



UNIVERSITY OF  
STIRLING

**Assessment of Decentralized Service Delivery Arrangements and  
Institutional Performance: the Case of Pakistan Local Government  
Reforms**

By

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the Degree of Doctor of Philosophy

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## **DECLARATION**

This thesis is submitted in the fulfilment of the degree of Philosophy (Management) at the University of Stirling, United Kingdom. I declare that this thesis is based on my original work except for the quotations and citations which I have duly acknowledged. I also declare that this thesis has not been previously or concurrently submitted, either in whole or part, for any other qualification at the University of Stirling or other institution. I am responsible for any errors and omissions present in the thesis.

Signed

Seemab Ara Farooqi

April 2013

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## **Abstract**

This thesis seeks to understand the relationship between decentralized service delivery arrangements and the institutional performance of local government in Pakistan. This is achieved by examining the structures and processes associated with local governance, and situating public sector organizations in their wider context.

The key aim of this thesis was to empirically evaluate the relationship between decentralization and institutional performance. The thesis contends that problem of service delivery can only be understood by examining the whole system of service delivery. Although, the focus of the research was on public sector management, however, it is argued that public sector organizations cannot be separated from their political environment. To address this concern, the thesis developed a conceptual framework based on three theoretical perspectives; the economic, political and New Public Management. Each perspective focused on a different level of analysis and identified a different way of explaining the phenomenon of decentralization and its impact on institutional performance.

The study utilised a comprehensive research methodology to study the link between decentralization and performance through a multiple case study approach. The main empirical elements of the research were a community survey of two communities in two local authorities, an organizational survey of two sectors - education and water and sanitation. Detailed semi-structured interviews were undertaken with multiple stakeholders at various levels of service delivery. The research findings indicate that there is a relationship between decentralization and institutional performance; however the contextual environment plays a significant role in affecting the performance of

service provision. The empirical findings indicate that decentralization reforms in developing countries remain focused on structural decentralization and need strong political and bureaucratic commitment for real autonomy to be transferred down the hierarchy. One implication of this research is that it provided a comprehensive assessment of the decentralized service delivery model in Pakistan and identified the nature of reforms developing countries are taking up and the constraints on public sector organizations, and hence contributed to the emerging literature on public management reforms in developing countries (McCourt and Martin 2001; McCourt 2008).

## **LIST OF ACRONYMS**

AAS	Adopt A school System
ADB	Asian Development Bank
ASB	Anjuman Samajhi Bahbood
CARE	Cooperation for Advancement, Rehabilitation and Education (TRUST)
CCB	Citizen Community Board
CDG	City District Government
CDGF	City District Government Faisalabad
CDGL	City District Government Lahore
CPP	Changa Pani Program (Partnership model in WSS)
DEO	District Education Officer
DDEO	Deputy District Education Officer
DFID	Department for International Development
DN	District Nazim Head of the Local Government
DMD	Deputy Managing Director
DMO	District Monitoring Officer
ED	Education Department
EDO	Executive District Officer
FDA	Faisalabad Development Authority
HUD & PHED	Housing, Urban Development and Public Health Engineering Department
LG	Local Government
LGO	Local Government Ordinance
LDA	Lahore Development Authority
IOL	Institute Of Learning
IPFD	Infrastructure Project Development Facility
ITA	Idare-Taleem-O-Agahi
MD	Managing Director
MOWP	Ministry of Water and Power

NCHD	National Commission for Human Development
NGO	Non-Governmental Organization
NRW	Non-Revenue Water
NFC	National Finance Commission
O&M	Operation and Maintenance
PCP	Pakistan Centre for Philanthropy
PEF	Punjab Education Foundation
PFC	Provincial Finance Commission
P&D	Planning and Development
SC	School Council
SIP	School Improvement Program
SPU	Strategic Policy unit
TMA	Tehsil/Town Municipal administration
TMO	Tehsil Municipal Officer
UC	Union Council
USAID	United States Agency for International Development
UIPT	Urban Immovable Property Tax
WSS	Water and Sanitation Sector
WASA	Water and Sanitation Agency
WASCO	Water and Sanitation Company

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## **PART 1**

# **DECENTRALIZATION AND INSTITUTIONAL PERFORMANCNE**

# CHAPTER 1

## DECENTRALIZATION AND INSTITUTIONAL PERFORMANCE

### 1.1 INTRODUCTION

The decentralization reforms in Pakistan under the Devolution Plan 2000 are the starting point of this study. On October 1999, General Pervez Musharraf removed the democratic government of that time and promised a ‘Seven Point agenda’ of reforms for reconstructing the institutions through the creation of new local governance arrangements under Devolution Plan 2000. It stressed the transfer of powers to the grass root level emphasizing accountability and citizen participation as key elements. These reforms aimed to devolve political, administrative and fiscal autonomy to newly created local bodies. The main objective of these reforms was efficient and responsive service delivery framework.

*“It was argued that local government, appropriately empowered, staffed and resourced, would deliver better on primary health, education and municipal services and agricultural extension. Consequently mandating local government with service obligation will improve both productive efficiency -that is local government will more efficiently turn resources into services-and allocative efficiency-that is decentralization will turn institutions more attuned and capable to respond to local needs and preferences”.*(DFID, ADB and World Bank 2004, p: 1)

The term ‘decentralization’ denotes various institutional arrangements (Minogue 1998).

According to Rondinelli (1986: P. 5), decentralization is:

*“The transfer of responsibilities for planning, management, and the raising and allocation of resources from the central government and its agencies to field units of government agencies, subordinate units or levels of government, semi-autonomous public authorities, or corporations, area-wide regional or functional authorities, or non-governmental private or voluntary organization.”*

Based on this definition, Rondinelli (1989) has proposed a fourfold typology of decentralization:

1. *Deconcentration*: defined as the transfer of limited operational autonomy to field offices of central ministry which remain subject to their direct control. It is also defined as administrative decentralization (Parker, 1995)
2. *Delegation*: the creation of semi-autonomous organizations or parastatals.
3. *Devolution*: the transfer of authority and responsibility with associated resources to the local government. Devolution is also equated with the term democratic decentralization. It is the transfer of political, fiscal and administrative autonomy to the newly created sub national government.
4. *Privatization*: the transfer of economic and production roles from the public sector to the private entities.

Studies on decentralization can be grouped into three broad streams; that of political analysis of local government reforms (Blair 2000; Crook and Manor 1998; Heller 2007; Hope 2000; Manor 2004; Olowu 2003), fiscal analysis of local government (Ahmad and World Bank. 2005; Dillinger 1994; Faguet 2004; Huther and Shah 1998; Litvack, Ahmad and Bird 1998; Mello and Barenstein 2001; Prud'Homme 1995; Smoke 2001), and a managerial analysis of decentralization reforms (Batley and Larbi 2004; Islam 1993; Larbi 2001; Mellon 1993; Polidano 1999; Pollitt, Birchall and Putman 1998). This study has attempted to group these streams under three main strands; a 'Political perspective', a 'Fiscal perspective' and a 'New Public Management (NPM)' perspective. It is argued that in order to better understand the nature of decentralized service delivery frameworks, and we need to adopt a more holistic approach by combining multi-perspectives on decentralization. This study therefore intends to understand the political, fiscal and managerial problems of service delivery framework to fully grasp the link between decentralization and institutional performance.

