

Rural Support Programmes Network PAKISTAN

The RSPs of Pakistan

EXPLORING OPTIONS FOR WORKING WITH LOCAL GOVERNMENT

(Proceedings of a Conference of November 2001 &
Update till June 2002)

Islamabad, Pakistan
June 2002

Dedicated to

Omar Asghar Khan

Who always inspired us and gave us courage

Forward

This Conference was convened with the objective of identifying strategies for the RSPs to work with the newly set up local government system. It was organised by the RSP Network which was set up in April 2001 as a networking and policy advocacy body for the RSPs.

Over the past two decades, the RSPs of Pakistan have had close working relations with the institution of government. This has been a part of their strategy to facilitate the work of government institutions, to make their outreach to poor people more effective through the creation of forums of social organisation at the grassroots level. The RSPs fully appreciate the need to have and to develop a complementarity to the institution of government. Without this collaboration, achieving their goal of alleviating poverty on a large scale would not be possible.

These 'linkages' with government have enabled the RSPs to gain a better understanding of government and vice versa. More importantly, government has grown to appreciate the fact that without appropriate means of involving communities, no scheme, no project and no plan can succeed.

The eight RSPs of Pakistan, who are currently members of the RSP Network, have a considerable presence across the country. They currently operate in 82 districts across the country and have fostered over 31,000 community organisations of women and men. These community organisations have undertaken activities in various sectors and have proven time and again that given the right type of support, their willingness and their capacity goes far beyond our own, in addressing rural and urban poverty.

Today the RSPs and the communities they work with are faced with a new challenge ie the challenge of how best we can work with the newly set up district governments. Indeed the RSPs are not the only ones who are facing this challenge. With eighteen years of experience behind them, the RSPs feel it is critical for them to enter into a well thought out partnership with the new government set up. It is important that this partnership leads to an effective involvement of communities in the planning, implementation and management of development activities. For this to happen, the RSPs realise that their role as facilitators and brokers for these organised communities requires greater strength and clarity of vision.

Our work at the Conference was facilitated and steered by two guest speakers who presented substantive papers on the topic. We are thankful to Dr Pervez Tahir, Chief Economist, Planning Commission of the Government of Pakistan and Dr Humayun Khan, ex-Member of the National Reconstruction Bureau's Committee on Higher Government Restructuring, for their insights and guidance. We would like to thank Mr Mueen Afzal, Secretary General Finance and Mr Omar Asghar Khan, the then Minister for Local Government & Rural Development. Their presence and input was critical to the

RSPs in terms of the recognition and acceptance of their work. Even more importantly, the collective input of our speakers and guests lent greater clarity to our future strategy of working within the new system of local government.

As always, the RSP Network would like to express its thanks to the Department for International Development (DFID) of the British government. A very special thank you to Mr Steve Jones, the RSPs Coordinator for DFID, whose boundless energies and endless new ideas have helped us immensely in engaging in a productive policy dialogue with the government on this topic.

We would also like to thank our other guests and participants. With their input, this Conference became the beginning of a serious effort to work with the government and has borne considerable fruit today.

Shandana Khan
Chief Executive Officer
Rural Support Programmes Network
Pakistan

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AKRSP	Aga Khan Rural Support Programme
BRSP	Balochistan Rural Support Programme
CCBs	Citizens Community Boards
CO/s	Community Organisation/s
GBTI	Ghazi Barotha Taraqiyati Idara
KB	Khushhali Bank
LPRP	Lachi Poverty Reduction Project
NRB	National Reconstruction Bureau
NRSP	National Rural Support Programme
PRSP	Punjab Rural Support Programme
RGM/s	Regional General Manager/s (of RSPs)
RSPN	Rural Support Programmes Network
RSPs	Rural Support Programmes
SGA	Sindh Graduates Association
SRSP	Sarhad Rural Support Programme (previously SRSC)
TRDP	Thardeep Rural Development Programme
VO/s	Village Organisation/s

INTRODUCTION

The Rural Support Programmes Network (RSPN) hosted a one-day Conference on how the RSPs can best meet the challenge of poverty within the newly set up local government system in Pakistan and other 'devolved' government structures.

As the largest non-government development organizations in Pakistan, the Rural Support Programmes play a significant role in rural poverty alleviation. They work closely with the government and its various departments in addressing poverty at the village level. The devolution process has presented the RSPs with new challenges to achieve this objective. As part of an ongoing process of strategizing, the RSPs are eager to interact with informed members of civil society, with practitioners and policymakers, so that they are able to arrive at a more informed strategic framework for their future.

The RSP Network, set up in 2000, is a forum that aims to institutionalize interaction of RSPs with other contributing members of civil society. The RSPN seeks to network between RSPs for purposes of visioning and strategic planning. This Conference was the first organized forum through which RSPs were able to interact with policy makers and practitioners on the issue of poverty and devolution. The exercise was undertaken to arrive at broad strategic guidelines for the RSPs in

future. This process will feed into the RSPs strategy, which is to be developed with the RSPs of Pakistan by the RSP Network over a three year period.

The Conference was informed of the framework of devolution and the significance of the devolution plan for the RSPs by two substantive presentations. The first presentation was made by Dr Pervez Tahir, Chief Economist, Planning Commission of Pakistan. The second paper was presented by Dr Humayun Khan, ex-Director of the Commonwealth Foundation and an ex-member of the National Reconstruction Bureau's Committee on Higher Government Restructuring. We were fortunate to have with us Mr. Moeen Afzal, Secretary General Finance, Ministry of Finance, Government of Pakistan and Mr. Omar Asghar Khan, ex-Federal Minister for Local Government and Rural Development. After the two Papers were presented, the participants proceeded to identify strategic guidelines for the RSPs to work with the newly set up district governments.

Papers presented, minutes of the Conference and strategic guidelines identified by two groups of participants are all annexed to this report.

This publication also includes an update on RSP activities in this area as of June 2002.

Update on Conference Recommendations till June 2002

The Devolution process has presented the RSPs with many challenges and opportunities. At the level of the grassroots the RSPs believe that the idea of Citizens' Community Boards (CCBs), in particular, is a recognition of the work done in social mobilization by RSPs and other organizations that have invested in social capital formation for many years. The CCB idea has enormous potential if it appreciates, recognizes and builds upon such investment. It also has potential if it espouses the principles of a participatory development approach as one that *complements* the work of representative institutions and not one that seeks to replace or challenge the work of political representatives.

Similarly, the RSPs see their role as supplementing and complimenting the devolution process. Since this Conference, the RSPs have been working on various fronts as a follow up to its recommendations. A strong link with the National Reconstruction Bureau (NRB) has been established. This has led to the RSP Network and the RSPs providing input into the Local Government Act as well as the Guidelines for Registration of CCBs. The RSP Network and the Sarhad RSP (SRSP) arranged a field visit for the Director General of the NRB, Mr. Wasiullah Khan, to Union Council Mirpur in Abbottabad district of NWFP in April 2002. The NRB has appreciated this effort as have communities that the NRB interacted with. An honest, forthright discussion took place when communities gave their views on the devolution plan and the CCB concept and its shortfalls, to the DG NRB. A visit was also arranged with Dr Pervez Tahir and Dr Musadik Malik of the President's Task Force on Human Development. Dr Tahir's input is highly appreciated. He has been instrumental in providing critical strategic input to the RSPs in this area.

Individual RSPs have also been active in linking up to district governments. The LPRP in Kohat, NWFP has taken a lead in orienting training elected representatives in the area of social mobilization. In the local bodies elections 55% of those elected in Lachi tehsil are LPRP CO members. These councillors are better able to understand the benefits of social mobilization and the advantages to working through organized communities. Similarly, the SRSP has successfully completed a village infrastructure initiative with eleven District governments in the NWFP through community organizations (review report available upon

request). The NRSP's Institute for Rural Management (IRM) has also held training courses for women councillors as well as Nazims. A case in point is NRSP's nascent initiative with the District Nazim of Jhelum, who has recently signed an MOU with the NRSP requesting it to undertake social mobilization for the purpose of using public funds at the Union Council level. A major breakthrough has been that the Nazim is willing to provide funds for infrastructure without involving contractors in the process. The communities will themselves implement and maintain small schemes. If the CCB idea is implemented, the community organizations formed to undertake such projects in Jhelum will be registered as CCBs (MOU with District government Jhelum available upon request). In the Northern Areas, the high coverage of social organization has also resulted in programmes like the Khushhal Pakistan Programme being implemented through Village Councils with the AKRSP facilitating the partnership between government and communities. There is no doubt that the investment made by the AKRSP in building the social capital of these areas has enabled the government to take this Programme through communities where implementation is entirely their responsibility.

Such examples are a landmark and a source of encouragement for the RSPs, who have been trying for years to mainstream social mobilization into the government's way of working. The RSPs have found that working with public representatives who are members of community organizations is the most effective way of creating a much-needed change in the workings of the government. District Nazims are beginning to realize that social mobilization expertise in their areas is critical for the effective and transparent delivery of development to the grassroots.

Whether the government implements the CCB idea or not, the RSPs and District governments are beginning to develop a good, working relationship. As before, slowly but surely, we intend to make a useful contribution to the development process in Pakistan and have been encouraged by the responses we have got. The RSP Network now has a think tank on Devolution, which comprises of individual RSPs as well as well wishers who have assisted us in this process. We are very encouraged by the response we have got from the NRB and highly appreciate their openness and willingness to interact with the RSPs.

The RSP Network is still active in providing the NRB with feedback from community organizations on the CCB idea. After extensive dialogue with communities working with the RSPs, comments were provided to the NRB on the CCB Guidelines for Registration. As a result, the NRB has formed a

committee to revisit the CCB Guidelines. The suggestions provided are based entirely on feedback from community organizations in RSP programme districts. These are as under.

Feedback from Community Organisations on CCB Guidelines of February 2002 of NRB

CCB Guideline Conditions	Response of Communities (GBTI, NRSP, SRSP)
<p>The CCB Guidelines state that infrastructure projects undertaken by CCBs must have feasibilities done through relevant government departments. This commonly involves a tendering process and building contractors. The Guidelines state that CCBs will have a minimum of 20 % contribution to schemes.</p>	<p>Community Organizations (COs), especially those undertaking infrastructure schemes through RSP support, ask why contractors should be involved. They feel competent in themselves as implementing bodies for small, village level schemes. Since CCBs have to contribute 20 %, the COs are of the view that prices will be inflated by contractors and their 20 % share will increase. Numerous comparisons, across the country (in RSPs and non-RSPs) have been done demonstrating that community infrastructure is best undertaken by community organizations at lower costs, with greater ownership and no O&M costs to the government. COs have asked why the RSP methodology is not applied in the case of projects for CCBs. Both CO Activists and Councillors had these questions. RSPs ask for 20% contribution in kind (in shape of labour, supply of local material, lesser payment to local skilled labour than the prevailing market rate). Doubts are being expressed about the cost estimation to be prepared by government agencies. The community can execute good quality work at almost half the cost of that estimated by government agencies - contributing to this in cash and kind and undertaking full responsibility for O&M.</p>
<p>The CCBs are to send a bank draft of their 20 % contribution along with the project proposal (on the prescribed government format – PC1). In case the Evaluation Committee does not approve the proposal of the CCB, the bank draft will be released/refunded.</p>	<p>COs say this procedure will be too lengthy. It is doubtful that the government will deliver in this manner and trust in government procedures is weak.</p>
<p>The Guidelines state that Monitoring Committees, to be set up at each level in the District, will monitor the work of the contractor and that CCBs will have the power to stop work if they feel there are problems in its quality, corruption, etc.</p>	<p>Communities are not convinced of this. Will the Monitoring Committees be able to take any action against the contractor if he does not execute the work according to specifications? They have doubts about accountability and transparency regarding the work of contractors.</p>
<p>The Guidelines state that CCBs are self-formed associations of citizens.</p>	<p>If the elected Nazims/Naib Nazims constitute CCBs of their own choice, what will be the check for fair awarding of work to <i>other</i> CCBs. The Nazim/Naib Nazim sponsored CCBs will take away a majority of the projects by influencing the awarding authorities, as in the past. This will lead to conflicts amongst the communities. This has a specific relation to formation of CCBs by unorganized households in a village/location. On the other hand,</p>

	the Nazims and Naib Nazims feel that their opponents will exploit the CCB idea and will take away funds from them – whereas they are the rightful, elected representatives of the people.
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In areas where RSP fostered community organizations exist, the RSPs will be able to provide support to the government in setting up and providing social guidance to CCBs. The RSPs view CCBs as much more than just project committees.

Options for support in social mobilization and guidance to future CCBs are as follows:

Potential for Social Guidance to CCBs from RSPs

CCB Guidelines	RSP COs & methodology	Role of RSPs
The CCB Guidelines emphasize the importance of a general body	RSPs encourage broad-based participation, and inclusion, eg community decisions are made in open general body meetings, not by committees or representatives. The RSPs ensure that there is high household coverage (75%) per CO in a certain local area. They monitor CO meetings and attendance for participation. Each CO keeps records of this. This ensures a more just general body. The COs, if registered as CCBs, will have this transparent system in place.	With their in social mobilization expertise the RSPs can assist district governments in ensuring transparency in CCBs.
The CCB Guidelines do not take into account the multi-dimensional role that organized communities have potential to undertake. The current CCBs appear to be limited to public works schemes.	COs, as potential CCBs, can contribute much more to the devolution process. COs are broad-based, multi-sector organizations of women and men. Their training and their development agenda takes into account issues of effective leadership, a gender balance, inclusion of the poor, natural resource management, skill building and micro-credit activities.	RSPs can assist in supporting broad-based CCBs: through capacity building, provision of micro-credit, gender training, poverty targeting, and planning for development activities. In this way, support services to CCBs through support organizations like the RSPs can be provided where government does not fund these e.g. skills, credit, linkages with govt. departments, etc.
CCB Guidelines do not mention issues of gender and equity	COs undertake poverty ranking of all households within their area and ensure inclusion of the poor. RSPs insist that women's COs must also be formed and undertake a pro-active dialogue with communities on this issue. About one third of COs are female across the RSP programme areas.	RSPs can ensure inclusion of the poor in CCBs: This can only be ensured if there is a support organization like the RSPs to support CCBs in poverty ranking being done transparently. For women's CCBs, RSPs will have a motivational role to play, as they have been doing for 20 years. This will also involve gender sensitization with male CCBs

	Most RSP credit programmes track loans according to poverty ranking to ensure that the poor are being reached.	and the District governments, at all levels. Already, councillors are being trained in this area by most RSPs.
A person can join or form as many CCBs as he wishes to. The proposal assumes that the cash contribution requirement will prevent abuse by unscrupulous individuals who might otherwise form additional CCBs to obtain government funds. Unfortunately, past experience indicates otherwise, as scheme estimates are frequently manipulated by the elite	CO membership is cross-checked by the RSPs. RSPs try to ensure that the decision-making process is transparent as COs general body must meet twice a month. Dialogues with the CO general body reduce chances of scheme hijacking	RSPs can carry out a social audit: of CCBs periodically to ensure such transparency
CCB Guidelines specify that infrastructure work must be undertaken as per departmental estimates	CO feedback is that such estimates are inflated due to involvement of contractors. If registered as CCBs, the 20 % share will increase, with high estimates. RSP engineers undertake feasibility of schemes with COs. COs have minimum 20 % contribution. The projects do not involve contractors. The O&M of schemes is the sole responsibility of the COs.	RSP can provide engineering assistance to CCBs with no tendering or contractors: a process that can often lead to corruption and lack of 'ownership' by the community
CCBs are viewed in a one-dimensional manner – with concentration on schemes. It is expected that District Governments will provide them necessary support to grow.	COs are multi-dimensional in nature. The community organizations are provided 'social guidance' by the RSPs, towards sustainable development. CO members are trained in basic management and relevant technical skills, such as agriculture and marketing, etc. They are forums that identify and address development priorities across many sectors.	RSPs can provide social guidance to CCBs, which will involve social mobilization assistance, planning, and inclusion of the poor, inclusion of women. Most importantly, RSPs will assist CCBs in developing a long-term vision to attain a better quality of life.
The CCB vision can easily be nurtured to include respect for value-based development.	The COs (potential CCBs) have a certain work ethic. This quality is critical for input into monitoring committees, to be set up at various levels within the District.	RSPs can facilitate interaction between CCBs and monitoring committees.

