rural areas. The District Councils are also given seventy optional functions as well. Many of these overlap with the compulsory functions of DCs and UCs. Also, it is not clear what is meant by optional and who decides whether and when DCs adopt these functions and who performs them if DCs do not perform them. Thus, more clarity is needed. On the other hand, Union Councils for rural areas are assigned 47 functions. This clear delineation of functions between District Councils and Union Councils means both tiers enjoy a measure of autonomy in their respective spheres and exactly know what lies in their domain. For example, overall responsibility for the identification, appraisal and approval of projects regarding primary, middle and secondary schools; rural health centers; basic health units; family welfare clinics; piped water supply; potable water storage tanks and hand pumps; sanitation and rural roads is given to district councils, while Union Councils are made the construction agency for them.

Among its compulsory functions, district councils are given powers to monitor the implementation of District Development Programmes and submit regular progress reports on implementation of the development projects to the provincial Planning and Development Department. Moreover, District Councils disseminate information about various development projects and work as a bridge between masses and bureaucracy and bring community supervision into the development projects. Among optional functions of district councils also lie several other education, public health, social welfare and economic welfare related functions. On the other hand, union councils are given the job of monitoring the implementation of development projects at line departments level which fall under their jurisdiction. The union councils also make recommendations to the district councils regarding location of development projects. As such, the division of labor between DCs and UCs is clear and sensible in the rural areas.

But this is not true in the urban areas. In SLGA 2013, schedule II, part I, 18 functions fall under the exclusive domain of the Karachi Metropolitan Corporation, including civil defence,

firefighting service, Municipal Watch and Ward, Milk Supply schemes, celebration of National Days, reception of foreign dignitaries, art Gallery, Museum and Metropolitan Library, providing protection against stray animals and maintenance of brick kilns, Abattoirs and cattle colonies. Apart from this KMC is also empowered to perform some inter-district functions. So, it is responsible for planning development and maintenance of inter-district roads and bridges; and coordination, monitoring and supervision of all inter-district development/maintenance work. But some key LG functions do not fall under this purview, e.g., health, education, environment, overall development, security etc. Some of the functions included under it, e.g., control of stray animals and maintenance of brick kilns and cattle colonies seem trivial for a Metropolitan Corporation and seem more appropriate for UCs. Subjects like public health, education, water supply and drainage, slaughter house, streets are placed as compulsory DMC functions. Moreover, removal collection and disposal of refuse, public toilets, infectious diseases, hospitals and dispensaries, health and maternity centers, water supply, drainage, public water courses, public fisheries, milk supply, public markets, traffic planning, public safety, burial and cremation places, parks, gardens and forests, culture promotion and social welfare are shown as their optional functions.

There is no mention of vertical linkages among the KMCs and DMCs, as shown for DCs and UCs. In principle, the KMC should have clear line authority over the DMCs, with KMC playing the planning, monitoring and coordination roles and DMCs playing more implementation roles along with the UCs and with KMC having control authority. For Karachi this means that the six District Municipal corporations are made almost autonomous with little linkage with the Karachi Metropolitan Corporation. Furthermore, key informants reported that the DMCs and even UCs controlled by the PPP liaise directly with the provincial government for funds and direction, bypassing the KMC. This is reminiscent of and as wrong as the practice under the Musharraf regime where the KMC liaised directly with the federal government while bypassing the provincial government. These steps are likely to exacerbate the intense ethnic tensions within Sindh across the urban and rural areas.

To further weaken the KMC, the Sindh Assembly revived the defunct Karachi Development Authority (KDA) in March 2016 which had been merged into the KMC in 2002 by the Musharraf government. The MQM members had vehemently opposed this move in the Sindh assembly (Tunio, 2016). The MQM has filed a case with the Supreme Court to challenge these moves. A review of the functions assigned to Lahore, the only other metropolitan city in Pakistan, further highlights the undermining of the powers of the KMC. As the figure below shows, the Lahore Metropolitan Corporation has been empowered much more than the KMC to play more of the roles associated with Metropolitan Corporations. Lahore has been retained as a single district, unlike Karachi. But this still seems reasonable since Lahore's population is much smaller and it is not ethnically diverse like Karachi.

In a nutshell, in the SLGA 2013 LGs are restricted to the basic municipal services only while many important powers are retained by the provincial government. Police, administration, development authorities, revenue and land management directly come under the provincial government with LGs having no say in such affairs. Not just opposition party key informants but even those belonging to the PPP criticized SLGA 2013 for not giving adequate powers to LGs, unlike the 2001 system. This pattern of undermining the powers of elected LGs is perpetuated by giving extra powers to LG bureaucrats.

Functions of Lahore Metropolitan Corporation	
<ul style="list-style-type: none"> (a) approve spatial plans, master plans, zoning, land use plans, including classification and reclassification of land, environment control, urban design, urban renewal and ecological balances; (b) implement rules and bye-laws governing land use, housing, markets, zoning, environment, roads, traffic, tax, infrastructure and public utilities; (c) approve proposals for public transport and mass transit systems, construction of express ways, fly-overs, bridges, roads, under passes, and inter-town streets; (d) approve development schemes for beautification of urban areas; (e) develop integrated system of water reservoirs, water sources, treatment plants, drainage, liquid and solid waste disposal, sanitation and other municipal services; (f) execute and manage development plans; (g) exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations; (h) enforce all municipal laws, rules and bye-laws governing its functioning; (i) prevent and remove encroachments; (j) regulate affixing of sign-boards and advertisements except where this function is being performed by the Parks and Horticulture Authority; (k) provide, manage, operate, maintain and improve the municipal infrastructure and services (l) environmental control, including control of air, water and soil pollution in accordance with Federal and Provincial laws and standards; (m) undertake urban design and urban renewal programmes; (n) develop and maintain museums, art galleries, libraries, community and cultural centers; (o) conserve historical and cultural assets; (p) undertake landscape, monuments and municipal ornamentation; (q) establish and maintain regional markets and commercial centers; (r) prepare budget, revised budget and annual and long term municipal development programmes; (s) maintain a comprehensive data base and information system and provide public access to it on nominal charges; (t) approve taxes and fees; (u) regulate dangerous and offensive articles and trades mentioned in Second Schedule; (v) collect approved taxes, fees, rates, rents, tolls, charges, fines and penalties; (w) organize sports, cultural, recreational events, fairs and shows, cattle fairs and cattle markets, and regulate sale of animals; (x) regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation thereof as and where applicable; (y) manage properties, assets and funds vested in the local government; (z) develop and manage schemes, including site development; (aa) authorize an officer or officers to issue notice to a person committing any municipal offence and initiate legal proceedings for continuance of commission of such offence or for failure to comply with the directions contained in such notice; (bb) prosecute, sue and follow up criminal, civil and recovery proceedings against violators of municipal laws in the courts of competent jurisdiction; (cc) promote technological parks, cottage, small and medium size enterprises; (dd) maintain municipal records and archives; (ee) assist in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assist relevant authorities in relief activities; (ff) provide relief for the widows, orphans, poor, persons in distress and children and persons with disabilities; (gg) prepare financial statements and present them for internal and external audit in the manner as may be prescribed; and (hh) perform such other functions as may be prescribed. 	