## **1.2 AIMS AND OBJECTIVES OF STUDY**

The principal aim of this research is to understand the relationship between decentralization and institutional performance in developing countries. This will be achieved by examining the service delivery reforms initiated under the Devolution Plan 2000, assessing the local government institutional arrangement and their context with specific interest in the service delivery arrangements of the Education, Water and Sanitation sectors. Within these aims were specific objectives:

- To explore the extent and scope of decentralization reforms at sub-national level.
- To analyze the service delivery framework and service delivery improvement, particularly focusing education and water and sanitation sector.
- To assess how changes in accountability mechanisms have in turn improved the performance of local government.
- Identifying external and internal environmental constraints affecting the performance of local government and identifying potential barriers to achieve the goal of efficient, responsive service delivery.

The key research questions of this study are:

- What has been decentralized and has decentralization really taken place?
- Has decentralization been able to improve the institutional performance of local government?
- How do accountability mechanisms affect the institutional performance of local government?
- What are the institutional factors that affect the link between decentralization and the institutional performance of local government?

### **1.3 THE STRUCTURE OF THE THESIS**

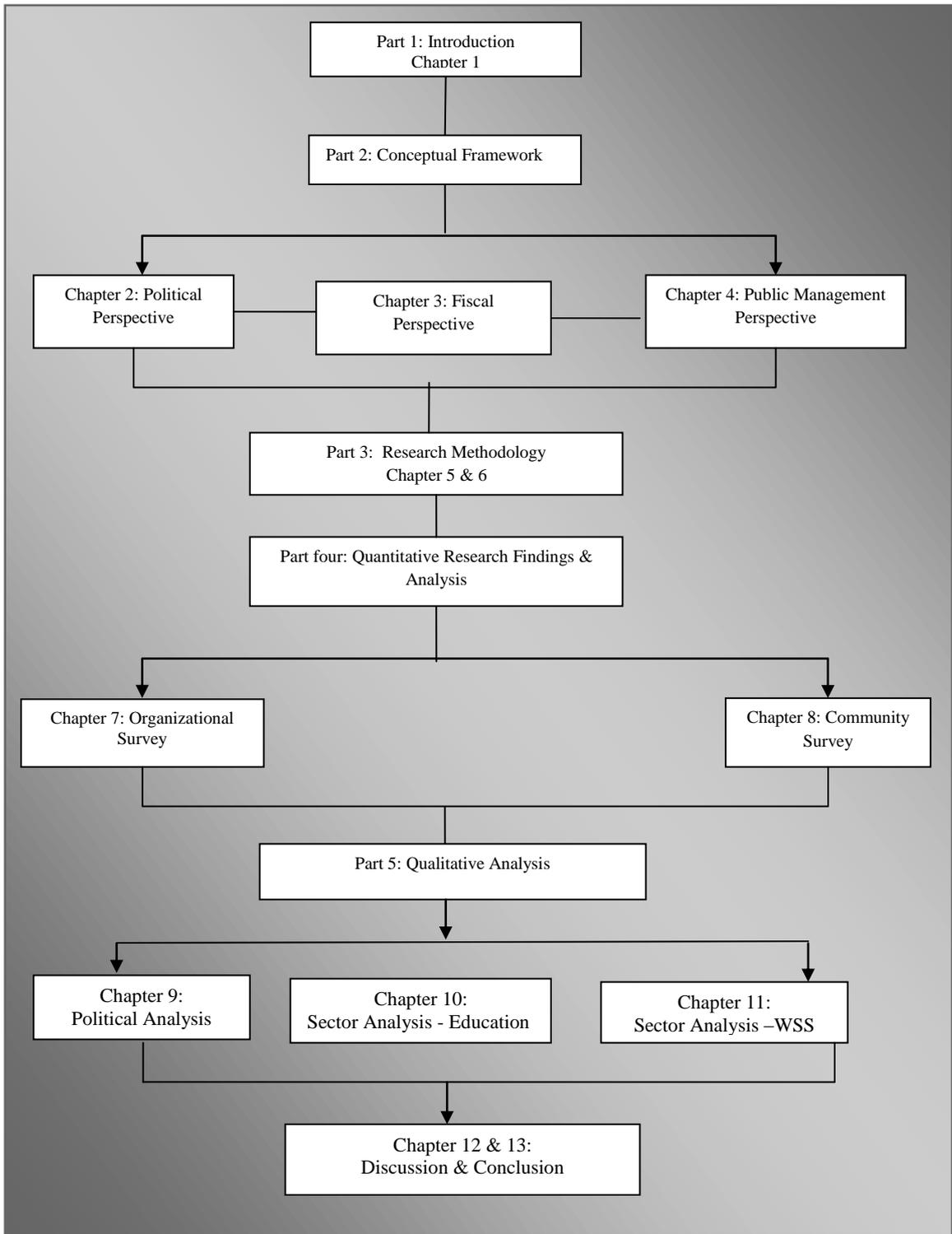
This thesis is divided into six parts as presented in Figure 1-1. Part One provides an introduction of the thesis and background of the research focusing on the service delivery reforms under the Pakistan Devolution Plan 2000. Part Two develops the conceptual framework of this study using the literature on decentralization followed by outlining the integrative approach of this study by synthesizing these perspectives. Part Three provides the research methodology. Parts Four and Five provide the quantitative and qualitative analysis followed by discussion and conclusion chapters.

The development of the conceptual framework (Part 2) proceeds by reviewing the literature on decentralization and institutional performance, organizing it into the three main perspectives (Political, Fiscal and Public management) with a focus on decentralization and institutional performance. Constructing a framework in this way provides a multidisciplinary approach and allows for different dimensions of decentralization to emerge as significant variables to provide an appropriate approach to study decentralized service delivery arrangements. These variables include ‘participation, Intergovernmental Fiscal Transfer systems (IGFTs), and the institutions and processes of the public service delivery organization. Subsequently, an integrative framework is provided which synthesizes all these perspectives (Section 4.7). This integrated approach argues that although these perspectives with their individual focus extend our understanding of the relationship between decentralization and institutional performance, each perspective focuses only on one aspect of decentralization. Therefore, in order to understand decentralized service delivery arrangements and improved performance we must take a broader analysis. One consensus that runs across all three literatures is that decentralization alone cannot solve the problems of service delivery; one has to look at the entire service delivery framework to fully appreciate the

link between decentralization and institutional performance. Combining literature in this way could provide a more integrated view of decentralized service delivery arrangements.

Part three presents the research methodology of this study. This part is further divided into chapters (chapter 5 and 6). Chapter 5 considers the ontological and epistemological issues of research, methodological concerns and outlines the research design. While, chapter 6 provided how the empirical work was carried out. This research has based its research philosophy in interpretive/naturalistic paradigm and has adopted a mixed method approach for the empirical work. The main empirical elements of this research consisted of organizational and community surveys, semi structured interviews with key stakeholders and document analysis. The selected field sites were two local governments in Pakistan: City district government Lahore (CDGL) and City district government Pakistan (CDGF). Within these two local governments, two sectors were selected for in-depth study: Education and Water and Sanitation.

Part four comprises of quantitative data analysis section and is further organized into two chapters: organizational survey (Chapter 7) and community survey (Chapter 8). Part 5 provides qualitative analysis. This part is further divided into five chapters (9, 10, 11, 12, and 13). Chapter 9 provides the political analysis of local government and is based on the policy level. Chapter 10 provides an analysis of the Education sector followed by Chapter 11 which provides analysis of Water and Sanitation Sector (WSS), followed by a cross case synthesis of quantitative and qualitative empirical analysis (Chapter 12). Chapter 12 consists of the discussion and links it with the perspectives employed in building up the analytical approach of this study and ends with concluding remarks in Chapter 13. An overview of the structure of this thesis is presented in Figure 1-1.