The RSP Network has been active in sharing best practice in this area with the RSP community. It would welcome sharing these ideas with other organizations and individuals who have interest in

this field. We believe that we will be able to make a difference in the way that District governments work in future. This has been because District governments are beginning to realize the benefits

of participatory forums, formed through a deliberate process of social organization. Whether such success is achieved on a large scale or a small scale, there are definitely examples of strong partnerships emerging with District governments in many RSP Districts in Pakistan.

CONFERENCE PROCEEDINGS

Recitation from Holy Quran

Mr. Feroz Shah
RSP Network

Opening Remarks

Ms. Shandana Khan, CEO
RSP Network

Session One: Poverty, Participation and Devolution

Chair: Mr. Moeen Afzal, Secretary General Finance, Ministry of Finance, Government of Pakistan

Presentation of Paper on Poverty, Participation and Devolution

Dr. Pervez Tahir, Chief Economist
Planning Commission, Government of Pakistan

Dr. Tahir highlighted the key issues of his paper on Poverty, Participation and Devolution. He spoke of the trends of poverty in Pakistan, particularly citing the experience of the 1990s where many studies have shown that poverty has been increasing and deepening over the decade, despite higher growth rates of previous decades.

Dr. Tahir also spoke of public spending, stressing the fact that despite major public investments, such as the Social Action Programme, the efficiency of spending and spending declined which did not result in improvements in economic and social indicators. Investment is important, however, ensuring outputs of investment is more difficult and requires an improved governance environment, a better policy environment, and a different way of working.

While discussing the local government plan of the Government, Dr. Tahir explained how the current devolution plan is different from previous efforts because of the financial and administrative powers that are being devolved to the district and union council levels. He described the functions identified for Village/Neighborhood Councils, Citizens' Community Boards (CCBs), and the interface between the different institutions at the local level.

Dr. Tahir concluded his presentation by outlining some key suggestions also made in his paper. One major recommendation was that District Support Organizations need to be set up with the support of the RSPs for effective social mobilization at the grassroots level in order to make devolution more effective. Dr. Tahir also said that the RSPs could encourage greater political representation from amongst organized communities that they foster and work with.

Discussion

Dr. Suleman Shaikh, Chairman Sindh Graduates Association, remarked on Dr. Tahir's suggestion about RSP involvement in promoting political representation of CO members. He cautioned against this politicization of Community Organizations (COs) which are development oriented and politically neutral. Dr. Shaikh expressed concern about the different institutions that are prescribed in the new Local Government Ordinance 2001 i.e. the village council and CCBs and the ramifications of their relationship with the COs.

Dr. Rashid Bajwa, CEO NRSP, raised the issue of the different roles and functions of the various village-level institutions, such as the cooperatives and how the activities of the COs would fit into the new institutional landscape.

Dr. S.M. Naseem explained that the purpose of today's discussion is to find a direction for the RSPs, especially with regards to their relationship with the Government. He stated that closeness with the

Government may not be as useful, and may be more damaging to the work of the RSPs. He suggested that the RSPs should not “merge” with the Government – as the effectiveness of the RSPs (and other NGOs) has been their different way of working in light of the failure of the State to alleviate poverty.

Mr. Moeen Afzal requested Dr. Naseem to clarify his comments regarding the Government’s failure to generate growth. Dr. Naseem explained that despite the growth that was achieved, the benefits of the growth did not accrue to the poor.

Mr. Masood ul Mulk, CEO SRSP, asked for clarification on the definition of the State. Would an ideal State recognize a multiplicity of views and a diversity of local institutions, would it be a State that is active in seeking reform, or a State that we have seen in the past decades.

Mr. Shoaib Sultan Khan made some clarifications on Dr. Tahir’s statements on household coverage of RSPs with reference to the growing poverty in rural Pakistan. He explained that the RSPs currently only cover about 0.5 million rural households, whereas there are more than 6 million poor rural households in the country. The RSPs are striving to expand their coverage of households in order to have a greater impact on rural poverty. This is also being done through initiatives such as the Khushhali Bank and other Government initiatives. He also agreed with Dr. Naseem’s observation that the RSPs should remain outside the purview of Government in order to achieve their objective of poverty alleviation more effectively. However, a meaningful partnership will be and has always been entered into with the government, with the RSPs being the largest rural development concerns that facilitate linkages between communities and government.

Dr. Pervez Tahir, responding first to Mr. Shoaib Sultan Khan’s remarks on coverage, said that poverty will only be tackled when RSPs expand their coverage considerably. In response to Dr. Naseem’s observations, Dr Tahir clarified that the RSPs should strengthen their linkages with line departments, not that they should be merged with Government institutions. On questions about the multiplicity of institutions and their roles/functions, he explained that we should not be too worried about that issue as the roles and functions of various institutions at the grassroots level will become clearer with time and experience. On the political involvement comments of Dr Shaikh, he explained that his suggestions were limited to collaboration and cooperation, and not active/direct, political involvement.

Mr. Mueen Afzal closed the session with remarks about his early exposure to the work of the RSP approach in Comilla, Bangladesh and his learning at the Rural Development Academy in Peshawar, Pakistan. He emphasized that the Government is now committed to improving the policy environment and systems to help alleviate poverty. He described efforts such as the current devolution plan and process, the initiation of the Khushhali Pakistan Program (Poverty Alleviation Programme) of the government and other initiatives of the government to bring about reform and particularly to encourage espousing the participatory approach in government endeavours. He said that the Social Action Programme (SAP) has had a lot of negative publicity but that it did help in bringing about an increased commitment towards social sector financing and also helped bring about a recognition of the problems of governance especially in financial management practices. He stressed that the Government is going to be emphasizing spending on the social sectors and it would be interested to see how this increased emphasis on social sectors would work with the efforts of participatory programmes. He also spoke of other programmes, such as the Food Support Programme, to highlight the Government’s efforts to offer protection for the poverty stricken. He explained how devolution was devised not just to provide services, but to improve the implementation and delivery of services, particularly in social sector services, through people’s involvement

On macro-economic and poverty issues, Mr. Afzal referred to the current debt issue and overall financial constraints of the government. He explained the government’s efforts to stabilize Pakistan’s economy, especially in terms of measures to stabilize debt and to tackle the immense problem of poverty. He also suggested that poverty trends should be measured and analyzed rather than focusing on one or two year performance for better future strategy to tackle poverty.

Mr. Afzal concluded by explaining how the government has been trying to explore the balance between reducing the poverty burden by investing in the many programmes the government has embarked upon and addressing the overall financial crisis. The money is scarce and must be invested wisely to optimize benefits for the largest proportion of the population. On participatory approaches, he said that there is a need to identify the most cost-effective model for further expansion. Finally, he explained how the role and relationships of Government, RSPs/NGOs, and local institutions should be reviewed and that they should complement one another rather than compete with each other.

Session Two: Local Government and Civil Society

Chair: Mr. Omar Asghar Khan (PBUH), Federal Minister for Environment, Local Government and Rural Development, Government of Pakistan

Presentation of Paper on Local Government and Civil Society. An Introductory Essay on the Relations Between District Government and Rural Support Programmes

Dr. Humayun Khan

Ex- Member of NRB Committee on Higher Government Restructuring, Ex Director Commonwealth Foundation

Dr. Humayun presented a summary of his paper and explained how a large part of this paper has focused on defining the different institutions and processes, as much of the question of devolution is about understanding the evolving nature of these institutions and processes. He highlighted the key issues of his paper – the discussion on governance, civil society, government and other local institutions, and how they interact. The role of civil society, the structures of state and their interaction, is explored in Dr. Humayun's paper. The paper also contains a discussion of 'participation' at different levels, including the issues of responsibility, mandate, and empowerment. The issue of social organization was also highlighted, and reference to the work and accomplishments of the RSPs was made. Dr. Humayun discussed the relevance of the RSPs vis a vis the devolution process, particularly their interface with the new district governments. He also highlighted the administrative and procedural changes being brought about by the devolution plan that will affect the work of local institutions. He emphasized that government institutions at all levels must become more participative and interactive with other institutions. He stressed that elected local government institutions should not replace the village

organizations, as this has proven to be more divisive rather than cohesive in the past. The elected structures should be stopped at the union council level, and the village organizations, created by the RSPs, should be left to function as participatory bodies below the union council level.

Dr. Humayun's opinion on the current devolution plan was that although the entire devolution plan may not be sustainable, important parts of it will probably survive. The engine of devolution is more effective peoples' participation. It is this contribution that will bring about change in the government's way of working. The RSPs should stay engaged with government in a dialogue to strengthen the devolution process and the participatory efforts of the Government. He concluded by saying that this workshop should try to explore and identify ways in which the RSPs can work within these processes. He requested the government to monitor the devolution process carefully, especially to recognize problems faced during the process. Finally, on participation, Dr. Humayun emphasized the importance of the nucleus of social organization at the local level – the village organization – and cautioned against its politicization through an electoral process.

Discussion

Mr. Nazar Memon, Consultant NRB, initiated a discussion on community-based development and community development. He said that participation is implicit to community-based development. Poverty in Pakistan is being looked at in a very nominal and 'tokenistic' manner. We need to look more deeply into the characteristics of poverty, including the phenomena of urban shantytown poverty. Other issues continue to compound the problem e.g. unequal land ownership and resource allocation. The RSPs should look at these fundamental issues, and facilitate the process of this inquiry as a contribution to the understanding of poverty and issues related to it.

Mr. Shoab Sultan Khan said that poor people have always needed social capital, with a responsive and responsible leadership. The way to achieve this is through broad-based peoples' organizations. The representative, village council structure is contradictory to the broad-based participatory make-up of the

village or community organization. The village council is essentially a body for coordination with higher-levels of government institutions and not a body that makes decisions through people's participation.

Mr. Omar Asghar Khan said that the process of change is dynamic and there will always be some negative and some positive elements within it. Through the devolution process, the 'access' issue is essentially being addressed i.e. people are now able to approach service providers more easily. Elections have resulted in new players emerging in local politics i.e. people from ordinary walks of life, more educated and younger people, with the monopoly of the 'connected' and landed political families being slowly eroded. Wider participation of civil society organizations has also been seen in the recent local elections. There is a distinction between RSPs and the large number of other civil society organizations (NGOs, trade unions, and other associations), as the RSPs are well established and well connected. Many of the other organizations have a long way to go to be heard, especially the marginalised and unorganized segments of civil society, and therefore only benefit from the greater access provided by the devolution process. Whereas the RSPs have done tremendous work, the question of outreach and access still remains for marginalised communities such as the fisher-folk and others. This is why efforts to reduce poverty must be a collaborative and undertaken by different players ie the RSPs, the government and many other civil society organizations. This is where the devolution process allows greater participation and interaction. Now that the process is underway and service delivery is closer to the people, this is the time for the different institutions to work together.

Mr. Omar Asghar Khan said that the electoral process should best end at the union council level and that discussions along these lines are currently underway with the NRB. He further explained that the procedural and administrative details of the devolution process are still being worked out by the government, especially of devolution from the federal to the provincial levels. He also said that although there is a perception that devolution has been tried many times before, the current government is committed to working out ways to facilitate a sustainable system of local government. He concluded by expressing his hopes that the RSPs would continue to provide feedback and input into the devolution process and also to help in trust and confidence building to achieve better coordination between various institutions involved in the devolution process.

Mr. Shoaib Sultan Khan closed the session with a vote of thanks to the Chair. He explained that the primary role and contribution of the RSPs is to create a framework of grassroots level institutions and not to deliver services. He pledged support to build upon the opportunities that the devolution plan provides to the RSPs and other institutions in order to create access to services for grassroots institutions.

Ms. Shandana Khan posed a question to the Chair regarding the recommendation of the Sub Committee of the Local Government Advisory Board on delaying elections to village councils. Mr. Omar Asghar Khan explained that this issue is going to be under consideration by the concerned agencies, along with other related pending issues (such as that of the Citizens' Community Boards) and other local institutions planned under the devolution programme.

Session Three

Group Work

Topic: Guidelines for RSPs to work effectively with devolved structures to address poverty. Participants were divided into two groups to discuss the above topic and come up with strategic guidelines for the RSPs. The findings of the Group Work are in Section Four. Annexe III contains Group Presentations.

Session Four

Presentations of Group Work

Chair: Mr. Steve Jones, RSPs Coordinator, DFID

Both groups presented their major findings and recommendations. The complete presentations are attached to this report as Annexe III.

Discussion

A lively discussion on the issue of the role of emerging local institutions (such as Citizens' Community Boards and Village Councils) and the role of the RSPs in facilitating synergies between their work and the new set up took place in light of the group presentations.

It was clarified that CCBs will not be engaged in a monitoring role; rather they would be involved in the implementation (as 'public sector contractors'). The status of CVOs in the current and emerging system was also discussed, particularly in terms of the interface with CCBs and other proposed, local structures. Suggestions made in the presentations, such as putting a focus on poverty rather than projects, were made.