Musharraf's LG system had taken away much of the initiative away from the bureaucracy and most of the important functions of LG came under the elected leadership. For the first time, Musharraf's LG system made district administrative staff work under the elected

district Nazim who could write the DCO's ACR. Police oversight powers were also transferred directly to the district Nazim.

Functions of Mayors/Chairpersons under 2013 system	Functions of Nazims under Musharraf system
<ul style="list-style-type: none"> • Preside at all meetings of the Council, and regulate the conduct of business at such meetings in accordance with rules • Watch over the financial and executive administration of the Council and perform such executive functions as are assigned to him by or under this Act; • Exercise supervision and control over the acts and proceedings of all servants of the Council and dispose of all questions relating to their service, pay privileges and allowances in accordance with the rules; provided that service matters of the members of the Councils Unified Grades shall be referred to Government; • Have power in cases of emergency to direct the execution or stoppage of any work or the doing of any act which requires the sanction of Government or the Council, and the immediate execution or stoppage or doing of which is, in his opinion, necessary for the service or safety of the public and the action so taken shall forthwith be reported to Government or, as the case may be, to the Council at its next meeting; provided that he shall not act under this clause in contravention of any provision of this Act or order of the Council or Government. 	<ul style="list-style-type: none"> • Provide vision for the district-wide development, leadership and direction for efficient functioning of the District Government; • Develop with the assistance of the District Administration strategies and timeframe for accomplishment of the relevant goals approved by the Zila Council; • Perform functions relating to law and order in the district; • Ensure implementation of the functions decentralised to the District Government; • Oversee formulation and execution of the annual development plan, delivery of services and functioning of the District Government; • Present proposal to the Zila Council for approval of budget for District Government, Zila Council and intra-district fiscal transfers; • Maintain administrative and financial discipline in the District Government; • Present tax proposals to the Zila Council; • Present report on the performance of the District Government in person to the Zila Council at least twice a year; • Preside over the meetings of the Zila Mushawarat Committee; • Take charge, organise and prepare for relief activities in disasters or natural calamities; • Authorise officers of the District Government to sign documents on its behalf; • Initiate inspections of Tehsil Municipal Administration, Town Municipal Administration and Union Administration in the district pursuant to section 135; • Establish and supervise the working of the Internal Audit Office; • Issue executive orders to the District Coordination Officer and Executive District Officers for discharge of the functions decentralised to the *District Government; • Represent District Government on public and ceremonial occasions; • Perform any other function as may be assigned to him by the Government. • The Zila Nazim shall not employ any advisor, special assistant or a political secretary other than support staff allocated to his office from amongst the officials available in the district

The SLGA 2013 has revived the old LG commissionerate system of Zia. It designates bureaucrats as the Chief Executives of their respective councils and under clause 81 (1) they are empowered to “supervise the financial and executive administration of the council”. Under clause 82 (1) the Municipal Commissioner is to work as the Chief Executive for

Corporation, Chief Officer for the District Council, Chief Municipal Officer for Municipal Committee, Town officer for Town Committee and Secretary for Union Council and Union Committee. In clause 81(1) it is also mentioned that the functions of Chief Executives are subject to the general control of mayors or Chairpersons. But compared with those in the Musharraf system, the description of the functions of Mayors/chairpersons and Chief Executives is much briefer and vague. The term Chief Executive seems broader and more powerful than that of DCO (District Coordinating Officer). The budgetary, planning and supervisory functions of Nazims were spelt out much more clearly in the 2001 system. The difference between the functions of Mayors and Chief Executives are much less clear in the 2013 system. While the 2001 system clearly mentioned that Nazims will conduct the annual reviews of DCOs, this is not mentioned in the 2013 system. According to key informants, all this lack of clarity has tilted the balance in favor of unelected Chief Executives and away from elected Mayors. The ability of LGs to fill even junior positions has been curtailed.

Functions of Chief Executive under 2013 system	Functions of DCOs under Musharraf system
<p>Subject to the general control of the Mayor or Chairman, the Chief Executive shall-</p> <ul style="list-style-type: none"> • Supervise the financial and executive administration of the Council and perform all duties assigned to and exercise all powers conferred on or delegated to him • Supervise and control the acts and proceedings of the employees of the Council under this Act and dispose of such questions relating to their service matters as may be assigned to him for disposal; • Furnish to the Government from time to time, a copy of every resolution passed at a meeting of the Council; • Take prompt steps to remove any irregularity pointed out by the Auditor; and (2) All licences and permissions under this Act, rules or bye-laws shall be issued, granted or given under the signature of the Chief Executive and all fees payable for such licences and permissions shall be received, recovered and credited to the local fund. • The Chief Executive may, subject to the general instructions of the Council, and after giving the party concerned an opportunity to be heard in person, suspend, withhold or withdraw any licence or permission granted or given under sub-section (1) if he is satisfied that the licensee or permit-holder has failed to comply with the terms and conditions thereof or has acted in contravention of the provisions of this Act or any rule or bye-law- • Subject to such limitations as may be laid down by the Council, the Chief Executive may delegate any power conferred on him by this Act or the rules or bye-laws to any servant of the Council. • The Chief Executive shall supply any return, statement, account or report or a copy of any document in his charge, called for by the Council or a Committee or Sub-Committee set up by the Council and shall comply with any orders passed by the Council or Committee or Sub-Committee in accordance with the provisions of this Act. 	<p>The District Coordination Officer shall be coordinating head of the District Administration and shall-</p> <ul style="list-style-type: none"> • Ensure that the business of the District Coordination Group of Offices is carried out in accordance with the laws for the time being in force; • co-ordinate the activities of the groups of offices for coherent planning, synergistic development, effective and efficient functioning of the District Administration; • exercise general supervision over programmes, projects, services, and activities of the District Administration; • coordinate flow of information required by the Zila Council for performance of its functions under this Ordinance; • act as Principal Accounting Officer of the District Government and be responsible to the Public Accounts Committee of the Provincial Assembly; act and perform functions of Collector under sections 54, 68, 70(2), 71, 72, 92, 93, rule 18 of Order XXI, Order XL and for similar other provisions of the Code of Civil Procedure, 1908(Act V of 1908); • assist the Zila Nazim in accomplishment of administrative and financial discipline and efficiency in the discharge of the functions assigned to District Administration; • prepare a report on the implementation of development plans of the District Government for presentation to the Zila Council in its annual budget session; • Initiate the performance evaluation reports of the Executive District Officers and shall be countersigning officer of such reports of the District Officers initiated by the Executive District Officers. Explanation

To further limit the powers of LGs and keep them under check, under article 91, the Sindh government can start an inquiry into the affairs of any LG council on its own or on application of any individual and appoint an enquiry officer who will have the powers of a civil court under the Code of Civil Procedure, 1908. Under articles 92, on the basis of enquiry conducted, the Sindh government can suspend the authority of the council over such department or institution and can take over the management of such department in its own hands. Under article 93 if government feels an LG council is persistently failing to discharge its duties or abuses its power then it can declare the council to be suspended for maximum six months period.