**Figure 1-1: Plan of the Thesis**

## **1.4 BACK GROUND TO THE THESIS: NATIONAL CONTEXT**

This Section provides an overview of decentralization reforms in Pakistan. It provides the background of devolution and the ‘Devolution Plan 2000’, explaining the political, administrative and fiscal reforms and how they were implemented. The purpose is to present an overview of the socio-political context of the reforms highlighting factors which influenced the reform process.

### **1.4.1 Background of Devolution**

The devolution reforms were initiated by the military government of General Pervez Musharaff as part of the broader reform strategy linked to his main agenda of “reconstructing the institutions of the state” by establishing representative local government. The devolution reforms emphasized citizen participation in the planning, development and oversight of service delivery. The National Reconstruction Bureau (NRB), an organization charged with the task of local government design, proposed various structural changes for the existing de-concentrated provincial administrative set up in its discussion paper released in August 2000. The NRB proposed a three tier local government structure: Districts (known as city districts in five big cities of Pakistan), Tehsil (Towns in five city districts) and Union administration. These arrangements were implemented by the promulgation of ‘Local Government Ordinance’ (LGO) 2001 (National Reconstruction Bureau 2000).

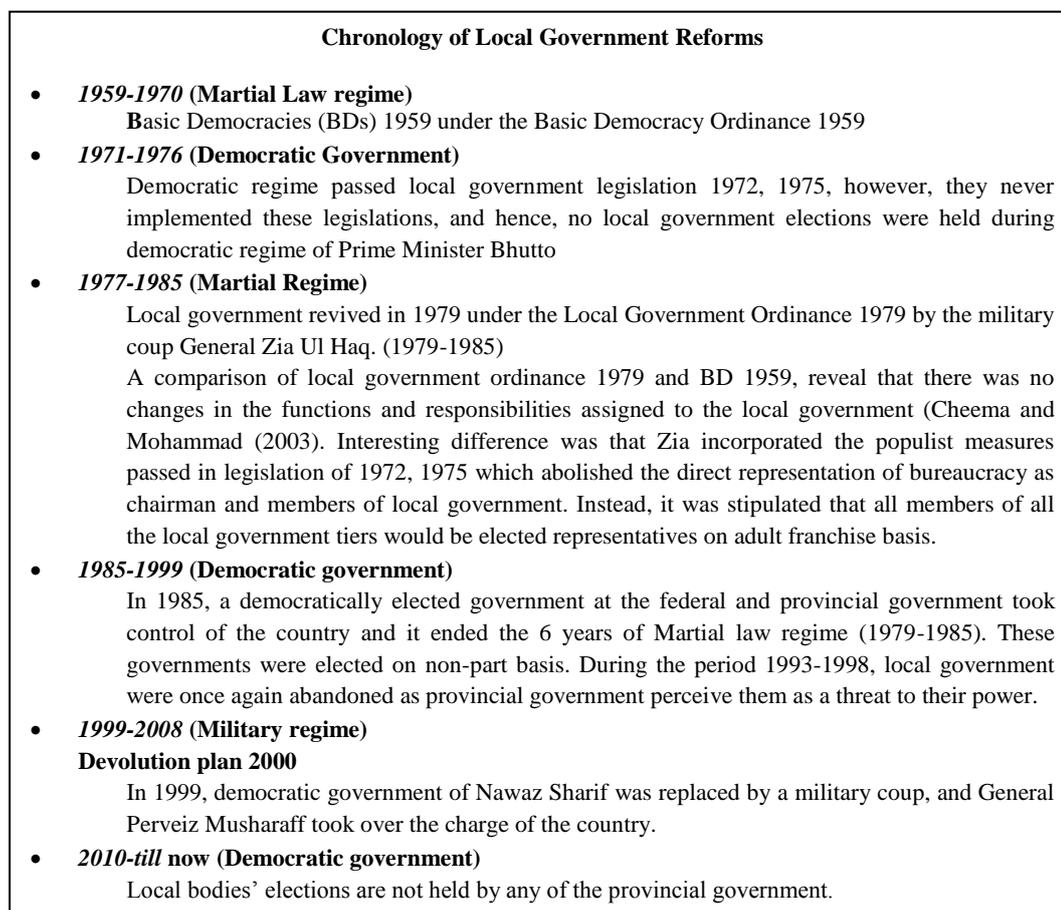
The reports of various surveys conducted in the early years of devolution (Participatory Poverty Assessment 2003; ADB 2002; CIET 2003) highlighted the dissatisfaction of people with service delivery in health, education and water and sanitation based on the public sector’s failure to provide adequate access to justice, redress mechanisms, access

to information, and citizen involvement in policy making and implementation process (DFID, ADB and World Bank 2005).

Historically, Pakistan has a poor record of democracy and has been ruled by military governments for more than half of its existence. Paradoxically, it was the military government who established local government as a means to legitimize their government and create local patronage by neutralizing the influence of political parties at national and regional levels (Cheema, Khwaja and Qadir 2005).

Prior to the present devolution reforms, Pakistan had two previous attempts at local government reform. These were: Basic Democracies (1959) and Local Government, 1979. The Basic Democracies (BD) system was introduced by General Ayub Khan through the promulgation of the Basic Democracy Ordinance in 1959. It created 80,000 union councilors known as “basic democrats” who served as the Electoral College for the presidential election of General Ayub Khan and for the National and Provincial Assemblies under the 1962 constitution. These local governments were abandoned by General Yahya Khan in 1970 and then revived again by General Zia Ul Haq in 1979. General Zia increased the power of elected local councillors. During the democratic regime of Bhutto (1971-1976), local governments were abandoned on the charges of corruption and nepotism. During this period two local government ordinances were passed in 1972 and 1975, however, they were not implemented and the country remained a deconcentrated administrative unit, administered by the bureaucratic structure of a Commissioner (head of division), Deputy Commissioner (DC- head of the district administration and Assistant Commissioner (AC- head of the Tehsil administration) (Ziadie 2005). A brief chronology of local government initiatives in Pakistan is illustrated in Figure 1-2 which reflects that Local government remained

dysfunctional during a democratic government but whenever a military regime took over, a local government system on non-party basis was revived.



**Figure 1-2: Chronology of LG Reforms in Pakistan**

Source: Author prepared from document analysis

### **1.4.2 Structure of Local Government**

Local government, under the Local government ordinance of 1979, was a four tier hierarchical structure in urban areas and a three tier hierarchical structure in rural areas as given in Table 1-1. The organizational structure of the union council, town committee consisted of three main departments: general administration, finance and engineering. In Municipal Corporations, health and education departments were created to support the work of the Municipal Corporation. However, in the two biggest metropolitan corporations of that time (Karachi and Lahore), a more extensive

organizational structure was present which consisted of additional departments to handle legal affairs, land management and development authorities acting as parallel organizations (Zaidi 2005).

**Table 1-1: Structure of Local Government**

Rural Areas	Urban Areas
1. Union council (the lowest tier)	1. Town committee
2. Tehsil council	2. Municipal committee
3. District council	3. Municipal corporation
	4. Metropolitan Corporation

Source: LGO 1979

### 1.1.1 The responsibilities assigned to Urban/Rural Councils under the Local Government Ordinance 1979 and BDO, 1959

Two sets of functions were assigned to local governments under LGO 1979 and BDO 1959; compulsory and optional (see Table 1-2). However, local councils were mainly restricted to the provision of services such as maintenance of roads, streets, water and sanitation, and preventive health care in urban areas.