The recommendation by Dr Pervez Tahir, Chief Economist Planning Commission, that district RSPs should be established was also further discussed, especially in terms of the feasibility of setting up management structures. This process would strengthen the RSPs' capacity to work with emerging local institutions. The Regions of the Punjab Rural Support Programme, which commonly cover one to two districts, are an ideal example of an RSP type set up coinciding with the administrative unit of the district. Dr Amjad Saqib, RGM PRSP Lahore, explained that one of the biggest challenges is to keep the RSPs away from local political pressures so that the RSP philosophy stays intact in the devolution context. Recently, increasing pressure from the nazims for

expanding RSP activities in their areas has shown how local political individuals and institutions may not have the same objectives (of poverty and needs-based development).

Mr. Allah Nawaz of the TRDP described its experience of working with a variety of local partners in Thar district. Open communication and coordinated planning can help prevent overlap and inefficient use of resources. Political institutions can also learn from the experience of agencies having longstanding experience of participatory approaches.

Mr. Shoaib Sultan Khan described the merits of broad-based participation, citing an example of a recent encounter with a community where there were members of several different political parties participating in the same CO. The members of this particular CO wished to stay politically 'neutral' for development purposes, explaining that the CO platform was for development purposes and should not be politicized and hence divided. On the other hand, he cited another example of a recent interaction with an elected local structure where the head of the institution and the members were not representing the interests of the community at large. Mr. Khan cited a further example of how, through training nazims/naib nazims (i.e. the Lachi Poverty Reduction Project in Kohat), elected people were able to comprehend the participatory approach and show commitment towards using this approach.

Dr. Suleman Shaikh expressed his views about the importance of maintaining the RSPs outside the

political structures, and keeping a focus on facilitating partnerships between local elected structures and organized communities. The role of the RSPs/NGOs is to stay outside the system and act as catalysts.

Ms. Shandana Khan expressed concerns about the emerging CCBs and their role vis a vis C/VOs. Mr. Memon of NRB explained that the RSPs can help shape the role of CCBs, especially by recommending guidelines for CCBs and by providing training for their capacity building.

Dr. Pervez Tahir stated that a competitive playing field exists already, and that the work of 'good' organizations usually ends up speaking for itself – the RSPs should not be too concerned about having to compete for resources at the local level.

Mr. Shoaib Sultan Khan again emphasized the merits of having autonomous community organizations at the grassroots level, and

requested donors to recognize the importance of supporting independent institutions. He stressed that RSPs are committed to fostering linkages and working in a collaborative manner, provided that the local institutions are clear in their accountability to the communities.

Dr. Pervez Tahir reminded the participants that the focus should be on poverty alleviation and if that objective remained clear, then all other procedures and mechanisms would fall into place if the institutions involved were to work in collaboration towards this goal.

Mr. Steve Jones, in conclusion, emphasized that a small RSPs committee that would work with the NRB on the issues that have been raised and discussed would be very effective in helping shape the devolution process and the involvement and contribution of the RSP community towards this.

Closing Remarks

Mr. Shoaib Sultan Khan concluded the Conference with a vote of thanks for the valuable inputs of the participants. Many issues were raised and recommendations brought forward which provided a good opportunity to share with donors and the NRB representatives the concerns of the RSPs. He expressed his appreciation of Dr. Pervez Tahir's active participation throughout the workshop as well as that of Dr. Humayun for sharing his comprehensive understanding of the system and processes as they are evolving and how the RSPs can work within this context. In thanking the participants for their valuable input, he expressed the commitment of the RSPs to work in collaboration with the district governments. Lastly, he thanked Mr. Steve Jones for his interest and participation and Shandana Khan for taking the lead in bringing this workshop together.

Paper on
Poverty, Participation and Devolution
By
Dr. Pervez Tahir*

I. Introduction

When it embarked on its journey as an independent state in 1947, Pakistan was an extremely poor economy [Tahir (1999)]. A rough calculation would place 65 per cent of the population of what then was West Pakistan below the poverty line. In a matter of four decades, i.e. by 1987-88, the country remarkably brought down the head-count calorie based poverty ratio to 17.3 per cent. Since then the poverty situation has taken an ominous turn. In 1990-91, the poverty ratio rose to 22.1 per cent and it never looked back in the nineties [Statistical Appendix Table 1]. Today all studies without exception place one out of every three Pakistanis below the poverty line.

As the government policies floundered in the face of increasing poverty in the nineties, efforts were made to bring to scale the participatory models such as the Orangi Pilot Project (OPP) pioneered by the late Dr. Akhtar Hameed Khan (AHK) and the Aga Khan Rural Support Programme (AKRSP) nurtured by Mr. Shoaib Sultan Khan (SSK) in the eighties. The strategy consists in harnessing peoples' potential to help themselves by fostering a countrywide network of grassroots level organizations to enable communities to identify and undertake development activities and programmes to alleviate poverty [NRSP (2000); RSPN (2001)]. These and other civil society initiatives prevented the poverty ratio from worsening further than it did. Significantly, the RSP work was the main inspiration behind the Government-Donors initiatives like the World Bank-supported Pakistan Poverty Alleviation Fund (PPAF) and the Asian Bank-supported Khushhali Bank (KB).

Grassroots organizations, variously called Village Organizations (VOs), Community Organizations (COs) or Community Based Organizations (CBOs), are the linchpin of community participation. Indeed it is the main mandate of the RSPs to foster grassroots organizations. In the RSP parlance, local government institutions secure community representation, not full and direct participation, which is characteristic only of COs. This logic, or claim, was not put to test in the nineties, as local councils were either held in suspended animation or, when in operation, stopped at the level of Union Councils, which generally had an area and population too large for the participation of the whole community.

With the launching of the Local Government Plan 2000, commonly known as the Devolution Plan (DP), the environment for fostering COs and involvement of community in development has materially changed. Local elections have taken place and the Devolution Plan has been given legal cover "to devolve political power and decentralize administrative and financial authority to accountable local governments for good governance, effective delivery of services and transparent decision making through institutionalized participation of the people at grassroots level." Most important, the Plan envisages a tier below the Union Councils, called Village Councils (VCs) in the rural areas and Neighbourhood Councils (NCs) in the urban areas. In addition to elected VCs/NCs every local area will have a group of non-elected citizens constituting Citizen Community Boards (CCBs) to organize self-help initiatives. These profound changes require rethinking of the RSP strategy. In the view of this author, it is more an opportunity than a challenge to join forces in the war on poverty.

Section II of the paper shows how serious is the poverty condition. The government response is its Poverty Reduction Strategy (PRS) outlined in Section III. In Section IV, key elements of the DP are discussed to bring out their implications for participatory development. Suggestions for a new role of RSPs in the DP framework are given in the last Section.

* Dr. Pervez Tahir is Chief Economist of the Government of Pakistan, Planning Commission. This paper, however, has been written in his personal capacity.

II. Poverty: Concepts and Trends

In the absence of an officially determined, regularly monitored poverty line, there are as many measures of the quantitative extent of poverty as there are authors and institutions interested in the subject. The purpose in this Section is to provide only a snapshot of trends, concepts and debates. Based on the latest available studies, it also attempts a profile of the poor.

At the time of independence in 1947, Pakistan was among the very poor countries of the world. In keeping with the development prognosis of the day, equating living standard with income or consumption per capita, the state planned for the growth of income above the growth of population. As the income growth was barely above population growth in the fifties, income per capita increased only by 0.6 per cent per annum. The same number rose spectacularly to 3.8 per cent in the sixties. Did poverty decline? The period is known for social and political unrest.

No poverty studies exist for the late forties and the fifties. A proper analysis of poverty requires household income and expenditure surveys. The first such survey was conducted for 1963-64. However, poverty studies became fashionable only around mid-seventies. The studies related to the sixties show that urban poverty decreased, rural poverty increased and the overall poverty also increased. This was the decade of the first land reform, AHK's Comilla Pilot Project, Rural Works Programme and Basic Democracies. Increasing rural poverty suggests that the impact of landlessness and marginalisation resulting from the green revolution far outweighed the beneficial impact of these initiatives. The most important reason, however, was the steep fall in fixed investment since the 1965 war. Both urban and rural poverty declined in the seventies when public sector picked up the slack in total investment, with its multiplier effect reinforced by remittances. IRDP and Peoples Works Programme also provided some succour. Although total fixed investment fell again in the eighties, poverty continued to decline in the urban as well as rural areas. A high level of Government expenditure was maintained by heavy internal borrowing and external assistance. Remittances boomed. The Five Point Programme and the elected local institutions targeted poverty alleviation. The OPP and AKRSP also started during this period to show how self help can alleviate poverty in neglected urban areas and in the remote Northern Areas.

Nothing seemed to go right in the nineties. Total fixed investment fell as the private sector failed to pick up to fill the gap left by policy-determined withdrawal of the public sector. Development expenditure declined significantly. Foreign direct investment and remittances suffered major setbacks from around the middle of the decade. (Statistical Appendix: Table 2). Poverty rose sharply from 22.1 per cent in 1990-91 to 33.5 per cent in 1999-2000 (Statistical Appendix Table 1).

The ability of the state to maintain a reasonable rate of investment seems crucial to the level of income poverty. However, income is only one component of the more comprehensive concept of human development pioneered by the UNDP in the nineties; it includes health and education as well. Placed at the lower end of the league table of the Human Development Index, the country was prescribed increased social spending through the framework of Social Action Programme. As can be seen in Appendix Table 3, expenditure on primary education rose sharply in real terms. The annual increase was 9.4 per cent but the annual increase in enrolment was only 3.3 per cent. Similarly the increase in life expectancy lagged far behind the increase of health expenditure in real terms. The gap points to serious inefficiencies in the system.

Even if people have an income, they may suffer denial of opportunity because of sex, ethnicity, religion or some other source of discrimination. Such deprivation is measured by the Poverty of Opportunity Index (POPI).

Income is common to all concept of poverty and the measure of income poverty, therefore, remains the simplest and the most common method to assess the poverty condition. However, even this simple measure has generated a heated debate about poverty in the nineties. The differences relate to recommended calories, varying from 2150 to 2250 to 2550, and other definitional and conceptual issues. There are, however, only three internally consistent studies of the period, none covering the entire

decade. The first study by Jafri (1999) indicated that overall calorie-based poverty increased slightly from 1993-94, contributed by a sharper increase in rural poverty (Statistical Appendix Table 4). The study does not go beyond 1993-94. The second study, FBS (2001), confirms increase in overall poverty with effect from 1993-94, but it reports a fall in 1996-97 and increase again in 1998-99 (Statistical Appendix Table 5). This study also shows significant differences in the level of poverty between the regions of the same province (Statistical Appendix Table 6) The third study, World Bank (2001), reports a similar trend. These cyclical results indicate vulnerability of the poor: they can move into and out of poverty.

In general all studies portray the following profile of the poor:

- Poverty is higher in rural than in urban areas
- Poverty is strongly related to the lack of basic needs, most significantly education and cultivable land.
- The poor have a higher dependency ratio as households with a large number of children, and single earning member, are more likely to be poor. On average the poor have almost five household members less than 18 years of age, while the number for the non-poor is three.
- The incidence of poverty among female-headed households is marginally higher in rural areas than that among male-headed households.
- More than one third of the poor households are headed by aged persons who are dependent on transfer incomes, such as pensions and other forms of social support.
- Education is the most important factor that distinguishes the poor from the non-poor. The percentage of illiterate household heads is higher in poor households than in non-poor households.
- Poverty is (relatively) higher when head of the households are unskilled agricultural workers, engaged in services, transport, production, and sales occupation.
- The non-poor own 0.84 acres of cultivable land per capita, while the poor own only 0.27 acres per capita. In addition the poor are less able to diversify their agricultural production and are thus more susceptible to economic shocks.

Planning Commission has also commissioned a qualitative assessment of poverty i.e. Participatory Poverty Assessment (PPA). As the PPA process is still on going, its key findings are yet to emerge. The following are some very initial insights that are still being processed and synthesized. Analysis by various groups at the local level appears to reconfirm that people have a multi-dimensional perception of poverty. They perceive poverty in terms of economic issues like income, land and other asset ownership (including livestock, house, etc.), and, material possessions. In addition absence, or insufficiency, of political and social capital is also seen as major causes of poverty. *"Hum gareeb nahin, humay gareeb rakha jata hai"* said an interviewee in Gadap (Sindh). He felt that State and social institutions serve as a barrier to poverty reduction. Without political and social capital the poor are unable to penetrate this barrier and achieve well being. The Devolution Plan does provide greater access to political power but its distribution is largely inequitable. In NWFP one of the local Union Council Nazims (affiliated to an extremist group) strongly opposed the PPA as he felt that women's participation in it was against religious and social norms. He tried to block the team's entry into the selected site by using his newly acquired influence and authority. Interestingly, in the same UC, a local councilor (elected on the general seats' category), with a long history of human rights activism, facilitated the team's entry and work in the area. It seems certain that the Nazim and the Councilor will continue to differ on development priorities that have direct relevance to the well-being of the local people.

Simpler non-quantitative poverty assessments are also carried out by the RSPs. For instance, PRSP classifies households into five categories: well-to-do, better off, poor, very poor and destitute. First the villagers are asked to give their own perception, which then is cross-checked in community meetings. Such assessments are used in micro credit schemes. The NRSP's experience is that these schemes can run into difficulties if proper social mobilisation is not carried out and credit is not part of a holistic approach. It has been argued in an empirical study by Mumtaz *et al* (2001) that poverty cannot be reduced by micro credit alone.

But poverty has to be reduced. While estimates of poverty in the 1990s differ, the trend towards increase is quite clear. The poverty situation can worsen if a well thought out poverty reduction strategy is not put in place.

III. Poverty Reduction Strategy (PRS)

The Perspective Plan 2001-11 encompasses a four-pronged attack on poverty: (i) increased economic opportunities for the poor (ii) their empowerment (iii) access to physical and social assets and (iv) access to welfare and support through the development of appropriate social safety nets. Annex I gives the goals, targets and instrument matrix. The strategy aims to reduce poverty by 50 per cent at the end of the Plan.

Growth and Reform

The macroeconomic framework projects an increase in the growth rate from the drought-related low of 2.6 per cent in 2000-01 to 4 per cent in 2001-02, takes it to 5 per cent in the medium-term i.e. by 2003-04 and then accelerates it to 6.3 per cent by 2010-11. A gradual but sustained acceleration in GDP growth is required to improve living standards, expand employment, generate government revenues, and enhance exportable surplus. With population growth assumed at 1.8 percent per annum by 2011, the envisaged growth is expected to raise the per capita income in real terms from Rs 24,188 in 2001 to Rs 34,444 in 2011. During the past 15 years, agriculture sector has grown, on average, at 4.2 percent per annum. Maintaining this tempo will be essential to having a balanced growth of the economy, keeping inflation low, and maintaining employment. Industrial growth suffered a setback during the nineties and averaged only 4.8 percent per annum. In the long-term perspective, the objective would be to sharpen the industrial activity and push up the manufacturing growth from 4.8 percent of the nineties to 7.8 percent by 2011. Improvement in Productivity and Quality will have to be accomplished through appropriate policies such as exchange rate, domestic input pricing, and credit availability on the one hand, and setting up close linkages between high value added production structure and training and HRD facilitation, on the other hand.