Moreover, a Provincial Local Government Commission (PLGC) is instituted under article 119 to conduct special inspections of the LG councils or conduct an enquiry into any matter concerning a LG council and report back to the Chief Minister of Sindh. The PLGC consists of seven members with Minister for Local Government working as its Chairperson. The members loyal to government of Sindh dominate the PLGC. Apart from the Chairperson, two members of Sindh provincial assembly are to be nominated one each by the Leader of the House and the Leader of the Opposition; two technocrat members are to be nominated by the government of Sindh; and Secretary Law department and the Secretary Local Government Department are made the ex-officio members of PLGC. The PLGC is empowered to recommend to the Chief Minister of Sindh the suspension of any mayor, deputy mayor, Chairperson and vice Chairperson of LG councils for maximum ninety days if PLGC feels such a suspension is necessary for the fair conduct of enquiry. Moreover, if found guilty PLGC may recommend the “appropriate action” to the Chief Minister of Sindh against the concerned mayor, deputy mayor, Chairperson or vice Chairperson. These clauses make LGs almost subservient to the Sindh government as they will always feel threatened. The supervision and checks and balances over LGs is not a bad thing in itself but the way all important powers are taken away from the LGs and the way they are made subservient to the provincial government goes against the spirit of democracy and local devolution. There is a need to circumscribe these powers and to appoint more neutral persons to the PLGC.

While the system came into being almost a year back, there is still much confusion among all stakeholders interviewed regarding its various aspects. This includes the division of labour between the different LG layers, LG bodies and the provincial governments, and between elected and non-elected officials. Local councillors do not have written job descriptions or office space. They have not been given any induction or training on their own role or the different aspects of the LG system. Community appraisals conducted as part of this research shows that even communities are not very well aware of the functions and domains of the new LGs.

Gul Hayat Institute

FINANCIAL DEVOLUTION

In a very positive development that at least theoretically may ensure financial devolution from provincial government to the LGs, a Provincial Finance Commission (PFC) is provided in the SLGA 2013 on the model of National Finance Commission (NFC). According to article 112, the PFC consists of thirteen members, with the provincial Minister for Finance as the chairperson of the PFC and the Minister for Local Government as the Co-chairperson. Apart from them, the PFC includes two members of the Sindh assembly each nominated by the Leader of the House and Leader of the Opposition; three senior bureaucrats of the Government of Sindh, (the Secretary of Finance; Planning and Development Department; and

Local Government) four LG representatives (Mayor of KMC, a Mayor of Corporation, a Chairperson of a District Council and a Chairperson of a Municipal Committee to be nominated by the Government of Sindh), and two technocrats to be appointed by the Sindh government. Looking at the structure of PFC, the Sindh Government has a clear upper hand as apart from a member nominated by the Leader of the Opposition and Mayor of KMC all other eleven members in the PFC would be either the nominees or officials associated with the government. Since all decisions in the PFC shall be made on the basis of majority, therefore, with this structure there is very little ground for any opposition member influencing the decision making. Even LG representatives are in a minority.

The PFC is empowered to devise a formula for vertical resource distribution between the Sindh government and the LG councils from the Provincial Consolidated Fund and the horizontal distribution of provincial allocable amount amongst all councils which is termed as the PFC award. The duration of PFC award is four years only and at the end of the four years period a new PFC award is required to be made. The Sindh government is empowered to approve or for reasons to be recorded in writing, alter the recommendations of PFC. Hence, unlike NFC, the recommendations of PFC are not binding upon the Sindh government. This partially kills the whole purpose of PFC. The PFC is still not functional even 3 years after the passage of the SLGA 2013 Act.

In SLGA 2013, a “local fund” has been established at all levels of LGs in Sindh. Corporation funds, Municipal Committee funds, Town Committee funds, Union Committee funds, District Council funds and Union Council funds are to be established in all over Sindh. These local funds pool the money received through proceeds of all taxes, tolls, rates, fees, fines, cess and other charges levied by the LGs, sums of moneys received from the government, and all rents and profits payable to the council. The LGs are empowered to withdraw amounts from the local fund according to their respective annual budget and revised budget estimates approved by the council.

In SLGA 2013, LG councils are empowered to levy taxes, rates, tolls and fees as mentioned in schedule V but they are bound to follow the directions of the Sindh government in this regard. Under article 98, the Sindh government can direct any LG council to levy certain tax which the concerned council is competent to levy; or increase or reduce the rate of any tax; or suspend or abolish any tax levied by the council. Hence, although councils are given the powers of levying taxes, still the final authority lies with the Sindh Government as it has been empowered to keep a check on LGs in this regard.

According to schedule V part I of SLGA 2013, Karachi Metropolitan Corporation is empowered to levy taxes on twelve categories which includes fire tax, drainage tax, entertainment tax, tax on transfer of immovable property, fee for slaughtering animals, fee on licences/sanctions/permits granted by KMC and tolls on roads and bridges owned by KMC. But this is subject to article 96 (2) which empowers the Sindh government to fix the proportion in which the taxes collected by KMC will be divided between the KMC and the District Municipal Corporation concerned. It is interesting to note here that this provision is KMC specific only.

In part II of Schedule V twenty-four categories are mentioned on which Municipal Committees, Town Committees, and Municipal Corporations are empowered to levy taxes. Those categories include the property tax, fee on birth, marriages, adoptions etc, school fees, fees of markets, taxes on vehicles, fees for slaughtering of animals, advertisements including

hoarding and billboards. Similarly in part III thirty one categories are mentioned for taxation powers of District Councils and Union Councils together. Those thirty one categories include tax on the annual value of buildings and lands, tax on professions and trades, fee for registration and certificates of birth, marriage, death, divorce, tolls on roads, bridges and ferries, fees for markets, fisheries etc.