**Table 1-2: Responsibilities assigned to the Local Government under BDO 1959 & LGO 1979**

Responsibilities	Compulsory Functions	Optional Functions
<b>Urban councils</b>	<ul style="list-style-type: none"> <li>• Sanitation and Garbage Disposal, Water Supply, Drainage, Education(Primary)</li> <li>• Firefighting,</li> <li>• Public Streets,</li> <li>• Street Lighting, and</li> <li>• Social Welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Public Health</li> <li>• Foods and Drinks</li> <li>• Parks</li> <li>• Culture (libraries, fairs etc.)</li> <li>• Social Welfare (maintain welfare homes, asylum, other institutions of relief etc.).</li> </ul>

Source: LGO 1956 & 1979

The main constraints of these local governments during 1959 and 1979 were the lack of adequate resources and institutional capacity. Neither did they have a constitutional safeguard, as these were not part of the federal constitution and remained a provincial

subject. This is one of the reasons why during democratic regimes local governments were either marginalized or abandoned as provincial governments considered them a threat to their autonomy. Local governments, despite their extensive organizational structures, failed to deliver efficient and responsive services to the community due to limited financial autonomy. They were a means to legitimize the military dictatorship by providing a strong political patronage at local level. Local governments were mainly under the purview of bureaucratic administration and subject to a dominating relationship; they could not operate independently of the provincial government and could hardly exert any influence on the functions assigned to them. They were dependent on the provincial government for appointments; increase in resources; in levying taxes and rates. The budget of local government was also subject to provincial government approval (Paracha 2003).

During the tenures of Prime Minister Benazir Bhutto (1993-1996) and Nawaz Shariff (1996-1999) local governments performed only a marginal role as they were perceived by the democratic regimes as 'potentially destabilizing interlopers' (DFID, ADB and World Bank 2005) and competing structures of 'patronage' (Wilder 1999). The National Reconstruction Bureau (NRB) stated that prior to devolution, development planning and management was centralized. Development funds were distributed to provincial governments under a top down approach. The identification, appraisal, and approval of development projects were devoid of local preferences as citizens could not participate in the entire process. Development funds were used by politicians according to their priorities on target audiences and not on the public at large. Local bodies were unable to change the plight of people and improve service delivery, as efforts seemed superficial in nature. The system was unable to transfer real power to the people at grass

root level, bureaucratic control continued to dominate and the style of government remained colonial in nature (NRB 2006).

### 1.1.2 Impact of Devolution on Local Governance

Pakistan is a federal state consisting of four provinces; Punjab, Sindh, Khyber Pakhtunkhwa and Baluchistan. The provinces were divided into three administrative levels: Divisions, Districts (also known as Zila) and Tehsils. Overall, Pakistan had 26 Divisions, 105 Districts and 354 Tehsils. The urban areas were covered by two Metropolitan Corporation (Karachi and Lahore), 12 Municipal Corporations, 144 Municipal Committees and 303 Town Committees. Under the local government ordinance 2001, the four provinces have three tiers of local government:

- 1<sup>st</sup> tier-District (City District in big cities)
- 2<sup>nd</sup> tier-Tehsil (Town in big cities)
- 3<sup>rd</sup> tier-Union

Under the new system of local government, the basic unit of administration is a city district/ district, replacing the unit of administration- Division. The district is divided into Tehsil, known as Towns in the City District, and the lowest level is a Union Council. The total number of local bodies is displayed in Table 1-3.

**Table 1-3: Local Bodies under LGO 2001**

Provinces	City Districts	Districts	Tehsils	Towns	Unions
<b>Punjab</b>	05	30	106	38	3464
<b>Sindh</b>	01	22	103	18	1108
<b>Khyber Pakhtunkhwa</b>	1	23	50	4	989
<b>Balochistan</b>	01	27	75	2	567

Source: Election Commission (2005)

### **1.1.3 Decentralized Service Delivery Framework under the Devolution Plan 2000**

Under the old system provinces administered the Districts and Tehsils directly. Governance was centralized so that decisions regarding planning and development were not taken by the local bodies and so were not responsive to local needs and priorities. Bureaucracy was not accountable directly to the public so there was no incentive for high quality service delivery. The new Devolution Plan aimed to address all these issues by introducing a 5D Model:

1. Devolution of political power; elected politicians articulate community needs.
2. Distribution of resources to the districts; taxation powers and transfers.
3. Decentralization of administrative authority; autonomy of district departments.
4. Diffusion of the power authority nexus; checks and balances through monitoring by citizens
5. Deconcentration of management functions; specialization of staff, performance based appraisals (National Reconstruction Bureau 2001).

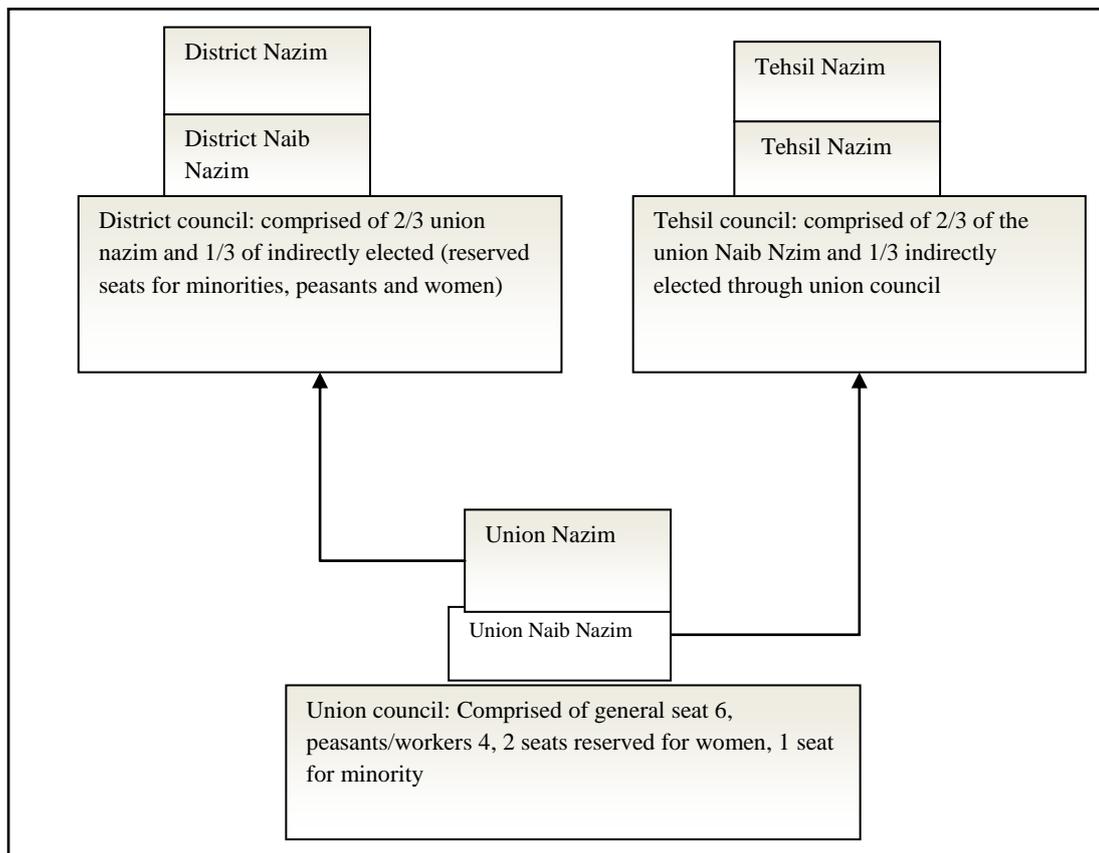
The devolution reforms intended to create a political hierarchy to replace the existing bureaucratic model so that political ownership of the institution and its output could be created. Decentralization was achieved by devolving political power, decentralizing administrative and financial authority to accountable local governments for good governance, effective service delivery, and decision making through participation of people at grass root level. Now elected people are responsible for effective service delivery at all levels and their performance is monitored by local councils.