In 2000-01, the base year of the Perspective Plan, national savings rate is estimated as 13.1 per cent of the GDP, which is also roughly the average for the nineties. The investment rate in the base year is 14.7 per cent compared to the average of the 18.1 per cent in the nineties. Thus at the same national saving rate, the investment rate differs significantly. The target for the medium-term, therefore, is to increase the rate of national saving significantly from 13.1 per cent to 15.4 per cent and at the same time increase the total investment rate from 14.7 per cent to 16.5 per cent. In the process foreign savings are projected to decline and not increase – from 1.6 per cent of the GDP to 1.1 per cent of the GDP. On the achievement of this medium-term target will depend the success of the Perspective Plan which by its end envisages an investment rate of 20.6 per cent of GDP and restoration of the economy's potential GDP growth rate of 6.3 per cent to be financed by national savings to the extent of 97 per cent i.e. a national savings rate of 20 per cent. The goal of financing growth increasingly by own resources would entail a marginal rate of saving of 30 per cent: out of each extra rupee, only 70 paise will be available for consumption. This is an enormous sacrifice, but one from which there is no escape. To improve savings rate, a wide-ranging strategy is proposed.

The distinctive feature of the growth strategy outlined above is its pro-poor nature. While growth in general is good for the poor, the composition of growth has also been directed towards improving the lot of the poor. However, with almost one-third of the population below the poverty line, significant poverty reduction requires growth strategy to be supplemented by an employment strategy as well as direct poverty alleviation programmes. Equally important is a focus on social sector development. Thus out of the total of Rs. 1648 billion of the development outlay earmarked for the Federal Government for the next 10 years, Rs. 509 billion or 31 per cent, the highest, is for human development. The next highest share of 28 per cent is for water and agriculture, an investment, which is central to reducing poverty in the rural areas. A Rs. 10 billion drought relief programme is in addition. The Khushhal Pakistan (Poverty Alleviation) Programme has been allocated Rs. 100 billion during the Perspective Plan Period. Out of the Rs. 500 billion self-financed provincial development programmes, around 40 percent will be for human

development. Similarly, about half of the current expenditure of the provinces will be claimed by human development. Similarly, more than half of the Rs. 156 billion development programme for the Special Area will be devoted to the human development sectors. Table-1 summarizes the projected public and private expenditure for poverty reduction during the period of the Perspective Development Plan.

Table 1

Public and Private Expenditure for Poverty Reduction
(% of GDP)

	2000-01	2003-04	2010-11
Public Sector	3.8	4.3	5.3
Development Expenditure	1.1	1.4	1.5
Current Expenditure	2.3	2.5	3.0
Targeted Transfers	0.4	0.4	0.8
Private Sector	2.7	2.8	3.6
Zakat	0.4	0.5	0.6
Gifts	0.5	0.5	0.6
Volunteering	0.9	0.9	1.2
Workers Remittances from abroad	0.9	0.9	1.2
Total	6.5	7.1	8.9

Extreme poverty requires immediate alleviation as well to ensure basic survival. Three directed programmes, started already, will be continued/accelerated. These include Khushhal Pakistan Programme, Khushhali Bank and the Zakat Rehabilitation Programme. The Khushhal Pakistan Programme covering initially January 2000 - December 2001 period has, due to its visible contribution to poverty alleviation, been extended to the next 10 years with a total outlay of Rs. 100 billion. It has been launched with the main goal of increasing casual or temporary employment opportunities and providing essential infrastructure in rural and low-income urban areas. To restrict the benefits to the poor, the cost of the schemes has been deliberately kept small, ranging between Rs.0.05 million to Rs.5.00 million per scheme in rural areas and up to Rs.8.00 million in urban areas. The Khushhali Bank will also support NGOs and Rural Support Programmes (RSPs), which are already dealing with micro-credit. The Bank started its operations from target areas in the less developed districts of D.G. Khan and D. I. Khan where the community has taken the lead in identifying needs. It is now present in all provinces and will cover 30 districts by December 2001 to provide loans to 50,000 households with a total credit of Rs.500 million. All districts will be covered within 5 years with a client base of 0.6 million and credit of Rs.7.6 billion. To fully realize the promise of micro credit, a new law has been promulgated to allow private sector to start initiatives like the Khushhali Bank. It provides a framework of operations under which licenses will be given to financially and managerially sound private parties.

Employment Promotion

Based on Labour Force Surveys, open unemployment is estimated at 6.9 per cent of the labour force. Adjusted for a significant proportion categorized as underemployed for working less than the standard 35 hours a week, the effective rate of unemployment is close to 10.4 per cent. This places the number of unemployed at 4.3 million. Table below indicates the Perspective Plan Projections.

Table 2

Labour Force and Unemployment

	2000-01	2003-04	2010-11
Labour Force (million)	41.4	44.2	52.1
Open Unemployment Rate (% , Labour Force Survey)	6.9	6.5	4.2
Unemployed (%)	3.5	2.9	1.9
Effective Unemployment Rate (%)	10.4	9.4	6.1

The Perspective Plan target is to reduce the effective rate of unemployment from 10.4 per cent to 6.1 per cent in 2010-11. A three pronged strategy is necessary to achieve this target. First, economic growth has to be revived. As elaborated above, the growth strategy in the medium-term focuses on reviving growth through key thrusts on agriculture, information technology and SMEs. Agriculture growth will reduce rural unemployment and information technology programme is designed to absorb the educated unemployed in urban areas. SMEs are known to attract migratory labour and the informal segment of the labour market. The emphasis on the development of coal deposits will also enlarge the employment opportunities due to the high employment intensity of coal mining. Secondly, economic growth has not only to be revived but must be accelerated to realize the full potential of the economy. During the Perspective Plan period, the acceleration of GDP growth would expand the productive employment potential by adding 11.3 million job opportunities. Thirdly, growth itself is unlikely to overcome the problem of unemployment, which includes the accumulated backlog made worse by the slowdown of growth and the projected additions to the labour force. To make an immediate impact, policy attention has been focused on housing and construction sectors which have the highest employment elasticity (0.87) and significant forward and backward linkages, as also the multiplier effects.

It is estimated that the country requires to build half a million units annually for the next twenty years to clear the past backlog as well as to meet the additional demand. A national housing policy has been announced to provide a broad framework for consistent action. Access to land, credit, incremental development of infrastructure and technical and organisational support to the communities constitute its guiding principles. Provincial and local governments will identify state and other lands to extend ownership to the poor occupants on reasonable terms. Katchi abadis are being regularized and seen as coping strategies of the poor, which need to be improved in terms of access to services rather than dirty slums to be cleared. Far reaching measures have also been taken to reduce cost of inputs and finance for construction.

Agriculture and Water

With low rainfall in rain-fed area, a 40 per cent shortfall in water availability in the irrigated area for rabbi crops and a shortfall of 18 per cent of irrigation water at farm gate for both rabi and kharif crops, shortage of water has become the single greatest problem facing agriculture. In the near term, water scarcity can only be relieved through conservation and efficiency of water use. Public investment will emphasize water course improvement through the on-farm water management projects. Ten thousand tube wells will be installed in the provinces. Public policy will encourage crops which are less water-using. Area under wheat will be increased and the area under coarse rice will be reduced and developed for cotton. Similarly, area under sugarcane will be rationalized and substituted, to the extent possible, by sugar beet and cotton. Public sector financial institutions will extend credit for private investment in new and cost-effective means of irrigation and conservation. Fiscal incentives have been announced for affordable agricultural input prices.

A Drought Relief Programme of Rs.10 billion has been drawn up. A sum of Rs. 1.1 billion will be spent in the next three years to replicate the crop maximization results of the Sargodha model at district levels. Import substitution will be encouraged in edible oil, tea and milk. Public sector will fund projects in the development of oilseeds, oil palm, while private sector will be mobilized to set up plants for black tea processing and milk powder. Export orientation will be cultivated by encouraging high value crops such as fruits, flowers and herbs. Programmes in this regard will focus on strengthening nurseries, quality control and setting up of cold storage, processing and preservation facilities. A Horticulture Export Board has already been established. Potential exists for doubling the productivity of crops and livestock. The strategic interventions to release this potential will involve development of high yielding varieties, improved hybrid seeds for rice and cotton, balanced application of fertilizers, integrated pests management and improved agronomic management. Commodity Advisory Boards and corporate farming will be the new institutional forms. A special livestock development project of Rs. 1.2 billion will be initiated from 2002-03. The emphasis in fisheries will be on aquaculture development, improved post-harvest facilities and better hygienic facilities at export outlets. A new deep-sea fishing policy has been announced with the aim of trebling the annual fish exports. The policy strengthens monitoring of Pakistani waters, provides for quality control and encourages smaller fishermen and medium-sized vessels by

offering concessional credit from ADBP and SBFC. Credit will be targeted towards small and medium farmers with a one window facility by the ADBP. A new management has been installed for its grassroots reorientation. Its credit will be linked to the schemes of land for the landless. Already 92,792 acres have been distributed to 9,601 farmers in Sindh and Balochistan.

Poor marketing infrastructure causes post-harvest losses of around 30 per cent. A comprehensive agricultural marketing strategy will be implemented to focus on farm to market roads, construction of storage by private sector, grading and quality standards, market information systems and growers associations for marketing. The Government will continue to announce support price for wheat and indicative prices for sugarcane, cotton and rice. The TCP will stand ready to second-buy and stabilize prices for the farmer. There will be no restriction on export of agricultural commodities. Wheat will move freely within the country.

The State Bank will cater to credit demand rather than place ceilings in credit plan. The focus will shift from loans for production inputs to the entire value chain beginning with traditional inputs to on-farm water storage, processing, collection or procurement, transportation, off-farm storage and godowns, processing, marketing, wholesale and retail business. A start is being made by a 50 per cent increase in credit allocation to agriculture in the very first year. It will help reverse the decline of fixed investment experienced in agriculture in the base year.

Over the ten year period, medium and large reservoirs and canals have been planned to augment irrigation water from the present 83 MAF of surface water by 4.5 MAF and cultivated area by about one million acre. Chashma Right Bank Canal has been completed. Work has started on Gomal Zam, Mirani reservoir, Greater Thal Canal. To manage quantity and quality of drainage effluent, work has also started on RBOD-II. Rainee Canal, Kachi Canal and raising of Mangla height will be taken up in 2002. These seven new projects will cost Rs. 186 billion. The medium-term programme is expected to take agriculture growth to 3.5 per cent in 2003-04 and the strategic thrusts of the Perspective Plan are likely to further lift agricultural growth to 4.2 per cent by 2010-11.

Small and Medium Enterprises

For the development of the small and medium enterprises, a number of specific measures and programmes will be pursued. Growth of light engineering SMEs, including clusters/incubators such as service/technology parks and business incubators will be facilitated in the private sector. Industrial Support Centres will be established at growth points for small-scale industry. The Centres will provide advisory services to potential entrepreneurs, including feasibility studies. For the training of small entrepreneurs, enterprise development institutes will be set up, one each in the provinces and at the federal level. Small and Medium Enterprise Development Authority (SMEDA) was established as an autonomous corporate body to act as key resource for the SMEs. In the light of the experience gained in early years, its functioning has been streamlined, with provision of necessary resources and improved focus on easier documentation with the financial institutions, free technical, managerial and marketing advice through provincial offices, information on sector briefs, pre-feasibility reports and access information on demand for Pakistani products. SMEDA has also undertaken a study on the regulatory irritants standing in the way of SME growth. Accordingly, the minimum income tax of 0.5 per cent on individuals has been removed. The minimum tax has also been removed from the sick units being rehabilitated by the Corporate and Industrial Rehabilitation Corporation (CIRC). The target for CIRC is to revive 4-5 units every month. Import duties have been reduced on raw material used by SMEs such as cutlery, soap, knife handles, stitching and processing. It has also been reduced on horticulture industry and specialized plastics.

Special arrangements are being made to extend credit to the SMEs in the National Credit Plan. SBFC has been positioned to meet their needs by raising its financing limit from Rs. 1.5 million to Rs.30 million. Special packages for fisheries, light engineering, garments, gems and jewelry industries have been launched. Many more will be announced in the coming year out of a credit allocation of Rs.2 billion. First Women Bank has been strengthened to focus on SMEs run by women and nationalized commercial banks are also developing SME finance capabilities. Lease financing will focus more and more on SMEs.

Information Technology

The Perspective Plan goal is to transform Pakistan into a major IT leader by 2011, the key steps for which include the establishment of commerce, government and to find a niche in the software export market. The establishment of e-commerce infrastructure and the associated legal framework will allow industries, business and the economy to benefit from IT and improve competitiveness in the world. E-government will transform most of the government transactions to electronic media so as to reduce paper work, increase efficiency, transparency and public access. By using the advantage of English language and employing the human resource development being planned, software export is projected to increase from \$ 45 million to \$ 295 million by 2003-04 and \$ 5 billion by 2011. To address the issue of inadequate manpower, existing institutions will be strengthened under 33 on-going projects, engineers and scientists will be retrained and student loan programmes will be started. Seven IT Universities will be established. NTC data network, university intranet and efficient use of PTV will bring the IT infrastructure closer to the international standards. Quality of IT education will be ensured through proper testing and accreditation. In the next three years, the annual output of IT professionals will increase from 5000 to 20,000, the number of personal computers from 1.95 million to 4.28 million and the number of internet connections from 200 thousand to 570 thousand. An allocation of Rs. 13 billion has been made for the next three years to implement the IT programmes. By the end of the Perspective Plan in 2011, the country will produce over 53,000 IT professionals annually, the number of personal computers will reach over 14 million and there will be 256 degree and 2972 non-degree IT institutions. Towards these ends, IT has been allocated a total of Rs. 57 billion in federal budgetary programme for the next 10 years.

Manufacturing and Structural Changes

Agriculture and SME growth will clearly not be enough to accelerate GDP growth from 2.6 per cent in 2000-01 to 6.3 per cent in 2010-11. The latter objective will also require manufacturing to emerge out of the stagnation of the nineties and achieve a broad-based growth of 7.8 per cent by 2010-11. Only then will be achieved the desired growth and structural transformation, indicated in Table 3 below. Engineering Vision and Textile Vision are the key steps in this direction.