KMC taxes	Other corporation and municipal and town committees taxes	District and Union Council taxes
<ol style="list-style-type: none"> 1. Fire Tax. 2. Conservancy Tax. 3. Drainage Tax. 4. Fees for slaughtering of Animals. 5. Fee on conversion of land use all over the City. 6. Fee on licences / sanctions / permits granted by KMC. 7. Market fee on land owned by KMC 8. Tolls on roads and bridges owned and maintained by KMC 9. Charged Parking on the roads maintained by KMC 10. BTS Towers 11. Entertainment Tax 12. Tax on transfer of immovable property 13. Cess on any taxes levied by the Government 	<ol style="list-style-type: none"> 1. Property Tax as may be determined by the Government 2. Tax on the transfer of immovable property. 3. Tolls on road and bridges and ferries owned and maintained by Council. 4. Tax on professions, trades and callings. 5. Fee on births, marriages, adoptions and feasts. 6. Advertisements including hoarding and billboard. 7. Animals. 8. Tax on cinemas, dramatic and theatrical shows and other entertainments and amusements as may be determined by Government. 9. Tax on vehicles, other than motor vehicles and boats. 10. Street lighting Rate and Fire Rate. 11. Conservancy Rate. 12. Rate for the execution of any work of Public Utility. 13. Rate for the provision of water works or the supply of water. 14. Cess on any of the taxes levied by Government. 15. School Fees. 16. Fees for benefits derived from any works of public utility maintained by the Council. 17. Fees at fairs, agricultural shows, industrial exhibitions, tournaments and other public gatherings. 18. Fees for Markets 19. Fees for licences sanctions and permits granted by the Council. 20. Fees for specific services rendered by the Council. 21. Fees for the slaughtering of Animals. 22. Parking Fee on roads. 23. Any other fee leviable under any of the provisions of this Act. 	<ol style="list-style-type: none"> 1. Tax on the annual value of buildings and lands. 2. Tax on lands not subject to local rate. 3. Tax on the transfer of immovable property 7. Tax on professions trades and callings. 8. Fee for registration and certificates of birth and death, marriages and divorces. 9. Advertisements including bill board and hoarding as determined by Government. 10. Cinemas, dramatic and theatrical shows, and other entertainments and amusements. 11. Animals. 12. Vehicles (other than motor vehicles but including carts bi-cycles and all kinds of boats). 13. Tolls on roads, bridges and ferries. 14. Street Lighting Rate. 15. Drainage Rate. 16. Rate for the execution of any works of Public Utility. 17. Conservancy Rate. 18. Rate for the provision of water works or the supply of water. 19. Fees on application for the erection and re-erection of building. 20. Schools fees in respect of schools established or maintained by the Council. 21. Fee for the use of benefits derived from any works of public utility maintained by the Council. 22. Fees at fairs, agricultural shows, industrial exhibitions, tournaments and other public gatherings. 23. Fees for Markets. 24. Fees for licences, sanctions and permits granted by the Council. 25. Fees for specific services rendered by the Council. 26. Fees for the slaughtering of Animals. 27. Parking Fee 28. Fee on BTS Tower 29. Surface minerals 30. Fisheries 31. Any other Tax which is levied by Government.

The PFC has been established at the provincial level for introducing fiscal devolution from provincial government to the LGs. Moreover, very detailed distribution of taxation powers

among different tiers of LGs is also provided. But when one looks at the PFC and taxation in schedule V minutely, it is obvious that the Sindh government has kept all important taxation matters in its own hands and very little has been transferred to the LGs. Even on what is transferred, the final decision lies with the Sindh Government. Moreover, despite dividing schedule V in three parts, there is still much ambiguity and overlap of financial powers between different tiers of LGs. So, only part I of schedule V is the exclusive domain of KMC, whereas for part II and part III it is still not clear which categories of taxes and fees will be levied by whom. There is also overlap in all three sections as some powers are mentioned in more than one section.

The taxation remit given to Lahore Municipal Corporation by the Punjab government is much wider than that given to the KMC by the Sindh government with 23 heads of taxes as against only 13 for the KMC as shown below:

Taxes and other levies by Lahore Metropolitan Corporation,

- (1) Tax on urban immovable property.
- (2) Entertainment tax on dramatic and theatrical shows.
- (3) Tax on the transfer of immovable property.
- (4) Water rate.
- (5) Drainage rate.
- (6) Conservancy rate.
- (7) Fee for approval of building plans, erection and re-erection of buildings.
- (8) Fee for change of land use of a land or building as prescribed.
- (9) Fee for licenses, sanctions and permits.
- (10) Fee on the slaughter of animals.
- (11) Tax on professions, trade, callings and employment.
- (12) Market fees.
- (13) Tax on advertisement and billboards.
- (15) Toll tax on roads, bridges and ferries maintained by the local governments.
- (16) Fee at fairs and industrial exhibitions.
- (17) Fee for specific services rendered by the local government;
- (18) Fee for registration and certification of births and marriages;
- (19) Tax for the construction or maintenance of any work of public utility.
- (20) Parking fee.
- (21) Water conservancy charge from the owner or occupier of a house or any other building, except an educational institution having a swimming pool with a minimum surface area of 250 square feet.
- (22) Tax on installation of Base Transceiver Station/Tower.
- (23) Fee for licensing of professions or vocations as prescribed.
- (24) Any other tax or levy authorized by the Government.

LOCAL GOVERNANCE IN COMMERCIAL CAPITALS GLOBALLY

Karachi, Mumbai and New York City have many things in common. All three are the biggest metropolitan areas and the economic hubs of their respective countries but still none of them is the capital of the country. Moreover, all three are multi-ethnic, religiously diverse and heterogeneous societies with a long history of community conflicts. Hence for all three, local governance is not only of critical importance but also a gigantic task considering the complexities and conflicts involved.

The Mumbai LG System

Unlike Pakistan, where after 18th amendment the constitution leaves it to the provincial governments to decide about their respective local government systems, the Indian constitution since 1993 provides for a uniform local government structure for the all states (federating units) of India. In 1993, India decided to revive the indigenous Panchayat system with modernized democratic structures and after reaching a political consensus among all political parties provided for direct elections for the three tiered *Panchayat Raj* Institutions (Panchayats for villages and Nagarpalikas or Municipalities for cities and towns) (Mathew 2015). But the LG system in Mumbai is an exception which is run under the age-old Bombay Act 1888 amended from time to time and is now called The Mumbai Municipal Corporation Act (Bombay Act III 1888, as modified up to the 8th December 2011).

The Mumbai city is administered by the Municipal Corporation of Greater Mumbai (MCGM), also known as Brihanmumbai Municipal Corporation. Administratively, the LG system in Mumbai is further divided into six zones. Then each zone consists of three to five wards named alphabetically. The BMC has a legislature called Corporation Council which consists of 227 councilors directly elected in ward level elections for a term of five years. The main responsibility of councilors is to oversee the development work in their respective constituencies and ensure that the basic civic infrastructure is in place. The BMC is headed by the Mayor of Mumbai who is elected by the majority vote of BMC members. The Mayor then nominates his/her deputy mayor.

However, the elected Mayor of Mumbai is only a titular head as he/she chairs the council only and possesses very few executive powers. On the other hand, following the original colonial period Bombay Act 1888 and contrary to the spirit of democracy, real executive authority lies with the un-elected Municipal Commissioner, a civil servant appointed by the state government of Maharashtra. For administrative purposes the 227 wards of Mumbai are grouped into twenty four administrative wards and each administrative ward is administered by separate Assistant Commissioners who are responsible for service delivery in their areas. Hence, in Mumbai the Maharashtra state government controls the LG administration of Mumbai using the so-called non-partisan bureaucracy and real executive powers are not delegated to the elected representatives.

The table below shows that while the powers of elected officials are as circumscribed in Maharashtra as in Sindh, at least the BMC's functions are more all-encompassing than those of the KMC, including the key functions of health, education, development and environment. Furthermore, the tiers below the BMC, such as zones and wards are fully subservient to the BMC and have no direct links with the state government.