### **1.4.3 Political Reforms**

#### **1.4.3.1 Electoral Reforms**

Elections are held on a non-Party basis. The Union Council (UC) is the only level where the election is direct. It becomes the Electoral College for the election of Tehsil and District councils. The Nazim (mayor) and Naib Nazim (deputy mayor) of union councils are elected on a joint ticket. Union Nazim and Naib Nazim become part of the district and the Tehsil council respectively. Union councilors also constitute an electoral college for the election of Tehsil and district councillors and the election of the district and Tehsil Nazim and Naib Nazim. One third of the seats are reserved for women who contest directly at UC level and through the electoral college of UCs at the district and Tehsil level. Additionally, 5% of seats are reserved for peasants and workers and 5% for minorities which are elected by this Electoral College (Figure 1-3). This is how the three tiers are linked. However, this also poses a serious accountability problem as the District Nazims are elected on an indirect basis by a few hundred union councils. Their re-election dependency on them may lead to potential abuse of power. A brief overview of the electoral arrangements is presented in Figure 1-3.

According to the amendments to LGO 2001, the union council seats were reduced from 21 to 13. Now a union council is comprised of 6 Muslim general seats, 2 seats for women, 4 seats for peasants and workers, and 1 seat for minorities. The number of seats for minorities remains the same.



**Figure 1-3: Electoral Arrangements of Local Government**

Source: Adapted from World Bank (2004)

The Local Government elections in 2001 and 2005 were regarded as fair and as competitive as the election of national and provincial assemblies (Hasnain 2008; Paracha 2003). The voter turnout in local government elections in 2005 was 47.38% (Election Commission 2005) but varied across provinces from 53.45% in Punjab to 31.06% in Balochistan.

#### **1.4.3.2 Community Participation**

Although, direct elections provide the most significant form of citizen participation, the Local Government Ordinance (LGO) 2001 also made provision for citizen participation in service provision, finance and oversight of local service providers. These forms of citizen engagement can be categorized as:

- External oversight bodies
- Citizen Community Boards (CCBs) for community development and facilities management
- School Management Committees (SMCs)/School Councils (SCs)

The oversight bodies consist of District Public Safety Commission (DPSCs), accounts committees, Village and Neighbourhood Councils, Zila Mohtisb, Anjuman Musalihat, monitoring committees of different sectors such as Education, Water and Sanitation. The majority of these committees remained non-functional, but in some areas like Karachi, many committees were functional. Likewise SMCs were effective in areas where Nazims were taking an interest and community involvement resulted in considerable improvements in terms of teacher attendance and school quality (DFID, ADB and World Bank 2004).

The Citizen Community Boards (CCBs) are the mechanism to ensure citizen participation in development planning and 25% of development budget is reserved for them (LGO 2001). The CCBs are non-profit organizations which were created for proactive involvement and ownership of development projects by the communities involved. Prior to devolution, development planning and the management process was a top down approach. This system also lacked transparency and accountability. Therefore LGO 2001 made provision for CCBs to enable people to assess their needs, set priorities and implement development projects. This involvement will generate community ownership which will further ensure transparency. Fifty percent of the development budget is reserved for CCBs at District, Tehsil, and Union levels. In case of non-utilization of this share, it will be carried forward. The CCBs will be assessing, designing, and implementing projects by taking initiatives at grass roots level.

However, there are mixed findings about the success of CCBs. For instance, in the city district of Faisalabad (Punjab) 300 CCBs were registered but only 15 were able to get funding. Although, through the active involvement of councilors and community organizations in the Bahawalpur district, the sewerage system was improved through CCB projects (DFID 2003). In Faisalabad, 107 CCB projects were identified, out of which 85 projects were fully completed and 15 were under progress (DFID, ADB and World Bank 2004). It emerges from these reports that local governments are trying to pass bylaws to streamline the CCB process.

#### **1.4.4 Administrative Reforms**

##### **1.4.4.1 *Local Governance Structure***

The Local Government Ordinance 2001 also proposed a local governance structure at the district, Tehsil and Union levels in accordance with the political reforms (Appendix 5- Figure 1). The administrative structure consisted of 10-13 departments to carry out its assigned functions. District Coordinating Officers (DCOs) were responsible for district coordination. The DCO was the highest civil servant at district level replacing the Deputy Commission (DC) designation of previous deconcentrated arrangements. Each department was headed by Executive District Officers (EDOs). This structure also changed the accountability arrangements as DCOs and EDOs reported to the District/Zila Nazim who is the head of the District administration.

At the Tehsil/Town administration, the coordination function was performed by a Tehsil/Town Municipal Officer (TMO) who was further assisted by four Tehsil Officers; regulation, infrastructure and development, finance and planning. The TMO reported to the Tehsil/Town Nazim as head of the Tehsil administration. At the Union level, the administration has three secretaries; for union committee, municipal function, and

community development. The role of these secretaries is the coordination of various functions assigned to the union administration and they work under the political heads; Nazim and Naib Nazim

#### **1.4.5 Fiscal Reforms**

Decentralization requires a well-defined institutional framework outlining expenditure responsibilities and corresponding revenue responsibilities. The fiscal reforms had two components; expenditure assignment followed by revenue assignment.

##### **1.4.5.1 *Expenditure Assignment***

LGO 2001 transferred various functions from the provinces to the local government tiers which are listed in Figure 1-4. According to the constitution of 1973, the federal government performs functions listed in the federal legislative list such as foreign affairs, defence, banking and currency, postal and transportation services (air, railway, and ports). The concurrent list of the constitution indicates the functions which can be carried out by either federal or provincial governments. However, provincial governments are responsible for services such as police, roads, education and health. Overall, it exhibits the centralization of power. For revenue sharing among the provinces, a National Finance Commission (NFC) was set up.



Pakistan. In the Punjab province, out of 14 tax basis available to the provinces, 8 account for only 14% of the tax revenue of the provincial government.

Local governments were assigned tax basis by the provinces and provinces have very limited powers in this regard (Bahl, Cyan, Wallace In Menifield 2011). Although, districts have been assigned tax basis such as education and health tax, considering the social indicators in these sectors, it seems difficult to impose such taxes. A relatively buoyant tax basis is allocated to the TMA. They are assigned an Urban Immovable Property Tax (UPIT). According to the World Bank study of districts in 2004, encouraging trends are visible in Own Source Revenue (OSR) collection in cities where Nazims are actively engaged and supported by the councils in the collection of such taxes.