Table 3

Growth and Structural Change

	2000-01	2003-04	2010-11
Growth Rate (%)			
GDP	2.6	5.0	6.3
Agriculture	-2.5	3.5	4.2
Manufacturing	7.1	6.9	7.8
Services	4.4	5.2	6.6
Shares (%) of GDP			
Agriculture	25.0	23.8	21.3
Manufacturing	15.7	16.6	18.7
Services	52.0	52.3	52.6

The share of manufacturing in total output will rise from 15.7 per cent to 18.7 per cent of GDP and that of agriculture will fall from the present 25 per cent to 21.3 per cent by 2010-11. In the case of services, the key point to note is not their share, which will remain stable, but the composition, which will shift towards information technology, financial services, distributive trades and professional firms. For this structural transformation to take place, the level of fixed investment in constant prices will have to be two and a half times in 2010-11, with 83 per cent of the increase coming from the private sector. As a percentage of GDP, total investment is projected to rise to 20.6 per cent from the present level of 14.7 per cent. Private fixed investment is envisaged to rise from 10.9 per cent to 15.8 per cent.

To achieve this level of private investment, the government has put in place a critically important set of policies. Tariff rationalization has improved competitive edge, business friendly changes have been made in tax legislation as well as administration, multiplicity of provincial taxes and labour and social welfare levies and regulation has been brought to manageable limits and banking and capital market reforms would facilitate capital formation. The Board of Investment now plays a pro-active role; a deregulation committee headed by a private sector person will be set up to remove the remaining irritants. In terms of the confidence building measures, the HUBCO and IPP disputes have been resolved, survey and registration exercise for documentation has been made more circumspect, the accountability drive is not targeting businessmen and the arrangements for refunds and drawback have considerably improved. A new shipping policy has been announced to substantially deregulate the sector, give incentives including tax exemption till 2020 to foreign and local investors, and to improve efficiency of ports by better availability of harbor crafts. Not the least, the consistency of policies is diligently monitored. In addition to consistent and conducive fiscal, monetary, trade and sectoral policies, private investment requires a proper legal and regulatory framework and its transparent and equitable enforcement. The implementation of police and judicial reform and the deweaponisation drive will further improve law and order and ensure the sanctity of contracts.

Public sector, though declining in its relative importance during the Perspective Plan period, will focus on creating social overhead capital for private investment. Thus the federal budgetary PSDP during the next ten years is programmed to give priority to water, transport and communication, and energy.

Education

The Perspective Development Plan 2001-2011 in Education and Training encompasses the following objectives: Improvement of literacy rate; Education for All (EFA); Improvement in participation rate at Secondary level; Introduction of Technical Education at Secondary and post-secondary level; Producing higher education graduates responsive to the socio-economic and technical needs of the country; Quality Education.

Because of its established linkage with other social sectors as well as for its significance per se, Education For All has to be the centre-piece of human capital formation. The priorities include: universal primary education for boys by 2004, 78 per cent literacy by 2011, quality education and technical education and a skill development programme. To address the issue of low literacy and participation rates at primary/elementary level, the strategies adopted include adult literacy campaign and compulsory primary education ordinance. The literacy campaigns will be supervised by a special task force spearheaded by expatriate Pakistanis. By 2004, 8500 primary schools will be opened and 12000 primary schools will be upgraded to elementary level. Low quality of education at all levels requires improved standards of teachers. A major teacher training project will be launched. Curriculum and examination system improvements will be addressed through education testing service and the establishment of national education assessment system. It is planned to introduce technical/vocational stream in secondary schools, polytechnics at district and vocational institutions at tehsil level. Thus a number of technical education projects will be launched. 40 polytechnics will be established by 2004 in addition to existing 60 covering 80 districts. Evening shift will be started in 30 polytechnics and technical streams will be initiated in 2000 secondary schools. Participation of private sector will be encouraged by grant and soft loan incentives to private partnership, and by offering public education buildings for upgrading the facility in the evenings. Education foundation projects and community participation projects will be the main instruments for this purpose.

Health

The goal is health care for all which is accessible, affordable and acceptable. The policy focus will be on continuous shift from curative to promotive and preventive services through primary health care. The priority targets for 2010-11 include the reduction of infant and maternal mortality rates from 90 to 30 per 1000 and 400 to 180 per 100,000, incidence of low birth weight babies from 25 per cent to 12 per cent and population growth from 2.17 per cent to 1.6 per cent. Other priorities relate to diseases of nutritional origin (anemia, vitamin A, Iodine), and awareness of a healthy lifestyle. The strategies to deal with these

problems will include check on staff absenteeism, staff positioning, availability of drugs/diagnostics. There will be one National Health Worker per village for community services and PHC Units, THQ/DHQ will be consolidated for quality services. District health reform under devolution and village health committees will improve access and effectiveness, and ensure gender equality. Immunization coverage will be enhanced through EPI, DOTS, RBM, Hepatitis vaccination and prevention and treatment of T.B., malaria, aids, hepatitis by safe blood transfusion and fully functional cold chain.

Nutrition

The basic nutrition gaps have been identified as malnutrition of infant/child, women of child bearing age and micro nutrient deficiencies. The strategies will focus on improvement of maternal nutrition, encouragement of mothers to feed babies with their own milk up to 6 months and then introduce complementary food security and micronutrient supplementation fortification and diversification. Among the major initiatives are women health project, awareness campaign, national health workers programme, salt iodization, A-Vitaminization of vegetable oil/fat and wheat flour with iron.

Population Welfare

High population growth will be checked by increasing the Contraceptive Prevalence Rate from 30 per cent to 43 per cent by 2010-11 to regulate fertility. A reproductive health package will be introduced. All health sector facilities will deliver family planning services. The 58,000 community based workers of Health and Population Ministries will be merged. The Government will encourage NGO/private sector through incentives.

Gender

The Perspective Plan makes a serious effort to reflect gender concerns in its overall strategy and sectoral programmes. Strategies of the Perspective Plan comprise of development of a national policy for women, preparation of a strategic plan for women development, and setting up of a management information system, creation of a technical resource base in the women study centres, gender sensitization at Federal, Provincial and District level and capacity building of women councilors. The Perspective Plan starts with the ratification by government of Pakistan of the ILO convention 100 requiring member states to ensure equal wages for men and women for work of equal value. Job evaluation / appraisal schemes will be introduced as a follow-up.

Governance

Sustainable development requires the state, civil society and the private sector to work in cohesion for economic growth, human development and an environment of peace and harmony. Towards this end, the reform agenda comprises political reforms/devolution of power, judicial reforms, restructuring of government bureaucracy, police reform, accountability and transparency and the fostering of community participation.

Good policies for private sector and better programming and prioritization for public sector are expected to revive investment and growth which in turn will transform the structure of the economy. The kick start by public sector will crowd in the private sector, contributing to growth and poverty reduction.

IV. Devolution Plan (DP) and Participation

The DP has put in place elected governments at the level of district, city district, tehsil and town. Political power devolved to these levels is supported by decentralization of administrative and financial authority for effective service delivery. Significantly, the Tehsil/Taluqa/Town Municipal Administration (TMA) has been made responsible, *both for urban and rural areas in its jurisdiction*, for planning, capital investment and operation and maintenance of spatial planning (land use and zoning), development facilitation and control, site development and building control. It will also be exclusively responsible for basic municipal services – water, sanitation, solid waste, roads and others.

In addition to devolving political power and decentralizing authority in administrative and financial matters, the DP goes a step further to institutionalise community participation by setting up the Village Councils (VCs) in rural areas and Neighbourhood Councils (NCs) in urban areas. These will be elected bodies. With a view to involving those members of the community who are not politically inclined but are service oriented, the institution of Citizen Community Boards (CCBs) has been provided in the DP.

While the local governments will function within the provincial framework, it should be noted that the district government under DP has been reconstructed in the image of a provincial government. It has its legislature, executive and judiciary. Similarly, the innovative concept of TMA sounds the death knell for the urban-rural distinction persisting from the colonial days. It takes account of the populations around the oversized cities and the urban ribbons along the main highways [Tahir (2001b)]. The TMA also raises the prospect of a reverse transfer of resources to rural areas as Tehsil revenues, to begin with at least, will be mainly raised from the urban areas while the service provision is likely to be need-based.

VCs and NCs

The opportunities for the RSPs, however, lie mainly in the constitution and functioning of VCs, NCs and CCBs, as these raise cooperative and coalitional prospects in areas which have come to be known as the main strengths of the RSPs. Accordingly, this Section devotes bulk of the space to elaborate on the composition and the role of these institutions.

VCs and NCs will have to be formally declared. Within ninety days of the assumption of office, upon a proposal of the Tehsil Municipal Administration or Town Municipal Administration, as the case may be:

- i. the Tehsil Council may determine and declare by notification a Village or a Neighbourhood in urban areas in the tehsil, to have a Village Council or, as the case may be, Neighbourhood Council and number of members to be elected for such Councils; and
- ii. the Town Council may determine and declare by notification a Neighbourhood or a Village in the rural areas in the town, to have a Neighbourhood Council or, as the case may be, Village Council, and number of members to be elected for such Councils. 'Village' means an integrated and contiguous human habitation commonly identified by a name and includes a *dhok*, *chak*, *killi*, *goth*, *gaown*, *basti* or any other comparable habitation. This definition resolves the thorny issue of what is a village by avoiding the census mis-definition. Neighbourhood has been defined for the first time in law. It means a *Mohallah*, a group of streets, lanes or roads designated by TMA as neighbourhood.

Composition

The number of members of Village Council and Neighbourhood Council shall be five to eleven members each:

- i. Provided that for each Council one seat shall be reserved for women and one seat for peasants and workers.
- ii. The Village Council and Neighbourhood Council shall each be headed by a Chairman who shall be the person securing highest number of votes in the election of Village Council or, as the case may be, Neighbourhood Council.
- iii. The Union Nazim shall allocate the work relating to the Village Councils and Neighbourhood Councils in the Union amongst the secretaries posted in the Union Administration.
- iv. Every Village Council and Neighbourhood Council shall be a body corporate. 'Body corporate' means a body having perpetual succession and a common seal, with power to acquire and hold movable and immovable property, and transfer any property held by it and may sue and sued.

The VCs and NCs will be elected bodies and the manner of their elections is as serious a matter as the election of any other body under the DP.

- i. The Tehsil Municipal Administration and Town Municipal Administration shall, within ninety days after declaration of Villages and Neighborhoods, conduct the elections of Village Councils and Neighbourhood Councils as may be prescribed.
- ii. District Government shall facilitate and provide necessary support to the Tehsil Municipal Administration and Town Municipal Administration in the elections of Village and Neighbourhood Councils.
- iii. Where a Tehsil Council or Town Council does not make declaration referred to above or where a Tehsil Municipal Administration or, as the case may be, Town Municipal Administration fails to conduct elections of Village Councils or Neighbourhood Councils within ninety days, the District Government shall make such declaration or, as the case may be, conduct the elections of the Village Councils and Neighbourhood Councils within thirty days from the declaration made by it.
- iv. The vacancies of the members of the Village Council or, as the case may be, Neighbourhood Council shall be filled by the persons securing highest number of votes.
- v. The term of office of Village Council and Neighbourhood Council shall correspond to the term of office of the Union Council concerned provided that the Village Council and Neighbourhood Council shall continue in office until replaced by a new Village Council or a Neighbourhood Council, as the case may be.

Functions

The VCs/NCs have an elaborate list of functions assigned directly to them. They will also assist the Union Councils in the discharge of their functions.

The functions of the Village and Neighbourhood Councils shall be to:-

- develop and improve water supply sources;
- make arrangements for sanitation, cleanliness and disposal of garbage and carcasses;
- develop sites for drinking and bathing of cattle;
- take measures to prevent contamination of water;
- prevent and abate nuisances in public ways, public streets and public places;
- organise watch and ward in the Village and Neighbourhood through unarmed Village or Neighbourhood guards;
- organise Village and Neighbourhood sports teams, cultural, and recreational activities;
- mobilise voluntary resources, including physical labour, property and cash contributions for municipal activities in the Village and Neighbourhood;
- facilitate the formation of co-operatives for improving economic returns and reduction of interstitial poverty and consumer protection;
- report cases of handicapped, destitute, and of extreme poverty to the Union Administration;
- mobilise the community involvement in maintenance of public streets, play grounds, parks, culverts and public buildings, de-silting of canals and watercourses; and
- promote plantation of trees, landscaping and beautification of the Village and Neighbourhood.

It will be seen that the VCs/NCs can develop and maintain services. They can mobilise voluntary resources, facilitate the formation of cooperatives, mobilise the community for desilting of canals and water courses. They will also assist the Union Councils in the socio-economic mapping of the villages and neighbourhood and site selection.

The Village Council and Neighbourhood Council shall assist Union Administration in

- conducting surveys in the Village and Neighbourhood and collecting socio-economic data.
- selecting sites for providing municipal facilities and services to the Village or Neighbourhood;
- identifying encroachments;
- managing burial places and cremation grounds of the village;
- managing and lighting of Village or Neighbourhood roads, streets, and paths; and
- collecting land revenue and other taxes.

Development, Maintenance and Facilitation

The VCs/NCs have been assigned two distinct functions in this regard.

- The Village Council and Neighbourhood Council may, with funds raised through voluntary contributions or on self help basis, develop and maintain municipal and community welfare facilities.
- Village Council and Neighbourhood Council shall facilitate creation of the Citizen Community Boards for development and maintenance of municipal and community welfare facilities.

Citizen Community Boards

The CCBs will provide the main channel of community participation for those members of the community who wish to stay away from electoral politics.

Functions

In every local area, a group of non-elected citizens may, for energizing the community for development and improvement in service delivery, set up a Citizen Community Board and through voluntary, proactive and self help initiatives take up:

- i. improvement of delivery of service by a public facility;
- ii. development and management of a new public facility;
- iii. welfare of the handicapped, destitute, widows and families in extreme poverty;
- iv. establishment of farming, marketing and consumers' cooperatives;
- v. identification of development and municipal needs and mobilisation of resources;
- vi. formation of stakeholder associations for community involvement in the improvement and maintenance of specific facilities; and
- vii. reinforcing the capacity of a specific Monitoring Committee at the behest of the concerned Council.

Rules

- i. The expression 'stakeholder association' means voluntary association, such as parent-teacher association, patient-hospital association, school management association or farm water associations or citizen-police liaison association.
- ii. In carrying out its purposes, a Citizen Community Board may interact with voluntary organizations for community welfare.
- iii. The Citizen Community Board shall be registered with the registration authority as may be prescribed.
- iv. The Citizen Community Board shall have a general body of its members who shall elect a Chairman, Executive Committee and a Secretary of the Board for carrying out its functions.
- v. The term of office of the Chairman, members of the Executive Committee and Secretary of the Citizen Community Board shall be one year extendable through election for a similar term or terms by the general body.