(A) Obligatory duties ---

1. Maintenance, construction, and cleaning of drains and drainage works, and of public latrines, urinals and similar conveniences;
2. Planning for economic and social development;
3. Urban forestry, protection of environment and promotion of ecological aspects;
4. Construction and maintenance of works and means for providing a supply of water for public and private purposes;
5. Scavenging and the removal and disposal of excrementitious and other filthy matters, and of all ashes, refuse and rubbish;
6. Reclamation of unhealthy localities, the removal of noxious vegetation and generally the abatement of all nuisances;
7. Regulation of places for the disposal of the dead and the provision of new places for the said purpose;
8. Registration of births and deaths;
9. Public vaccination in accordance with the provisions of the (Bombay Vaccination Act, 1877);
10. Measures for preventing and checking the spread of dangerous diseases;
11. Establishing and maintaining public hospitals and dispensaries and carrying out other measures necessary for public medical relief;
12. Construction and maintenance of public markets and slaughter houses the regulation of all markets and slaughter-houses;
13. Regulation of offensive and dangerous trades;
14. Entertainment of a fire-brigade and the protection of life and property in the case of fire;
15. Securing or removal of dangerous building and places;
16. Construction maintenance, alteration and improvement of public streets, bridges, culverts, causeways and the like;
17. Lighting, watering and cleansing of public streets;
18. Removal of obstructions and projections in or upon streets, bridges and other public places;
19. Naming of streets and the numbering of premises;
20. Maintaining, aiding and suitably accommodating schools for primary education .

(B) Discretionary duties

1. Slum improvement and upgradation;
2. Urban poverty alleviation;
3. Establishment, aiding or maintaining libraries, museums, art galleries, botanical or zoological collections;
4. Laying out or the maintenance of public parks, gardens or recreation grounds;
5. Planting and care of trees on road sides and elsewhere;
6. Surveys of buildings or lands

The New York City LG System

Article IX of the New York State Constitution mandates its Legislature to enact a “Statute of Local Governments” granting clear powers to local governments within the state. These include the power to adopt ordinances, resolutions, rules and regulations; the power to acquire real and personal property; the power to acquire, establish and maintain recreational facilities; the power to fix, levy and collect charges and fees. The State Constitution Municipal Home Rule Law reiterates the constitutional local law powers and procedures. Home rule describes those governmental functions traditionally reserved for local governments without undue infringement by the state. Although LGs can revise their charters and adopt new charters, this authority is not unlimited, and must be exercised in accordance with the State Constitution and the Legislature’s grant of local law powers to cities. Local law must not be inconsistent with the State Constitution

The New York State has sixty two counties in total. Out of them, five counties (New York, Kings, Bronx, Queens and Richmond) together constitute the New York City (NYC). Each NYC County is also called a Borough, below which are the council districts under a three-

tiered LG system. This unified and centralized municipal structure was established in 1898 when a new charter for NYC was adopted which is still in force with some necessary amendments over time (New York City Charter, As Amended through July 2004).

Under the charter of NYC, as in the American federal government, there is a separation of powers between the executive, legislative and judicial branches of the NYC government. The executive branch of NYC is headed by the Mayor, directly elected by the people for four years. The elected mayors are all powerful and can appoint their own deputy mayors and hire and fire the heads of administration departments, commissioners and some other un-elected officers based on their performances. The New York City Council is the legislative body of NYC. The Council consists of 51 council members directly elected one each by the people of the fifty one council districts in NYC for the term of four years. The council members then elect the speaker of the council from amongst themselves. After the mayor, the speaker is considered as the second most important political figure in NYC.

Apart from the Mayor, the Public Advocate and Comptroller are other two directly elected citywide officials in NYC. The term of office, mode of election and removal for Public Advocate and Comptroller are same as for the mayor of NYC. The public advocate is a watchdog and mediator between citizens and their elected officials on one hand and city agencies and LG government officials on the other. He/she receives complaints regarding city-wide nature services and programs, investigates and resolves them and makes proposals to mayor and council for the improvement of the city's response to them. The Comptroller advises the mayor and the council on the financial and economic matters and conducts the audit and investigation into financial matters of the NYC. The Public Advocate and the Comptroller succeed the mayor in that order in case of his/her resignation, death or removal.

For each of the five boroughs, a borough President is directly elected by the people of the borough to function as its executive head. The Borough President enjoys almost the same powers at the level of the borough as enjoyed by the mayor in NYC. For each borough, there is a borough board comprising the borough president, the districts council members, and the chairperson of each district community board located within its geographical boundaries. The borough President functions as the chairperson of the board and holds the public hearings of the board and reports back to the mayor and council regarding government services and development projects. The borough board adopts by-laws, makes recommendations for land use and planning, mediates disputes and conflicts among two or more community boards, evaluates the service delivery and submits a comprehensive statement of the expense and capital budget priorities and needs within the concerned borough.

For each of the fifty-nine Community Districts in NYC, there is a Community Board headed by the Community Board Chairperson elected at the same time and same manner as the mayor of NYC. The community board consists of fifty volunteer members appointed by the local borough president. Half of those volunteers are nominated by the City Council members divided proportionally based on the share of the district's population represented by each Council member. The community boards are mandated to cater the needs of the concerned Community District and assist the government officials in matters related to the welfare of the Community District and its residents.

All key local functions are fully devolved to the LG in NYC including the following:

- City planning

- Health, sanitation and water
- Education, including some components of higher education
- Economic development and assistance
- Parks and recreation
- Police and public safety
- Local transport, environment
- Partial control over airports, ports and regional transportation

The city also has the ability to raise the following types of taxes:

- General Property
- General Sales
- Personal Income
- General Corp
- Commercial Occupancy
- Banking Corporation
- Utility
- Unincorporated Business
- Real Property Transfer
- Mortgage Recording
- Tax Audit Revenues
- Cigarette
- Hotel
- Others

The success of local governance in the New York City provides some clues for the LG system in Karachi. The following aspects are particularly relevant:

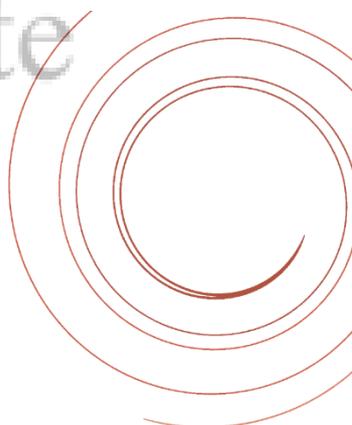
- The city has the power to legislate and revise its own charter
- The range of functions delegated to the city include almost every conceivable functions that is divisible at the local level
- The Mayor is fully empowered and has full authority over bureaucratic staff
- The state cannot intervene except in exceptional cases in LG matters and LGs have control over the hiring and firing decisions
- The city has the ability to levy a wide range of taxes, including sales, property, transport and corporate tax.