Intergovernmental transfers are the main sources of revenue for provincial and local governments. It constitutes nearly all of the finance from district governments and 60-80% of the Tehsil/Town administration (Cyan 2007). A Provincial Finance Commission (PFC) was charged with the task of designing a system of intergovernmental transfers in 2005. The PFC is comprised of the provincial Minister of finance, provincial finance secretaries, local government and planning secretaries, three Nazims and three independent members appointed by the governor of the province.

Other revenue sources are transfers from provincial or federal ministries to finance vertical projects. These are specific conditional grants; ring fenced funds. These grants reflect the influence of federal and provincial governments at the local level. Until the establishment of the PFC, the funds were provided as annual interim awards. Provincial allocable funds are broadly divided into two categories: recurrent expenditures and

development expenditures. Recurrent expenditures constituted 88% of the local government budget (Hasnain 2008).

Prior to this arrangement, the lower tiers of government received no transfers except some discretionary funds or in some cases property tax (UIPT). Until 2002, the budget was determined by the Provincial Finance department and then sent to the district governments for approval (Cyan 2007; DFID, ADB and World Bank 2004). Other limitations on fiscal autonomy were:

- A large amount of the budget was earmarked for salary expenditures
- Limited autonomy in preparing development budgets as each provincial government provided special purpose grants for specific projects. These vertical programs make up half of the annual development plan of the districts. This leaves a district government with less autonomy in planning development projects according to its priorities. Another drawback of vertical programs is the lack of ownership at the local level. Once completed, they add to the maintenance cost which is added to the local government budget. In some cases this results in duplication of schemes by provincial and local governments.
- ‘Throw- forward’ schemes which were under development before the local government system 2001. A large number of such schemes limited local government autonomy in planning new development schemes (DFID, ADB and World Bank 2004).

However, local government ownership of the budgeting process is increasing. In 2005, the Provincial Finance Commission (PFC) was established for the design of intergovernmental transfer. The PFC award is based on indicators such as ‘population’ and ‘backwardness’ indicators. Sindh and Punjab calculate backwardness by ranking district against health, education, housing, employment and residential services. This index is derived from Multi Indicator Cluster Survey (MICS) in Khyber Pakhtunkhwa. The Province of Sindh and Punjab also include tax

efforts in the determinations of the formula (Cyan 2007; DFID, ADB and World Bank 2004). The Punjab was awarded its first PFC award for the period 2006/7-2008/9 in July 2006. The breakdown of the grants as provided in the Punjab Gazette (2006) is presented in Table 1-4.

**Table 1-4: PFC Grant System (2007-2009)**

Type of Grant	Share of Provincial Allocable	Distribution of Grants in Local Government	Distribution of Grants in Local Governments (%)
1. General Purpose and Equalization Grant for City Districts/District Government	67.50%	<ul style="list-style-type: none"> <li>• General Purpose Grant</li> <li>• Equalization Grant</li> </ul>	<ul style="list-style-type: none"> <li>• 89%</li> <li>• 11%</li> </ul>
2. General Purpose and Equalization Grant for Tehsil/Town Administration or Union Administration	13.00%	<ul style="list-style-type: none"> <li>• General Purpose Grant TMA</li> <li>• Equalization Grant TMA</li> <li>• General Purpose Grant for Union</li> </ul>	<ul style="list-style-type: none"> <li>• 57.28%</li> <li>• 14.32%</li> <li>• 28.40%</li> </ul>
3. Development Grants for City Districts/District Governments or Tehsil/Town Administration	11.30%	<ul style="list-style-type: none"> <li>• Development Grant for CDG/DGs</li> <li>• Development Grants for TMA</li> </ul>	<ul style="list-style-type: none"> <li>• 78.26%</li> <li>• 21.74%</li> </ul>
4. Tied Grants for City Districts/District Governments or Tehsil/Town Administration	8.20%	<ul style="list-style-type: none"> <li>• Tied Grants for CDGs/DGs</li> <li>• Tied Grants for TMA</li> </ul>	<ul style="list-style-type: none"> <li>• 91%</li> <li>• 9%</li> </ul>

Source: Adapted from Punjab weekly Gazette (2006)

It is broadly divided into three types of grants: general purpose grants, equalization grant to fill the fiscal gap, and development and tied grants. General purpose grants were awarded on the basis of population, equalization grants were based on the calculation of the fiscal gap, development grants were based on the population and an index of under-development calculated from Multiple Indicator survey data (MICS). Local governments, however, remained dependent on intergovernmental fiscal transfers from the provinces. Tied grants (ring fenced grants) were accorded based on the following formula:

### 1) Education component

- Population: 60%

- Performance: 40%

## 2) Health component

- Population 70%
- Health deprivation index: 30%

### 1.5 CONCLUSION

This chapter has provided a snapshot of the Devolution Plan 2000. It has highlighted major shifts in managerial power, accountability arrangements and community participation in service delivery. It also highlighted the politics of service delivery reforms in Pakistan. Although the Local Government Ordinance of 2001 provides roles and responsibilities for local government, provincial government exerts an informal influence over their administrative autonomy by retaining control on appointments, and transfers of employees; limiting fiscal autonomy by controlling budgets through vertical programs. The World Bank reports (2004) stated that although LGO empowered local governments to have a district cadre, to create new posts and hire them, in practice, senior staff of the district, such as Executive District Officers (EDOs), is still subject to federal and provincial government appointments, promotions and transfers. This results in confused lines of authority and dual accountability arrangements. The counter argument is that provincial government restraints restrict local patronage in the recruitment of staff. Likewise vertical programs ensure that sectors like Education and Health should not suffer based on equity consideration.

So far, studies on the Devolution Plan have been funded by international donor organizations. In 2004, a comprehensive analysis of reforms was carried out by the World Bank, the Asian Development Bank (ADB), and the Department for International Development (DFID). This study based its results on 6 districts and within each district, 2 TMAs were studied. Other studies focused on issues like fiscal decentralization (Cyan 2007; DFID 2003; Hasnain 2008; Bahl, Cyan, Wallace In Menifield 2011) or conducted

surveys such as CIET (2003). The Punjab government also carried out a perception survey of the local government system (Urban Institute/Neilson Survey 2008). Particularly, the latter was used to make changes in the local government system by reducing its autonomy and proposing strong checks and balances. The researcher did not find any independent comprehensive assessment of local government performance in the sectors of Education, Health, Water and Sanitation or whether local government was able to improve these sectors. This research intends to assess the decentralized service delivery framework and its impact on the institutional performance of local government particularly focusing education and water and sanitation sectors.

The reason for the selection of these two sectors is twofold: Firstly, both of these sectors saw a major shift from provincial to local government. An assessment of local government performance in these sectors will help us to understand the extent of devolution and its impact on social sectors which was the overarching goal of the Devolution Plan 2000. Secondly, both have different organizational arrangements. Water and sanitation services are provided by a semi-autonomous organization, the Water and Sanitation Agency (WASA), in big city districts and tehsil/TMA in areas not covered by WASA. While Education was previously provided by the provinces, devolution placed this responsibility on the districts. A new organizational structure was created in accordance with the political reforms. New posts were created and placed under the control of the district administration. An analysis of the service delivery framework in these sectors will shed light on how different sectors provide services under the new devolved arrangements.