Business

- i. All business of the Citizen Community Board shall be disposed of in its meetings which shall be presided over by the Chairman.
- ii. The Executive Committee of the Citizen Community Board shall hold its meetings at least once in every three months.
- iii. The quorum of the meetings of the Executive Committee of the Citizen Community Board shall be forty per centum of the total membership of the Executive Committee.
- iv. The quorum of the meetings of the general body of the Citizen Community Board shall be one fourth of its total membership.
- v. The Secretary of the Citizen Community Board shall be responsible for recording the proceedings of the meetings and maintaining financial and accounting record.
- vi. The Secretary shall present the annual statement of accounts in the annual meeting of the Citizen Community Board and after its approval the statement shall be submitted to the registration authority within thirty days.

- vii. The Citizen Community Board may, in its general meeting, remove any office bearer or member by a resolution on account of unsatisfactory performance or misconduct.
- viii. The chairman and Secretary shall be responsible for safe custody and management of property and assets of the Citizen Community Board.
- ix. All funds of the Citizen Community Board shall be kept in a bank or post office and all transactions shall be made through cheques.
- x. The accounts of the Citizen Community Board shall be operated jointly by the Chairman and the Secretary.
- xi. The accounts of the Citizen Community board shall be maintained by the Secretary.

Raising of funds

- i. Citizen Community Board may raise funds through voluntary contributions, gifts, donations, grants and endowments for its declared purposes without compromising the larger interest of the community.
- ii. A Citizen Community Board may also receive project-based cost sharing support from any local government in accordance with the provisions of the Ordinance.

A non-profit organisation

- i. The Citizen Community Board shall be a non-profit organisation and its income and assets shall be used solely for the attainment of its objectives, and no portion of the income shall be paid by way of dividend, profit or bonus to any of its members or contributors.
- ii. In case of dissolution or de-registration of a Citizen Community Board, its assets shall, where a local government has contributed towards creation of any assets or funds, pass on to such local government and the assets shall continue to be used for community welfare by the local government through any of its agency or any other Citizen Community Board.
- iii. The accounts of the Citizen Community Board shall be subject to audit as may be prescribed.

Bottom up planning and the ownership incentive system.

The role of community participation under DP is backed up by specific financial provisions. Thus the development budget shall be prioritized in accordance with the bottom up planning system such that :

- a) not less than 50 per cent of the development budget shall be set apart for utilisation under the bottom up planning system.
- b) any unspent amount shall be credited under the same head in the following year's budget in addition to the fresh allocation.

The role of the CCBs in the bottom up planning is absolutely crucial. They may receive from a local government matching grants up to eighty per cent of the budgeted amounts of an approved development scheme in the manner prescribed.

A scheme shall be considered approved if

- i. the prescribed departmental procedure for estimating the cost of the scheme has been followed;
- ii. the CCB has deposited its share of the cost of the development scheme in the account prescribed for the purpose; and
- iii. the complete departmental estimates and the proof of deposit of the CCB's contribution are attached.

A cut off date, not less than thirty days before the presentation of the budget, shall be announced by each local government for registration of all schemes proposals from CCBs. The authorised officer of the respective level of government shall draw up a statement specifying those schemes by classification including the total amount of contributions for a particular classification of schemes. A second statement shall determine contribution amounts for a particular classification of schemes as a ratio of the total contributions for all schemes registered with a particular local government for that year and the statement shall be used to determine amounts of allocation for a classification of schemes from the budget reserved

for the purpose. A third statement shall be drawn up to identify the number of schemes registered in a particular classification, beginning with the scheme containing the highest contribution by the CCB in a classification until all schemes in the classification are selected or the funds allocated for that particular classification. The statement shall be appended to the budget of the respective local government for approval as part of the budget by the respective council. The schemes approved by the respective councils shall be carried out as prescribed by the government.

V. Devolution and the RSPs: A Seven Point Programme of Reform

The elements crucial to community participation under DP discussed in the last section, the initiatives like the SAP, PPAF and KB, and the length to which the Government went to ensure community involvement in the process of formulating the PRS reflect the learning that has taken place in the Government. SSK has been saying for a long time that the Government must learn to act like an NGO. Here is his wish come true. The serious extent, depth and severity of poverty has forced the Government to begin to act like an NGO. Acting like an NGO is different from becoming an NGO. Like always, SSK had chosen his words carefully. And he had the emphasis of his mentor, AHK, to back him up. When asked whether there was “any methodology to mobilize the government to become a good partner”, AHK had said: “I honestly do not know how the government can be mobilized But I do know that without government cooperation people cannot go very far.” AHK’s message to the NRSP was very clear:

My message to NRSP is that we should resume the work, which we started in 1960. We have also to do it in a sustainable manner by distributing the responsibility between the people and the government. Again, as I have always said, NRSP is a great national asset, as you people have already formed innumerable village organizations. You have to make the people understand that they have to do *internal* development and government should do *external* work [*Talks* (2000), p.50].

In this background, DP presents tremendous opportunities for the RSPs. It explicitly recognizes the value added by ownership and partnership with community in planning and implementation of development. It creates institutions to do so and earmarks definite, predictable budgetary resources as well. In the past, local governments have been spending around Rs. 20 billion per annum. This is likely to rise significantly in a devolved framework.

For their part, the RSPs have to move in three strategic directions. First, they must reaffirm the centrality and absolute essentiality of social mobilisation to their work. Diversions to service delivery amount to entering what AHK called *external* development. Any impatience with social mobilisation can only yield a bitter harvest. The difference between community workers and donors is that they do not push credit. The latter is the easy, *soft* part. The *hard* part is to improve productivity, as AHK would have said. Secondly, if the Government needed to devolve, the RSPs need it in equal measure. Thirdly, the RSPs have from the first shunned politics, and for the right reasons. It must, however, be understood now that devolution is not just about economic development, but about *development*, including political development. Working with devolved governments will require avoidance of partisanship, but practicing complete political abstinence will be counterproductive. Working with elected devolved governments is qualitatively different from the hitherto employed framework of linkage.

Keeping in view these considerations, the following proposals are made for discussion, further analysis and refinement.

1. The COs and the activists are the major assets of the RSPs. Without any doubt, the CO members and activists have to be the organizationally more advanced members of the villages. While the RSPs should continue to nurture and support this social capital where it does not exist, the present stock should be placed at the disposal of VCs. Those of the members who also wish to be elected as VC officers/members should be encouraged to do so, so long as they do not raise the RSP flag. While there is not yet a CO in every village of the country, there will be a VC there soon. The RSPs should, therefore, work closely with the VCs.
2. It is time that RSPs become SPs only, dropping word rural. They should expand their focus on urban areas and seize on the opportunities opened up by new concept of NCs.

3. The better inter-departmental coordination arrangement and its stipulated institutionalized nexus with the community is likely to displace the present linkage methodology of the RSPs. However, this methodology continues to be relevant in case of public and, to some extent, private corporate bodies, particularly in the urban contexts.
4. There should be no doubt in anyone's mind that the district under the DP is a mini province in terms of political power, administrative authority and financial rules and procedures. RSPs created on the province-wide assumptions have to spread out in districts. This requires major expansion, as each district should have a DSO (District Support Organisation).
5. DSOs' main task should be to foster a network CCBs. These registered, non-profit corporate bodies are enshrined in the DP Ordinance as the main vehicle of participatory development. Reservation of half the development funds and access to matching grants to the extent of eighty per cent of the total cost of an approved scheme are strong incentives for CCBs to outnumber any other governance structure for development programmes and projects.
6. Each province could have a small federation of DSOs, working only to provide training, professional and legal advice.
7. At the central level, a confederal organisation is proposed oriented only towards research and development and donor coordination.

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STATISTICAL APPENDIX

Table 1

Poverty Trends

Year	Total	Rural	Urban
1963-64	40.24	38.94	44.53
1966-67	44.50	45.62	40.96
1969-70	46.53	49.11	38.76
1979	30.68	32.51	25.94
1984-85	24.57	25.87	21.17
1987-88	17.32	18.32	14.99
1990-91	22.11	23.59	18.64
1992-93	22.4	23.35	15.50
1996-97	31.0	32.0	27.0
1998-99	32.60	34.8	25.9
1999-2000	33.50	N.A	NA

Source: Government of Pakistan, Finance Division, *Pakistan Economic Survey 2000-2001*.

Note: The above table is given here to illustrate the direction of trends over the decades and not as a consistent measure of changes in the poverty ratio over time.

Table 2

 Fixed Investment, External Resources and Remittances
 (% of GDP)

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Fixed Investment	17.4	18.6	19.1	17.9	16.9	17.2	16.2	15.1	13.9	14.0
• Public fixed investment	8.5	8.8	9.1	8.3	8.2	8.2	6.8	5.3	6.1	5.7
• (Development Expend.	(6.4)	(7.6)	(5.7)	(4.6)	(4.4)	(4.4)	(3.5)	(3.9)	(3.4)	(3.2)
• Private fixed investment)	8.9	9.8	10.0	9.6	8.7	9.0	9.4	9.8	7.9	8.2
External Resources	4.8	3.1	7.1	3.8	4.1	7.2	6.1	3.1	3.9	1.9
Remittances	2.7	2.0	2.1	2.1	2.3	1.6	1.7	1.7	1.7	1.6
Foreign Direct Investment (\$ million)	246	335	306	354	442	1102	682	601	472	469

Table 3

Fixed Investment, External Resources and Remittances

Year	At Constant Price		Enrolment in Govt. Primary Schools (No. in Million)	Life Expectancy (No. of Years)
	Govt. Expenditure on Primary Education	Total Expenditure on Health		
1992-93	16.8	9.6	10.8	60.5
1993-94	18.0	9.4	11.4	
1994-95	23.0	9.4	12.0	
1995-96	27.4	11.7	12.1	
1996-97	28.0	11.6	12.6	
1997-98	30.5	11.6	13.3	
1998-99	32.7	11.6	13.4	
1999-00	33.4	11.9	13.5	62.0
2000-01	34.5	12.4	14.0	62.9

Table 4

Poverty Indicators under calorie based approach

Measure (%)	Years				
	1986-87	1987-88	1990-91	1992-93	1993-94
HEAD-COUNT					
Pakistan	26.9	26.4	23.3	20.3	20.8
Urban	24.5	22.7	18.0	16.8	15.2
Rural	29.4	29.9	26.2	22.5	24.4
Provinces					
Punjab	31.4	32.8	27.0	20.4	21.8
Sindh	30.9	25.7	26.6	19.3	19.2
NWFP	18.8	21.8	19.7	17.2	17.7
Baloch.	27.5	24.8	16.4	19.3	19.6
INCOME GAP					
Pakistan	17.4	17.6	16.8	16.7	16.7
Urban	17.4	17.2	15.4	16.5	14.3
Rural	17.4	17.9	18.2	16.8	17.7
Provinces					
Punjab	17.9	18.9	18.1	18.4	17.5
Sindh	17.3	15.6	16.9	14.8	16.2
NWFP	15.0	14.6	13.3	14.1	13.6
Baloch.	16.2	15.7	16.8	14.7	14.8
FGT INDEX					
Pakistan	1.2	1.3	1.0	0.9	0.9
Urban	1.1	1.0	0.6	0.7	0.5
Rural	1.4	1.4	1.3	1.0	1.2
Provinces					
Punjab	1.5	1.7	1.3	1.0	1.0
Sindh	1.4	1.0	1.2	0.7	0.8
NWFP	0.7	0.8	0.6	0.6	0.5
Baloch.	1.2	1.0	0.7	0.7	0.7

Source : Jafri (1999)

Table 5

Poverty Head-Count during the 1990s by Province and Region.

Region and Province	1992-93 HIES	1993-94 HIES	1996-97 HIES	1998-99 PIHS
URBAN AREAS	20.72	16.32	16.12	22.42
Punjab	21.98	18.14	16.93	25.50
Sindh	17.28	11.83	12.01	16.08
NWFP	25.34	26.89	27.23	29.24
Balochistan	31.79	16.80	22.99	24.26
RURAL AREAS	28.89	34.70	30.73	36.33
Punjab	26.45	33.85	28.28	36.00
Sindh	29.50	31.78	19.64	34.73
NWFP	36.96	39.95	43.43	44.87
Balochistan	28.12	37.89	42.45	22.53
OVERALL	26.57	29.27	26.25	32.24
Punjab	25.23	29.51	25.03	32.97
Sindh	24.10	22.56	15.72	26.64
NWFP	35.54	38.08	41.20	42.57
Balochistan	28.60	35.51	38.35	22.75

Source: Federal Bureau of Statistics (2001)

Table 6

Poverty Head-Count in Punjab during the 1990s by Region.

Region and Province	1992-93 HIES	1993-94 HIES	1996-97 HIES	1998-99 PIHS
URBAN AREAS				
Upper Punjab	9.95	9.66	13.27	12.77
Middle Punjab	25.61	23.71	15.87	24.50
Lower Punjab	27.97	17.81	21.70	35.33
RURAL AREAS				
Upper Punjab	10.49	29.27	21.44	29.31
Middle Punjab	27.94	31.60	26.17	34.52
Lower Punjab	33.24	41.08	32.87	39.74
OVERALL				
Upper Punjab	10.28	19.14	19.04	24.38
Middle Punjab	27.45	29.93	22.63	30.99
Lower Punjab	31.57	34.59	30.73	38.93

Source: Federal Bureau of Statistics (2001)

Table 7

Percentage of Households with Durable Items by Poverty Status, 1998-99

Durable Items	The Non-Poor	The Poor	Overall
Refrigerator	23.16	3.35	18.01
Freezer	4.85	0.81	3.80
Air conditioner	3.00	0.17	2.29
Air cooler	7.01	1.32	5.53
Fan (ceiling, table...)	76.26	61.79	72.49
Geysers (gas, electric)	5.90	0.35	4.46
Washing machine/dryer	32.44	11.47	26.99
Vacuum cleaner	1.12	0.09	0.91
Dish washer	0.55	0.07	0.54
Cooking stove	33.02	16.05	28.60
Cooking range, Microwave oven	2.76	0.11	2.28
Heater	7.64	1.41	6.32
Bicycle	34.93	31.07	33.93
Car/Vehicle	4.31	0.14	3.23
Motorcycle/scooter	10.85	1.55	8.43
Television	43.40	20.17	37.35
BCR, VCR, Receiver, De-coder	7.66	0.86	5.99
Radio/Cassette player	43.89	22.08	38.21
Compact disk player	0.79	-	0.79
Camera (movie/still)	6.22	0.53	4.74
Sewing/knitting machine	56.77	38.27	51.95
Personal computer	0.71	0.09	0.58
Musical instruments	0.15	-	0.05

Source: Federal Bureau of Statistics (2201)