A proper mechanism of decentralization and devolution of powers from federation to provinces and then from provincial government to KMC and finally from KMC to the six districts of Karachi is necessary for an efficient and successful LG system in Karachi. The offices of public advocate and comptroller can be a used in case of Karachi and other parts of Sindh to keep a check on the public officials and make LG system in Sindh more responsible to the demands and needs of the people of Sindh.



CHAPTER 4
CONCLUSIONS AND
RECOMMENDATIONS

Gul Hayat Institute



CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

The crucial role of well-designed local government systems in enhancing the quality of governance and service delivery for the general population is confirmed by the experiences of dozens of countries. But the importance of sufficient and proportionate political, administrative and financial devolution to LGs is also well recognized by the literature on LGs globally. Without such devolution, LGs can impose higher costs without providing proportionate advantages in terms of increased efficiency and effectiveness in service delivery. They then also fail in achieving the political economy goal of the restructuring of the state in favour weaker classes and achieving the goals of conflict reduction among different communities living together locally.

Given these facts, the Sindh LG system introduced in 2013 and implemented in 2016 is an important though much delayed step towards enhancing the quality of local service delivery in Sindh. This review of the system has identified a number of strengths in this new legislation. For the first time in Pakistan's history, LGs have been introduced in Sindh and throughout Pakistan under elected governments. This enhances the ownership of major political parties in local governance and leads to a continuum of elected structures from the federal to the local levels. The elections were held on party basis which is generally recognized as a good practice. Finally, the legislation provides a sound division of labour and clear line of authority in the rural areas among District Councils and Union Councils.

However, the review also highlights a number of areas where decentralization of power to the local governments still needs to be increased further in the areas of political, administrative and financial devolution to achieve both the technocratic and political economy goals of empowering marginalized communities and achieving conflict reduction. Ideally, LGs should be empowered fully to fulfil municipal functions, with suitable and empowering oversight by higher authorities to ensure compliance with its laws. Since there are multiple districts under provincial governments, they must play a crucial coordination role across districts. Backward districts have limited human resource functions. Thus, higher-level governments have some justification for maintaining greater involvement in the delivery of LG functions. However, in the case of larger cities with the ability to attract high-quality human resources and different and more complex contexts, these rationales for greater involvement by the federal government do not apply. Thus, greater devolution makes sense.

Such devolution takes time, especially when LG bodies have existed intermittently throughout the country for so long. Thus, the conclusions and recommendations given below are not meant as steps that all must be taken immediately. The aim is to identify a comprehensive list of issues where further work must be undertaken in the future to fully empower Sindh LGs. The most critical and over-arching gap seems to be the absence of a comprehensive analytical framework which clearly defines the type and level of devolution that must occur based on global experiences and the academic literature on local governance. Such a framework can help in identifying all the functions and authorities that are usually granted to LGs in well-designed LG systems but which are still outside the purview of the

Sindh LGs. This can then become the basis for developing a road-map for their eventual transfer to LGs based on mutual consultations.

POLITICAL DEVOLUTION

- Neither the Sindh 2013 Act nor Pakistan's constitution mandates immediate re-elections for LGs within a stipulated period in case of completion of term or early dissolution. **The Act must be modified to mandate holding of LG elections within 90 days.**
- The Sindh LG system 2013 is based on an act of Sindh assembly and not a constitutional amendment. **Critical aspects of LG systems, e.g., immediate re-elections, sufficient devolution, and protection against arbitrary interference by higher authorities, must be protected constitutionally for LG bodies throughout Pakistan.**
- The four-year term for Sindh LGs under SLGA 2013 is 4 years. **The term must be made 5 years as existing for provincial, national and Islamabad LGs.**
- Taluka Councils are missing in the SLGA 2013. It may be difficult for District Councils based in one place in the district to deal with so many rural councils spread all over the district. **This issue should be re-analyzed with the participation of key stakeholders before the next elections based on the performance of the current system.**
- A single-tiered system appears problematic for both Town and Municipal Committees. Towns up to 50,000 persons may need help from a higher LG authority to undertake complex tasks. On the other hand, towns having population above 50,000 up to 300,000 may need Union Committees. **This issue too should be re-analyzed with the active participation of key stakeholders before the next elections based on the performance of the current system.**
- The army-controlled Cantonment areas in Karachi and elsewhere have their own separate LG structures which create multiple and confusing jurisdictions. **Such areas should be brought under the supervision of the relevant city municipal authority.**
- Political parties have often failed to nominate persons from marginalized groups seats in the 2016 elections and affluent candidates have often captured even those seats reserved for low-income persons. **The election application process must be strengthened to end elite capture of seats reserved for low-income peasants and workers. Political parties are encouraged to nominate more persons from marginalized groups.**
- The 2013 Sindh legislation does not mandate organizations below UCs which usually do not represent natural communities. **Community organizations must be facilitated to mobilize communities and apply strong upward accountability pressures on the UC and higher LG structures.**

ADMINISTRATIVE DEVOLUTION

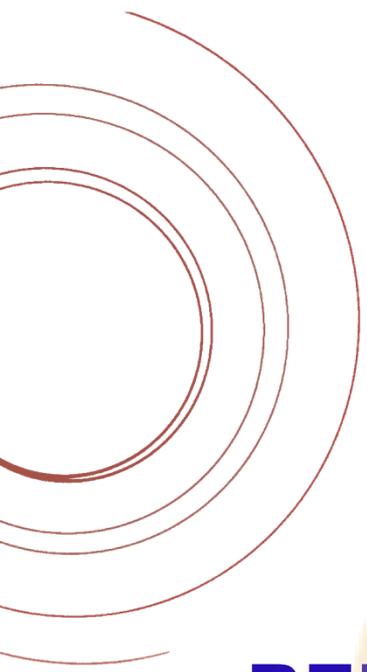
- Many key functions which the 2001 system had devolved to districts have been re-assigned to the province in the 2013 system, e.g., police, major local development activities and buildings control. City development authorities have not been placed under elected LG, unlike under the 2001 system. **All divisible local services should be re-assigned to local governments.**
- The powers of the KMC seem strangely limited given its status as the biggest LG body in Sindh. Some key LG functions do not fall under the purview of the KMC, e.g., health, education, environment, overall development, security etc. Some of the functions included under its domain, e.g., control of stray animals, brick kilns and cattle colonies seem trivial for it and more appropriate for UCs. **The scope of powers of the KMC must be revisited so that all key LG functions for Karachi fall under its purview.**
- The six DMCs are made almost autonomous with little linkage with the Karachi Metropolitan Corporation. Furthermore, the DMCs and even UCs controlled by the PPP liaise directly with the provincial government for funds and direction, bypassing the KMC. **Proper lines of authorities and communication must be established between the KMCs and DMCs and the KMC should have the powers to supervise and control the work of DMCs.**
- The description of the functions of Mayors/chairpersons and Chief Executives and the differences between their powers is brief and vague under the 2013 system. While the 2001 system clearly mentioned that Nazims will conduct the annual reviews of DCOs, this is not mentioned in the 2013 system. This lack of clarity has tilted the balance in favor of unelected Chief Executives and away from elected Mayors. **The powers of elected officials and their authority over subservient bureaucrats should be strengthened and defined clearly.**
- The ability of LGs to fill even junior positions has been curtailed by the provincial government. **LGs should have full authority to recruit and manage junior and middle-management bureaucrats working within the LG system**
- Section 74 of the Act authorizes the government to take over any functions assigned to LGs and vice versa. The section does not specify the situations in which the government may do so. **These powers seem sweeping and must be circumscribed to make them exceptional under clearly defined situations.**
- The Sindh government can start an inquiry into the affairs of any LG council on its own or on application of any individual. Moreover, a Provincial Local Government Commission (PLGC) consisting largely of provincial government nominees is instituted under article 119 to conduct special inspections of the LG councils. The supervision of and checks and balances over LGs is important. **But there is a need to circumscribe these powers to strike a better balance between LG autonomy and supervision and to appoint more neutral persons to the PLGC.**