## **PART 2**

### **CONCEPTUAL FRAMEWORK**

## **PART 2: CONCEPTUAL FRAMEWORK**

### **INTRODUCTION**

The objective of this chapter is to build up the conceptual framework of this study. This is achieved by organizing a literature review according to the three main streams of academic thought that attempt to provide us with an understanding of decentralization. These academic streams are the: *'Political'*, *'Fiscal'*, and *'New Public Management'* perspectives. Every perspective focuses on a different level of analysis and defines decentralization in different ways. For instance, the focus of the political literature is on viewing decentralization as transfer of authority to the sub national level and usually it equates decentralization with the term devolution. This literature emphasizes the institutions of participation and accountability as the key to achieve decentralization outcomes. The main argument is that local government proximity to the community will enable them to respond better to their needs and match public spending to community needs. According to this literature, decentralization is intrinsically valued as it institutionalizes the participation of those affected by local decisions. However, participation needs to be effective and there should be a combination of direct and indirect mechanisms of participation to foster responsiveness and accountability. Although decentralized decision making increases the level of local participation, a close link is required between the functional responsibilities and revenue responsibilities of local government to establish accountability. This is the focus of the next Chapter; Fiscal perspective.

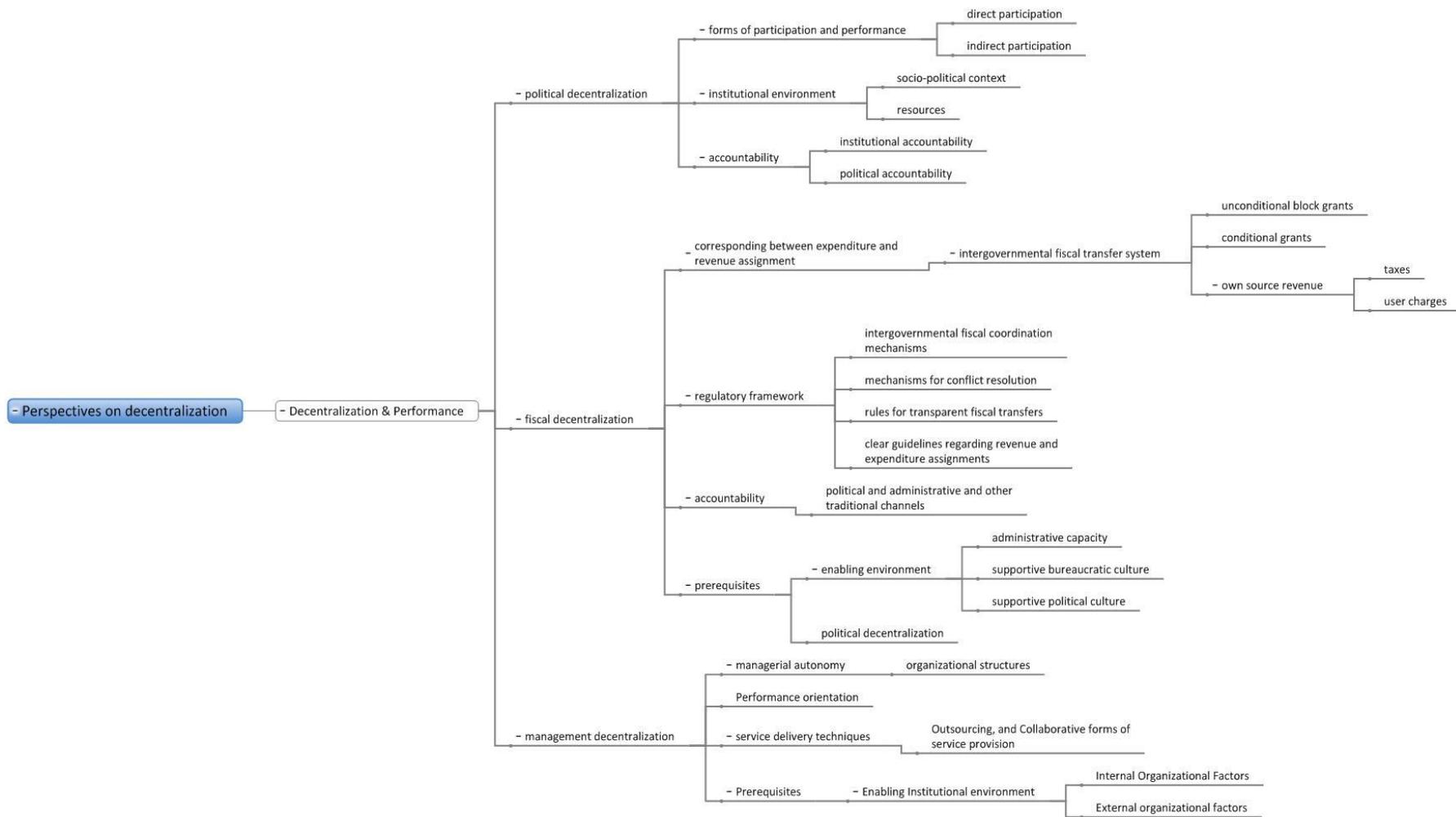
Decentralization of responsibilities without the assignment of adequate resource to finance those activities cannot work. This is the main concern of Fiscal decentralization literature. The emphasis is on matching expenditure assignment with revenue

assignment and on designing the Intergovernmental Fiscal Transfers (IGFTs). However, studies mostly focus on measuring fiscal autonomy as a percentage of sub national expenditure and revenue in the total public sector which fails to provide an assessment of the true autonomy given to the sub national level which can only be examined by looking at the design of intergovernmental fiscal relations.

The next concern arises with how political institutions transform their decisions into allocative outcomes. The public management perspective addresses this issue by giving line managers autonomy to manage and introducing competition in service delivery to achieve accountability and efficient service delivery. It is directly concerned with the mechanics of service delivery organizations, and studies the administrative structures and processes. Hence, the focus of public management perspective is on the administrative decentralization (referred in literature as management decentralization) and defines it as the transfer of authority, resources and responsibilities down from the central ministry to the lower levels of government, field offices, and agencies. Depending upon the accountability arrangement, two main types are: de-concentration and delegation. When New Public Management perspective combines competition such as contracting out and collaborative forms of service provision with administrative decentralization, it uses the term management decentralization to encompass the use of market and collaborative forms of service provision as well.

There is a growing recognition in all three academic streams that decentralization is a *context* specific phenomenon and for its assessment a cautionary approach should be applied. This requires locating decentralization in the broader socio-political environment and the capacity of decentralized service delivery arrangement to undertake new roles. How different factors impede or facilitate its success. While

discussing different decentralization perspective, each chapter will try to substantiate theoretical argument with empirical findings as well. Indeed, these studies are unable to establish a clear link between decentralization and efficient service delivery, or improved accountability, however, these studies provide some general lessons about what works best under what situation, and how decentralization reforms can be tailored according to the need of the country concerned and call for more empirical studies to understand the phenomenon of decentralization. The concluding section (Section 4.7) outlines the integrated the approach of this study which synthesises all three perspectives to provide a more holistic approach to analysing decentralization and performance. Building up a theoretical framework in this way helps to identify different features of decentralized service delivery framework from different perspectives and helps in understanding the link between decentralization and service delivery outcomes and provides a more integrated approach to study the relationship between decentralization and institutional performance. An overview of the three perspectives has been provided in Figure 1-5.



**Figure 1-5: Organization of Decentralization Literature**

## **CHAPTER 2**

### **POLITICAL / DEMOCRATIC PERSPECTIVE ON DECENTRALIZATION**

#### **2.1 INTRODUCTION**

The main argument for local government is that their close proximity to the people will enable them to make responsive local policies and people can hold them accountable in case of poor performance. There is an increasing emphasis on having a representative local government based on multiple benefits. For instance, local government plays a vital role in promoting political liberties, creating a civic culture, providing avenues for political education, and promoting political diversity. In essence, it enables the views of local people to be incorporated into the local decision making and contributes to the betterment of national polity (Burns, Hambleton and Hoggett 1994). Usually the term democratic decentralization, political decentralization and devolution are used interchangeably in the literature (Blair 2000; Crook and Manor 1998; Heller 2001).