ANNEXES To Dr TAHIR'S PAPER

Perspective Plan 2001-2011 - Goals, Targets and Instrument Matrix

Goals	Instruments to Accomplish Goal, (Policy, Sectoral Focus, Reform)	Targets			Variable
		2001	2004	2011	
Rapid Income Growth	Investment rate of 20.6 % of GDP, open economy; Human Development through Education; Health; Nutrition; higher Science & Technology Capacity (S&T); deeper Information Technology (IT) capacity and infrastructure (connectivity); Implement Energy Policy primarily based on natural gas and clean coal technology.	24.2	26.2	34.5	Per capita income in thousand Rs. (Constant prices)
		2.17	1.82	1.6	Population growth rate per annum.
Eliminate Food Poverty	Agriculture; water; salt/water drainage, shared growth to reduce income inequality; Energy adequacy, public works, micro credit .	30	25	15	Percent of population unable to meet basic food requirement 2150 calories/day
Significantly Reduce Human Poverty (Basic Needs; opportunity Capability)	Education; Health; nutrition; S&T; IT: Rural infrastructure: shared growth to reduce income inequality; social safety net: old age pensions, micro credit	44	35	25	Human Poverty Index (%)
		63	64	69.2	Life expectancy at birth (years)
		45	25	0	Population without access to health services (%)
100% Adult Literacy	Education: IT (Distance Education): Expansion of teachers, schools, and teacher training.	52	61	78	Adult literacy rate
Universal		39	47	67	Female literacy rate
Pre- College		83	94	104	Primary
Education		57	66	97	Elementary
		35	45	79	Secondary
Eliminating Malnourishment for under 5 Children	Targeted food distribution program with deep involvement of communities: NGOs Using teacher – parent links to expand awareness.	39	35	20	Malnutrition of children under 5 (%)
		90	65	30	Child Mortality Rate (per 1000 live births)
		400	300	180	Maternal Mortality Rate (per 100,000 live births).
		25	20	12	Incidence of Low Birth weight babies (%)
Clean water for all Citizens	Investments in Water Supply System: strict	63	68	84	Population with Access to Safe

	enforcement of emission control laws: Enhancing institutional capacity to monitor compliance and enforce.				Water (%).
Clean Air for all Citizens	Ten Year Crash Program of Legislation and enforcement to control emissions of SO ₂ , No _x , PM ₁₀ , in hot spots. Natural gas and clean coal energy policy.	50	40	20	Population without Access to clean air (%)
Rule of Law	Civil service Reform, Judicial Reform: Police Reform: Implementing Local Government devolution: Education.	20%	50%	70%	Significantly mainstream the Reforms i.e. implement current program.
Enhance Pakistan's Scientific Capability	Crash Program to develop S&T Concurrently, increased allocation to R&D	116 0.2	215 0.4	1015 1.2	Number of scientists and engineers per million population Proportion of GDP allocated to Research & Development.
Human Development Index	All of the above implemented effectively and as a package.	135	120	90	Rank on Human Development in the United Nations

Paper on
Local Government and Civil Society
**An Introductory Essay on the Relations
Between District Government and Rural Support Programmes**
By
Dr Humayun Khan

The lexicon of the political and social sciences has expanded over the last two decades in order to give expression to new concepts that reflect the changing relationships between various sectors of human society. Any meaningful analysis of this relationship or of the role and potential of each sector must, therefore, start with a common understanding and agreement on the definition of each sector.

The three sectors which comprise society are the government, the private sector and civil society. This essay focuses only on the first and the third and how they relate to each other.

Traditionally, the word Government referred to the executive organs of State. In the early despotic and autocratic systems, of course, judicial, legislative and executive functions were not separate, so the word 'Government' embraced all of them. With the coming into force of the doctrine of separation of powers, the word in its narrowest sense denoted only the executive arm of the State. It excluded the legislature and the judiciary. Thus, without fear of inconsistency, one could speak of the government benches in parliament or government lawyers in the courts.

More and more, however, the word 'Government' came to be understood as including all organs of State. The definition was later widened to include additional activities undertaken by the government, like the provision of utility services and the industrial and trade functions of State corporations. Thus, the term 'Government' and 'Public Sector' became coterminous. It is in this widest sense that the word 'Government' is used in this essay. Vertically, it includes all levels of government. Horizontally it includes all institutions which are run by employees of the State.

Juxtaposed against government was the private sector or the market, which was engaged in profit-making activities to provide goods and services to the people. Though it was, in varying degrees, subject to regulation by the State, conceptually it was a distinct sector.

The public and the private sectors were accepted for centuries as the two main pillars of organized society and the great debate of political economy centered around how much of the area of social activity should be occupied by each. The pendulum swung from the extremes of laissez-faire to totally controlled and nationalized economies.

It was not till the latter part of the twentieth century that proper recognition was accorded to a third pillar of the socio-economic structure. This was given the title 'Civil Society'. The origin of this particular sector, in fact, went further back in human history than the legal entity of the State or the organized market. The earliest communities ran all their affairs themselves and each member participated in the process. Custom rather than law laid down the standards of public conduct; barter, not money, characterized the market; resolution of disputes, defence against enemies, internal security and basic services were the responsibilities of the entire community.

In a sense, therefore, the belated recognition of civil society as an equal third pillar reflected a partial reversion to the earliest form of human organization. However, the complexities of modern life demanded that the community had now to share, with the government and the private sector, the responsibility and the power to ensure the effective functioning of society.

Out of this development, arose the word 'Governance'. Traditionally this meant the process of government. Now it took on a new and broader meaning which to this day is not universally understood. The word 'Governance' is still used by many to describe what the government does. 'Good Governance' is taken to mean honest and efficient government. I rather suspect that, in Pakistan, our leaders and our administrative reformers use the term government and governance interchangeably.

In fact, 'Governance' is a wider and more comprehensive concept. There is still no universally accepted definition of it, but it is the sum total of all decisions and actions that affect the life of society or significant parts of it. Governmental decisions and actions are only one, though perhaps the most important aspect of it. But what the private sector does also affects society. Who can say that the cost of living or employment or environmental pollution do not affect the life of every citizen. So also, the activities of NGOs, community organizations, religious groups etc., have a direct impact on society. All three of them, therefore, the government, the private sector and civil society are part and parcel of the process of governance.

When, therefore, our reformers claim that by re-organizing the structures of government, they are bringing about ' Good Governance', they are only partially right. Overall good governance can only be achieved if all the three protagonists, government, the private sector and civil society work together in a coordinated manner, each to its best potential within its own field and in a spirit of cooperation and partnership, to promote the well-being of the people.

Before we go on to examine how a fruitful partnership can be forged between government and civil society, let us for a moment look at the desirable characteristics of these two sectors. It is outside the scope of this essay to examine the contributing role of the private sector. That is a worthwhile study in itself.

Naturally, there are some desirable qualities, which are common. These include basic virtues like integrity, transparency, competence, accountability and, in varying degrees, commitment. But there are also some, which are of particular, if not exclusive, relevance to each sector separately.

Let us first consider government. Since the late 1980s, when the so-called wave of democracy swept across the globe, following the collapse of the Soviet Union, there has become evident a tendency to gloat and be complacent about the victory of democracy over a totalitarian system. Western forms of government have come to be looked upon as the ultimate political achievement and the free market, the acme of economic accomplishment. Some like Fukuyama, have even spoken of the end of history, implying that no greater political or economic heights remain to be conquered. International Organizations have started issuing clarion calls for the application of these nostrums to all countries, regardless of their cultural and historical traditions and irrespective of their widely differing levels of development. Some, like the Commonwealth, have even made this a condition of membership.

The champions of democracy, while fully aware of its multiple requirements, choose to limit their exhortations to the first requirement alone. Once multi-party elections are held with a reasonable degree of fairness, the label of democracy is affixed. What elected governments do later in office is considered an internal matter. The only check needed is that, after a prescribed period, they again have to face the electorate. To earn the label of democracy, many countries in the late 1980s and 1990s went through the formality of elections and laid claim to the title.

In fact, of course, only one criterion of democratic government had been met and that too was often more apparent than real. Given the phenomena of voter apathy, voter dependency and voter ignorance both through a lack of information and a lack of education, the claim of many of these elected governments to be truly representative of the people rang somewhat hollow. But even if it was valid, it was not enough. Democracy requires elected governments not only to be representative but also to be responsible and responsive.

To be responsible means first of all to honour the contract with the electorate and to deliver what was promised when asking for the vote. Few of the elected governments in developing countries have met this

requirement. In our own country, for example, the word 'mandate' was stood on its head. In its true sense, it is a limitation to do only what the electorate has authorized. Instead, it was claimed that a massive mandate meant that the elected government could do what it liked.

Other elements of responsibility include the nurturing and strengthening of those permanent institutions on which the foundations of the State rest. Most importantly, it means respect for those permanent institutions specifically designed to be independent of the executive, so that they act as a check on it. This criterion has been consistently honoured in the breach and at times treated with contempt in a desire to convert such institutions into the handmaiden of the executive.

The second important requirement of democracy is a responsive government. This means that during its term of office, the government must remain continually sensitive to changing needs and changing demands emanating from the people. It cannot just sit back in the conviction that it is safe until the next election, as long as the party discipline is ensured. It must, in its day-to-day conduct of business, show itself to be responsive to the dynamics of public opinion and the aspirations of the people.

Yet another requirement is participation, or the involvement of citizens and citizen groups, on a continuing basis, in making major decisions which will affect their lives. At the national level, such participation is usually limited to the casting of a vote. At most it means easy access to a Member of Parliament to seek redress. Ideally, as one goes down to the provincial and local level, the scope and intensity of direct participation should increase.

These three characteristics of democratic government are particularly relevant to the relationship between the structures of State and the structures of Civil Society. Of course, there are other important characteristics of democracy like the rule of law, freedom of speech, a free press, the principles of natural justice and so on. Their value, must not be underrated as they form part of the enabling environment which promotes positive interaction between government and civil society organizations.

The Devolution Plan would have us believe that bringing the structures of State closer to the people automatically promotes responsibility, responsiveness and participation. Elected representatives, it is claimed, will be within easy reach of the people and, therefore, will be under constant pressure to be responsible and responsive. They will also be obliged to permit greater participation by the citizen because they will be working within the framework of his everyday life.

This is, no doubt, a valid argument. On paper, it is difficult to refute. But people's daily lives are seldom run according to what is written on paper. The closer one gets to the people, the more visible does harsh reality become. If one ignores conditions on the ground, if one overlooks the cultural, social, moral and traditional milieu in which the theoretical model is to work, the risks of failure multiply.

There is no denying that devolution of powers to elected local governments in many developed countries has been successful. Actually, the word Devolution is not really applicable to true democratic philosophy, where all power is said to rest with the people. In such cases, power is devolved upwards, with people voluntarily assigning it to governmental structures in order to better cope with the complexities of modern life. Curiously enough, in the developing world, where the tradition of village and community organizations managing local affairs is much older than in the West, we speak of devolution as if the Central Government, in a moment of generosity, is gifting away powers to the grassroots that by right rest with it or with the province.

Be that as it may, our history shows that the age-old tradition of community participation in Pakistan remained in suspension for over two hundred years of imperial rule over the sub-continent. It has certainly not flourished in the fifty odd years of Pakistan's independence. Ironically, therefore, when we decided overnight to impose the Devolution Plan, we had to look elsewhere and to use imported concepts. If something had worked well in the Boroughs of London or New York, it was claimed, why should it not work here?

It was a top-down process, with a so-called think-tank examining various models in vogue abroad and making of them a montage. The process of consultation with the citizenry was cursory, so much so that, to this day, few villagers understand what it is all about.

Top-down processes, as is well known, are seldom sustainable. It is interesting to note that the only serious attempts at effective local government in Pakistan have been made by military regimes and not by democratically elected governments. The first attempt was short-lived because the Basic Democracies were exploited more as a source of political support for the central government than as vehicles for community service. The present attempt has aroused similar suspicions, though in all fairness we must admit that it is too early to say. Both attempts share one attribute - they have been imposed from the top. They have not grown naturally from the roots.

There would seem to be some other basic principles and a number of ground realities that have been overlooked in imposing this model on the country overnight. The idea of locating power close to the people is unexceptionable. So, any criticisms that there might be, relate mainly to the manner in which the reforms were formulated and introduced. Reference has already been made to the intrinsic disadvantages of the top-down method. The second point is that sustainable reforms have a better chance of success if they come about as part of an evolutionary process. They have to be approached in a deliberate and considered manner. Often, they first need to be tested under ground conditions. At each stage of their evolution, they must ensure that the popular will is clearly articulated and the hurdles clearly identified. One cannot juggle around with successful models in other countries and then transplant them overnight in a different soil, assuming that they will flourish.

As noted earlier, Pakistan's ancient traditions of community organisation were interrupted by two hundred years of colonial rule. The fifty years of independence did not resuscitate them. What then has been the political and administrative culture to which we have been inured over this long period. Leave aside the value judgment whether it was desirable or not, look at it as it exists.

The colonial administration was in many ways bad and in some ways good, but it had become familiar. The average villager was not able to participate in governance, he was more a subject than a citizen. But he did have, when the system was properly run, security of life and property and a reasonable expectation of fairness and even handed justice.

Some years ago, the Commonwealth Foundation in London conducted a research project in forty countries on the subject of 'citizens and governance'. My own expectation was that, in the newly independent countries, we would find an abhorrence of the law and order oriented administrative systems inherited from the British. Surprisingly, most respondents from these countries, while clearly in favour of greater participation, listed decreasing security and lack of impartial justice as their main concerns. They called for a strong civil society, but also a strong government, which would restore their sense of security and their right to justice. Only in such an environment would they be able to make their own full contribution to the main struggle before them which was the eradication of poverty.

Even more relevant than the colonial experience of two hundred years is the experience of the first fifty years of independence in Pakistan. The administrative environment in which the present generation has lived provided neither security nor justice. It also did not provide greater participation. The political culture that developed in these fifty years, presented an even more dismal spectacle. Apart from recurrent military rule, the intermittent attempts at democracy totally disillusioned the people.

It is a truism that mature democracies with multi-party systems are characterised by widely differing positions at the extremes but with a large central core of consensus to which all parties subscribe. This area of consensus is where the national interest is manifestly obvious and Party politics develop around this consensus.

Sadly, we cannot claim that our political experience of fifty years has been characterized by this phenomenon. The politics of consensus at the core have been submerged by the politics of polarization. The national interest has been relegated to the background by elemental forces like personal greed,

provincialism, ethnic rivalries, 'biradari' loyalties and the overwhelming power of money, most of which finds its origins in feudalism and in economic crimes like corruption, smuggling, drug trafficking and tax-evasion.

These scourges have unfortunately seeped from the top down to the lowest levels of society. It is still too early to say whether the new experiment in grassroots democracy have reversed or even stemmed the tide. Preliminary indications are that, while the direct elections of councillors at various levels have brought about some change, the indirect elections of 'nazims' have been much like old wine in new bottles. The same divisive forces and the same narrow party outlook have again come to the fore.