- Local councillors do not have written job descriptions and in many cases even offices where they can be approached by communities. They have not been given any induction or training on their own role or the different aspects of the LG system. Even communities are not very well aware of the functions and domains of the new LGs. **Councillors must be given proper job descriptions, offices and training, especially on community interaction and accountability Awareness-raising must be undertaken in low-income communities to inform them of the roles, functions and responsibilities of LGs.**

FINANCIAL DEVOLUTION

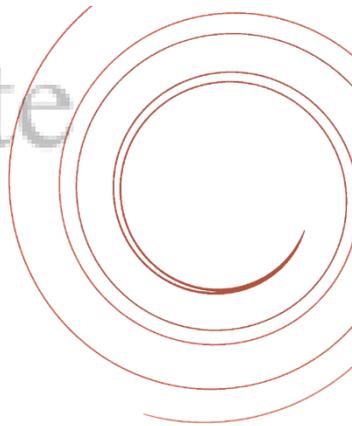
- A Provincial Finance Commission (PFC) is provided in the SLGA 2013 to allocate funds to the LGs efficiently and equitably. However, the representation of opposition parties and LG officials in it is inadequate and the Commission is still not fully functional. **The commission should be made functional and greater representation in it should be given to opposition and LG representatives.**
- The list of taxes assigned to the KMS is much shorter than those assigned to other LG bodies despite the fact that it is the biggest LG body in Sindh. **The assignment of taxes between the KMC and DMCs must be reviewed so that all tiers get funds according to their responsibilities.**
- There is still a lot of ambiguity and overlap of financial powers between different tiers of LGs and it is not clear which tier has ultimate control over which tax heads. **The financial powers between different tiers of LGs must be spelled out more clearly.**
- Kachi Abadis and villages house the majority of population of major cities but get much lower levels of municipal services. **It is important that such areas are allocated adequate funds to meet their needs for good-quality municipal services.**
- Local councillors, especially opposition ones, are unclear about budgetary issues, including the overall budget and any specific allocations available for projects in their areas. **Local councillors must be given the lead in undertaking participatory needs assessments in their areas, especially in backward ones, and their budgetary proposals must be given due priority in the annual budget-making processes.**

In summary, the Sindh Local Government system needs major changes to fully achieve not just the broader political economy goals of restructuring of the state in favor of weaker classes and conflict resolution but even the less ambitious technocratic goals of efficiency and effectiveness. In its present form, it is likely to exacerbate tensions between urban and rural ethnic communities.



REFERENCES

Gul Hayat Institute



REFERENCES

Alok, V.N. (2006) 'Local Government Organization and Finance: Rural India'. In Anwar Shah (ed.) *Local Governance in Developing Countries*, Washington D.C.: The World Bank.

Anjum, Z.H. (2001) 'New Local Government System: A Step Towards Community Empowerment?'. *The Pakistan Development Review*, Vol. 40, No.4, pp. 845–867.

Aslam, G. and Yilmaz, S. (2011) 'Impact of Decentralization Reforms in Pakistan on Service Delivery: An Empirical Study'. *Public Administration and Development*, Vol. 31, pp.159–171.

Awan, S. M. and Nemat-e-Uzma (2014) 'Nature and Functioning of Local Government in the British India (1680-1947)'. *Pakistan Annual Research Journal*, Vol. 50, pp.45-70.

Bardhan, P., & Mookherjee, D. (2004). *The Rise of Local Governments: An Overview*. New York: MacArthur Foundation.

Bardhan, P. and Mookherjee, D. (2006) 'The Rise of Local Governance: An Overview'. In P. Bardhan and D. Mookherjee (eds.) *Decentralization and Local Governance in Developing Countries: A Comparative Perspective*. Cambridge MA: The MIT Press.

Chaudhuri, S. (2006) 'What Difference Does a Constitutional Amendment Make? The 1994 Panchayati Raj Act and the Attempt to Revitalize Rural Local Government in India'. In P. Bardhan and D. Mookherjee (eds.) *Decentralization and Local Governance in Developing Countries: A Comparative Perspective*. Cambridge MA: The MIT Press.

Cheema, A., Khan, A.Q. and Meyerson, R.B. (2015) 'Breaking the Countercyclical Pattern of Local Democracy in Pakistan'. In J. P. Faguet, C. Pöschl (eds.) *Is Decentralization Good for Development?: Perspectives from Academics and Policy Makers*. London: Oxford University Press, pp.68-79.

Cheema, A., Khawaja, A.I. and Qadir, A. (2006) *Local Government Reform in Pakistan: Context, Content, and Causes*. In P. Bardhan and D. Mookherjee (eds.) *Decentralization and Local Governance in Developing Countries: A Comparative Perspective*. Cambridge MA: The MIT Press.

Cheema, A. and Mohamand, S. K. (2008) 'Decentralisation and Inequality in Pakistan: Bridging the Gap that Divides?'. In S. M. Ali and M.A. Saqib (eds.) *Devolution and Governance Reforms in Pakistan*. Karachi: Oxford University Press.

Cheema, Moeen, H. (2016) 'Election disputes' or disputed elections? Judicial (non-) review of the electoral process in Pakistan. In Po Jen Yep (ed.) *Judicial Review of Elections in Asia*. New York: Routledge.

Chishti, Ali K. (2014, January 03) 'Tug of War'. *The Friday Times*. Retrieved from <http://www.thefridaytimes.com/tft/tug-of-war/>, (accessed on 20/04/2017).

Hansen, M. H. (2006) *Polis: An Introduction to the Ancient Greek City States*. London: Oxford University Press. Hasnain, Z. (2008) *Devolution, Accountability, and Service Delivery: Some*

Insights from Pakistan. Policy Research Working Paper no. 4610, World Bank, South Asia Region Poverty Reduction Economic Management Department.

Hasnain, Z. (2008) *Devolution, Accountability, and Service Delivery: Some Insights from Pakistan*. Policy Research Working Paper no. 4610, World Bank, South Asia Region Poverty Reduction Economic Management Department.

Hughes, A.W. (1874) *A Gazetteer of the Province of Sindh*. London: George Bell and Sons.