Turning to the characteristics and requirements of an effective Civil Society, a key word is 'Empowerment'. Many experts in community development have suggested precise definitions of it. Broadly speaking, empowerment is the creation and promotion of an environment in which all citizens, particularly women, youth and the disadvantaged, can feel that they have, or are able to create, choices in life. An environment which makes them aware of the implications of these choices, so that they can then freely make informed decisions, take action on those decisions and be prepared to accept the consequences of those actions.

Another key element of an effective Civil Society is organization. The RSPs call this Social Mobilization. Life today is essentially the interplay between various organizations and , if the citizen is to be an equal partner, he first must understand the indispensability and power of organization, for only then will his voice be heard.

Yet another important element is associational autonomy. While Civil Society has to function in partnership with other sectors, particularly the government, it must not be subject to undue pressures or influences from these sectors. Where community organizations receive financial or technical support from government or the private sector, this support must not impinge upon their autonomy and independence.

Finally, voluntarism, or even better, commitment is more essential to the effective functioning of Civil Society than to that of other sectors. It is true that, as its role expands, Civil Society, like any other organization, is going to need more and more the services of professionals. But these professionals have to bring to their task a high degree of personal commitment, otherwise the sector might grow into another faceless, unmotivated bureaucracy.

Perhaps now it is time to revert to the main theme, having defined some of the characteristics of the two players, the Government and Civil Society. That theme is the relationship between them, and specifically, the relationship between the new structures of District Government and the RSPs.

At the outset, it must be stressed that it would be quite erroneous, indeed dangerous, to see the newly elected Union, Tehsil and District Councils as substitutes for the organizations of Civil Society. The Devolution Plan is essentially a restructuring of Government, nothing more. It does not comprehensively address the entire issue of Governance in its comprehensive sense. The two other pillars of Governance, the private sector and Civil Society are not covered by it but they have to continue playing an important role outside, but in partnership with, these new governmental structures.

This restructuring of government has three aspects, the political, the administrative and the economic. In each of these areas, it is going to impinge directly on the lives of citizens. It is essential, therefore, that, while accepting its theoretical virtues, we should be conscious of its practical shortcomings. It is too early to say whether this new dispensation will succeed or even whether it will endure. It is hardly three months old. Nazims are still looking for their offices. Officials are waiting for their assignments. Postmen do not know where to deliver mail. Citizens are not sure which door to knock on. Everywhere, there is confusion and uncertainty but, in a spirit of generosity, we can call these teething troubles. At the same time, let us be conscious of the possibility that they may be early symptoms of a deeper and more permanent malady.

On the political level, the most obvious problem is that of reconciling the Devolution Plan with the fundamental constitutional issue of Provincial autonomy, an issue which has bedeviled the Federation of Pakistan since the very beginning. The Plan has been imposed from Islamabad. Today, there are no Provincial Governments in the political sense. They are all nominees of the Centre. If and when elected provincial governments return, then, in spite of the promised constitutional safeguards, the whole issue of devolution may be re-opened. It is difficult to see popularly elected Provincial Governments remaining content with the role of a conduit between the Centre and the districts.

At the administrative level, the Plan defies a basic tenet of good public administration, which is professionalism. Administration is a science, which has to be learnt, just like engineering or medicine. To endow an individual with sweeping administrative powers and responsibilities without his having any qualification or experience is indeed a bold and imaginative step, but also a risky one. His electoral credentials can be cited as his greatest asset. They might well be his greatest liability as well. We have to wait and see whether he brings to his office more of a sense of public service than private gain. We have to watch whether he can rise above considerations of Party and 'Biradari' and act in a fair, just and equitable manner. We do not yet know whether he will seek to carry his political opponents with him or, in keeping with existing practice, he will try and neutralize them. All these are imponderables and on their answer will depend the success and the durability of the new system.

On the economic side, the problem of allocation of resources between the Provinces and the Districts and among Districts will be a thorny one. It will call for fine and informed judgments on basic issues like the removal of sub-regional disparities, the coordination and planning of development at the village, tehsil and district levels and ensuring that funds are not dispensed on political grounds. The line departments will still be there but whether their views will be considered in a professional and non-political manner remains to be seen. They are subordinate to political Nazims and past experience would seem to indicate that there is a clear danger that the final decision on technical matters may be influenced by political considerations. In such an event, factionalism and divisiveness would only have been pushed down to the grassroots.

Where, in this tangled web, do the RSPs fit in? They are used to working in an environment where consensus in the community is the driving force. The first hurdle for them will be the age-old problem of turf or jurisdiction, They have faced it in the past when the bureaucracy thought they were intruding on its preserve. Through patience and perseverance, they gradually built a relationship of co-operation and partnership with the line departments. This was facilitated by the realization within government and particularly by donors, that government-driven development had failed to deliver the goods, particularly at the grassroots level and in the critical area of poverty alleviation. People-driven grassroots development had won the day and the line departments were becoming reconciled to this.

Will elected district governments accept this or will they claim that being representative of the people, they and they alone must call the shots in grassroots development and the fight against poverty and that all resources must be channeled through them?

The RSPs, now widely recognized as the main catalyst of people-driven development, must prepare themselves to ensure that the achievements of the past are not washed away. Government, whether national, provincial or local, is best placed to act in certain areas. Community organizations are better placed to act in others. Experience has shown that, in the field of poverty alleviation, community organizations have the edge. They have a more accurate sense of immediate priorities. They engender feelings of participation and ownership, which render their achievements more sustainable. Because their basic strength lies in consensus, it is they who can best tackle issues like micro-credit with requirements like social collateral. Prioritization is easier because each villager knows that the only criterion is the common good.

On the other side, one must hope that national policy makers will not fall prey to the notion that the Devolution Plan can bring about a new millennium in all fields, including development. They must balance the positive and negative effects of the formal electoral process at the grassroots level. It can be divisive

and, at the basic unit of the village, such divisiveness could prove catastrophic in the fight against poverty.

The RSP experiment has clearly proved that, at the lowest level, Village Organizations, functioning on the basis of full participation and of consensus can be a potent force in poverty alleviation. Perhaps they have fallen short in terms of coverage, but this does not detract from the success of their methods, which have proved both tested and true.

The challenge for the RSPs now is to prevent the growth of an adversarial relationship with the new local government structures. Government, for its part, should not try to force electoral politics down to the village level. Together, the two have to join in a partnership in the fight against poverty. Each must allow space to the other. They must together work out formats for interaction so that all their efforts are directed towards a common goal.

Participation and empowerment in the true sense mean the deployment of each citizen's capabilities for the common good. The village community is the nucleus around which our society is built. It is within this nucleus that every villager can find his or her fulfillment. The fragmentation of this nucleus or the dilution of its role as the chief weapon against poverty would be a great mistake.

In terms of specifics, there are encouraging signs that the National Reconstruction Bureau is having second thoughts about pushing elections down to the village level. Even when villagers had only the vaguest idea of the Devolution, they voiced their apprehensions that elections would split the village community along Party lines and their greatest asset, which was consensus, would be lost. If, as one hopes, the emphasis at village level is to remain focussed on consensus and on common efforts, the exact relationship between Civil Society organization and the Devolution structures should not be difficult to work out. Rivalry between them will not be good for either. A genuine partnership has to evolve.

To take one example, if the NRB decides that it is necessary to have formal organizations at the village level and these are to take the form of Citizen Community Boards, it might be feasible to use the existing Village Organizations formed at the initiative of the RSPs, in that role. If this is done, both government and the RSPs will be encouraged to cooperate in extending the coverage of the rural support programmes to more villages. In due course, a broad-based institutional foundation can be laid nationwide.

Institutional growth can only be sustained if there are commonly agreed objectives, widely spread capacities and skills of an equal level. Easy access for all village communities to efficient methodologies and adequate resources. The question of resources is of the greatest import and it would be tragic if the share of Civil Society organizations is diminished either by government or by donors.

The villager of Pakistan is the country's most valuable asset, not so much for his ability to elect the best representatives to various Councils, but for his potential as a frontline soldier in the war against poverty, which he knows is his worst enemy. It is this potential that must be developed in each and every villager, regardless of his electoral or political affiliations. District governments, working together with Civil Society organizations, can ensure this and the role of the RSPs in strengthening village organizations will be more important than ever before.

The Rural Support Programmes:

Meeting the Challenges of Devolution and Poverty

Presentation of Group A

Need for district-level RSPs

- Strong District Rural Support Programmes (District RSPs) are required. This will accelerate the process of fostering broad-based organisations.
- District level RSPs will be better able to interact with District Assemblies and line departments.
- Political assemblies will have political interests. How will the CCBs ensure fair treatment in resource allocation for themselves? One way is to have strong District-level RSPs.



RSP COs as CCBs

- Where VOs/WOs/COs exist, they should get themselves recognised as Citizen Community Boards (CCBs).
- Being a CCB will not restrict the CO from doing other activities.



RSP Cos as CCBs (cont.)

- CCBs will be eligible to access 50% of the development funds available to the district.
- Registration of CCBs, and their ToPs with government, have to be simple and transparent. The RSPs need to assist in influencing this legislative process possibly through formation of a smaller steering committee, under the auspices of RSPN, to interact with NRB.



RSPs assisting Union bodies

- There is a need to strengthen planning at Union Council level so that it is more demand responsive.
- E.g. in Lachi, LPRP has undertaken planning with Union Councillors in 5 Union Councils.
- RSPs can assist the devolution process through training Nazims and Naib Nazims as is happening in Laachi.



RSPs in urban areas

- As the new structure does not differentiate between urban and rural, RSPs should consider converting themselves into Grassroots Support Programmes (GSPs) and increase their coverage in urban areas.

The Rural Support Programmes: Meeting the Challenges of Devolution and Poverty

Presentation of Group B

- Open up a two way channels of communication between the RSPs and 'devolved' structures
- Initiative by RSPs to make devolved structures understand the work of RSPs
- Look at synergies rather than competing objectives e.g talking in terms of poverty reduction rather than project implementation

Requirements fo RSPs to Work With Local Government System

- RSPs should take the lead in training RSP staff and community activists for informing and acquainting them with the devolution plan details
- Look at the NRB training module for guidance and preparing a training module for:
 - RSPs' staff
 - Community Activists
- RSPs to establish channels of communication with devolved structures for their awareness raising in RSP work methodology

Requirements for RSPs to Work With Local Government System

- Target key stakeholders in alliance building and trust building:
 - District Level..... Nazims
 - Union level..... Peasants and women
- Training /awareness of line departments in methodology /approach of RSPs

Requirements for RSPs to Work With Local Government System

- Identify key districts for initiating the process
- Do a union council wise situation analysis for the entire district using RSP methodology to assist district governments to develop district level development plans

Possible Collaboration

- Advocacy for setting up of district RSPs in non RSP districts
- District RSPs to be poverty focal points
- Assist in CCB registration
- Provide independent planning and monitoring assistance to the devolved structures at district level particularly

LIST OF PARTICIPANTS

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|-----|--|-----|--|
| 1. | Agha Ali Javad,
General Manager (Operations),
NRSP
Islamabad | 11. | Humera Hashmi
Regional General Manager,
PRSP
Multan |
| 2. | Ahmad Mukhtar,
Reporter, Business Record,
Islamabad | 12. | Ihsan Soomro
Deputy Director,
PRO
Islamabad |
| 3. | Ali Dastgeer,
Specialist MER,
RSPN
Islamabad | 13. | Kirsty Mason
Social Development Adviser,
Development Section,
British High Commission,
Islamabad |
| 4. | Allah Nawaz Khan
Programme Manager,
Thardeep Rural Development Project,
Mithi, Tharparkar | 14. | Malik Fateh Khan
Regional Programme Manager,
NRSP Rawalpindi Region,
Islamabad |
| 5. | Amir Osman,
Retired Ambassador,
Islamabad | 15. | Momin Agha
Dy. Programme Manager MAP,
NRSP
Islamabad |
| 6. | Amjad Saqib Dr
Regional General Manager,
PRSP Lahore Region,
Lahore | 16. | Masood-ul-Mulk
Chief Executive Officer,
SRSP
Peshawar |
| 7. | Feroz Shah,
Specialist Social Mobilisation
RSP Network
Islamabad | 17. | Mueen Afzal
Secretary General Finance,
Government of Pakistan,
Islamabad |
| 8. | Garith Aikin
Head of Development Section,
British High Commission,
Islamabad | 18. | Muhammad Azam Khan
National Project Coordinator,
Lachi Poverty Reduction Project,
Peshawar |
| 9. | Ghias Muhammad Khan
Senior Project Officer,
NRSP
Islamabad | 19. | Muhammad Sartaj Khan
Programme Manager,
Lachi Poverty Reduction Project,
Kohat |
| 10. | Humayun Khan Dr,
Consultant,
National Reconstruction Bureau,
Government of Pakistan,
Islamabad | 20. | Munawar Humayun
Vice-chairperson,
SRSP Board of Directors,
Peshawar |

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|-----|--|-----|---|
| 21. | Mutahir Shah
Area Manager,
Khushhali Bank,
Mardan | 30. | Safdar Pervez
Programme Manager,
Policy & Research,
AKRSP
Islamabad |
| 22. | Nazar Memon
Consultant,
National Reconstruction Bureau,
Government of Pakistan,
Islamabad | 31. | Shahida Jaffrey Dr
Chief Executive Officer,
Balochistan Rural Support Programme,
Quetta |
| 23. | Niaz Hussain
Area Manager,
Khushhali Bank,
Islamabad | 32. | Shandana Khan
Chief Executive Officer,
RSPN
Islamabad |
| 24. | Omar Asghar Khan
Federal Minister for Environment,
Local Government & Rural Development,
Government of Pakistan,
Islamabad | 33. | Shoaib Sultan Khan
Chairman,
RSPN Board of Directors,
Islamabad |
| 25. | Pervez Tahir Dr
Chief Economist,
Planning Commission,
Government of Pakistan,
Islamabad | 34. | Sofia Shakil
Specialist,
Gender & Social Sector,
RSPN
Islamabad |
| 26. | Rashid Bajwa Dr
Chief Executive Officer,
NRSP
Islamabad | 35. | Steve Jones
RSP Coordinator Pakistan,
DFID,
London, UK |
| 27. | Riaz Ahmad Khan Dr
Master Trainer,
Khushhali Bank,
Sukkur | 36. | Steve Rasmussen
General Manager,
AKRSP
Islamabad |
| 28. | Roomi S. Hayat
Specialist HRD,
RSPN
Islamabad | 37. | Suleman Sheikh
Chairman,
Sindh Graduate Association,
Karachi |
| 29. | S.M. Nasim Dr
Professor of Economics (Retd)
Quaid-e-Azam University
Islamabad | 38. | Zafarullah Khan
Consultant,
Ghazi Brotha Taraqati Idara,
Hattian, Attock |
| | | 39. | Zulqarnain H. Anjum
Consultant,
National Reconstruction Bureau,
Government of Pakistan,
Islamabad |