Hussain, S.A. (2004) *Development of Local Government in the Punjab: A Critical Assessment*. Lahore: Beacon Books.

Hussain, I. (2012) 'Adapting Public Sector Services to Local Delivery'. *The Lahore Journal of Economics*, Vol.17, pp. 359–385.

ICG (2004) *Devolution in Pakistan: Reform or Regression?* Islamabad/Brussels: International Crisis Group Asia Report.

Khan, S. and Anjum, G.A. (2013) 'Role of Citizen Community Boards in Promoting Participatory Development in Muzaffargarh District, Pakistan'. *Pakistan Journal of Engineering and Applied Sciences*, Vol. 12, pp. 43-59.

Khushalani, Gobind (2006) *Chachnamah Retold : An Account Of The Arab Conquest Of Sindh*. New Delhi and Chicago: Promilla and Co. Publishers.

Mathew, G. (2015) *Background Paper: Local Government System in India*. Islamabad: Pakistan Institute of Legislative Development And Transparency (PILDAT).

Mellema, R.L. (1961) 'The Basic Democracies System in Pakistan'. *Asian Survey*, Vol. 1, No. 6 pp. 10-15.

Memon, Naseer (2013, September 30) 'Sindh-local-government-act-2013-a-perspective'. *Citizens Wire*, Retrieved from <http://www.citizenswire.com/sindh-local-government-act-2013-a-perspective/>, (accessed on 20/03/2017).

Misra, B.B. (1959) *The Central Administration of the East India Company, 1773-1834*. Bombay: Oxford University Press.

Mitra, Sangh and Kumar, Bachchan (2004) *Encyclopaedia of women In South Asia: Pakistan Vol.2.*, New Delhi: Kalpaz Publication.

Mansoor, Hasan (2015, November 24) 'Explainer: How different is Karachi's LG system from that in the rest of Sindh?'. *Dawn*. Retrieved from <https://www.dawn.com/news/1221740>, (accessed on 15/04/2017).

'New local govt law treats Karachi differently than rest of Sindh: Scholars' (2013, January 8) *The Express Tribune*. Retrieved from <https://tribune.com.pk/story/490697/new-local-govt-law-treats-karachi-differently-than-rest-of-sindh-scholars/>, (accessed on 12/04/2017).

Shafqat, S. (2014) 'Local Government Acts 2013 and Province-Local Government Relations'. *Development Advocate Pakistan*, Volume No.1, Issue No.1, pp. 4-19.

Shah, A. and Thompson, T. (2004) 'Implementing Decentralized Local Governance: Treacherous Road and Potholes, Detours and Road Closures'. World Bank Policy Research Paper no.3353, Washington DC: The World Bank.

Shah, Nafisa (1998) *Faislo: The Information Settlement System and Crimes Against Women in Sindh*. In F. Shaheed, S. Warraich, C. Balchin and A. Gazdar (eds.) *Shaping Women's Lives, Laws, Practices and Strategies in Pakistan*, Lahore: Shirkat Gah.

'Social perspective: Govt to consider citizens' take on local bodies laws' (2013, August 8) *The Express Tribune*. Retrieved from <https://tribune.com.pk/story/588013/social-perspective-govt-to-consider-citizens-take-on-local-bodies-laws/>, (accessed on 21/03/2017).

Talpur, Parveen (2014) *Moen jo Daro: Metropolis of the Indus Civilization (2600-1900 BCE)*. Cork: BookBaby.

Tinker, H. (1968) *The Foundations of Local Self-Government in India, Pakistan and Burma*. New York: Praeger.

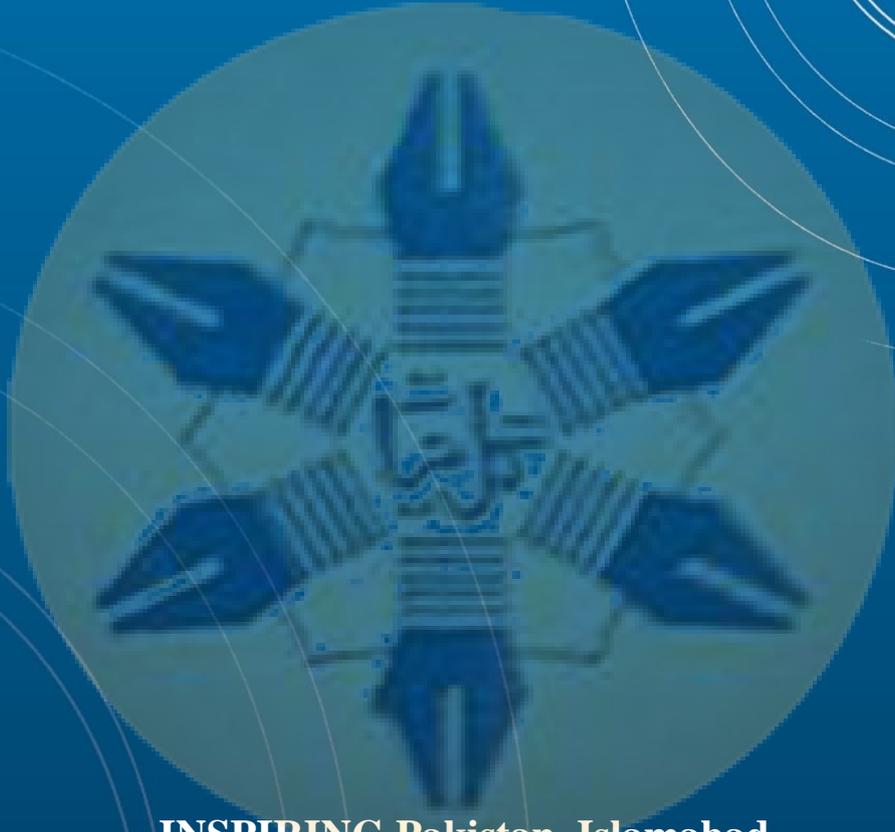
Tunio, Hafeez (2016, March 22) 'Diluting local government: KDA revived after 14 years'. *The Express Tribune*. Retrieved from <https://tribune.com.pk/story/1070145/diluting-local-government-kda-revived-after-14-years/>, (accessed on 20/04/2017).

Willoughby, J. (1986) *Capitalist Imperialism, Crisis and the State*. New York: Harwood Academic Publishers.

'Voicing concerns: MQM terms Sindh LG Act 2013 a 'black law' (2013, December 17) *The Express Tribune*. Retrieved from <https://tribune.com.pk/story/646343/voicing-concerns-mqm-terms-sindh-lg-act-2013-a-black-law/>, (accessed on 19/03/2017).

Zaidi, A. (2005) *The Political Economy of Decentralisation in Pakistan*, Transversal Theme "Decentralisation and Social Movements" Working Paper No. 1, Development Study Group, Zurich.

Gul Hayat Institute



INSPIRING Pakistan, Islamabad
Pakistan Institute of Labor Education and Research (PILER), Karachi

Gul Hayat Institute