This chapter will attempt to understand the extent to which decentralization results in service delivery improvements in terms of responsiveness and, in addition to this, highlight the mediating role played by the institutional, political, economic and social factors which affect service delivery outcomes. This chapter is divided up into 6 sections. Firstly a definition of democratic decentralization is provided (Section 2.2), followed by the theoretical case for democratic local government (Section 2.3). Section

2.5 reviews empirical evidence on linking democratic decentralization to improved service delivery outcomes. Section 2.6 concludes this chapter.

## **2.2 DEFINING POLITICAL/DEMOCRATIC DECENTRALIZATION**

Political decentralization is mainly concerned with who decides (Bird, 2000) and determines the extent to which local government has the right to make political decisions. Mostly the term ‘democratic decentralization’ refers to devolution (Crook and Manor 1998; Olowu 2001). Blair (2000, p: 21) has defined democratic decentralization as the *“meaningful authority devolved to local units of governance that are accessible and accountable to the local citizenry, who enjoy full political rights and liberty”*.

Democratic decentralization through meaningful participation of the community promises to translate popular input into what local government should do and through participation it can hold local government accountable for what it has done or not done. The most direct argument in the literature is that local government brings government closer to the local people and brings in the benefits of responsiveness, efficiency and accountability to the citizen (Oates 1972; Tiebout 1956). Decentralization by shifting authority from the central government to local government promises that it will become easier for the voter to monitor the performance of local government (Musgrave 1965).

## **2.3 THEORETICAL CASE FOR DEMOCRATIC LOCAL GOVERNMENT**

The early advocates of local government theories, such as John Stuart Mill (1912, p: 2357) base the case for local government on two arguments: firstly, local political institutions provide a greater opportunity for participation and capacity to educate citizens in the practice of politics and government. Secondly, significant scope for local

government seems more practical as local interest, knowledge and capacity to oversee are more likely to achieve efficient and effective service provision: *“In the details of management, therefore, the local bodies will generally have the advantage”* (Mill 1912, p: 2357).

Later, this role of local government as an efficient provider of services which are essentially local in nature as advocated by John Stuart Mill was further advocated by Sharpe (1970). Sharpe (1970) advocated the efficiency value of local authorities as the strongest argument for modern local government. It appeared that local government is justified more on the grounds of an efficient service provider than involvement. In subsequent years, Hill (1974) warned against such a notion of local government and argued that *“to be an effective provider of services local authorities must be more than efficient. They must still be judged by justice, fairness, equality, and openness by which democratic society as a whole is judged”* (Hill 1974, p: 236). Sharpe (1970, p: 165) while acknowledging the limits of participation, also argued that: *“Participation in its different forms emerges as an undoubted value, if not in the full glory of its promoters at least as an important justification for local government in a democracy”*.

Young (1986) criticized Sharpe’s work because he justified local government solely as a service delivery role. Contrary to this, Young laid emphasis on two political dimensions of local government: his first argument was based on pluralism-local government should be valued as it limits the concentration of powers, and his second argument was based on the values of local government for providing political education and political participation at the local level. Young, while acknowledging the efficiency arguments, gave these arguments a political perspective. According to him, *“any valid theory of local government must be a political theory”* (Young 1986 In Goldsmith 1986, p: 18).

Pluralist theory of local government espouses that local government is a means for group participation and conflict resolution in the political process. However, Hunter (1953) has argued that in reality important decisions are made by a group of elites behind the scenes and are devoid of the electoral process and public opinion. Besides the criticism advanced on pluralist theory, its contribution mainly lies in laying emphasis on widespread group participation other than a sole provider of local services. Underlying much of the debate of local democracy is the importance of active involvement of citizen in local politics. Participation in itself is valued as a good thing as it empowers those who were previously the mere recipient of the services. Empowerment strategies may be designed in a top down manner or a bottom up approach.

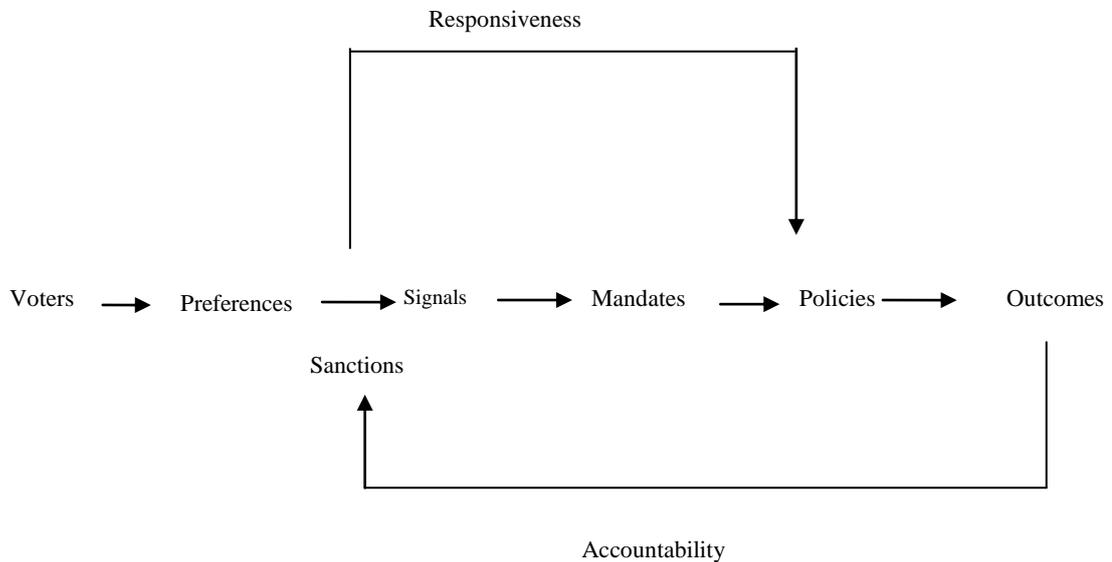
#### **2.4 PARTICIPATION, ACCOUNTABILITY AND RESPONSIVENESS**

Local governments are based on the justification of providing people with at least voice because they are democratically elected and therefore are accountable to the people. Following this logic people can exercise their voice in two ways: indirectly-through the ballot box- in a view - “representative” democracy and directly through various mechanisms such as neighbourhood committees, and user participation - “participatory” democracy. According to Przeworski, Stokes and Manin (1999, p: 29) elections serve two purposes in a democracy: electing representative governments - the “mandate” view- who make policies which are reflective of local preferences and to hold their representatives accountable based on their performance - the “accountability” view(). However, both views are based on contradicting assumptions. As, government is responsive if, *“Elections are contested, If participation is wide spread, and if citizens enjoy political rights and liberties, it is reasonable to assume that government will be*

*responsive to citizens*” (In Przeworski, Stokes and Manin 1999, p: 334). Therefore, contested elections may be a necessary condition for ensuring responsiveness and accountability but not a sufficient condition. To secure democratic accountability, representative democracy should be infused with participatory democracy. Since, politicians have their own goals and interest which necessarily do not coincide with the community preferences. Under the mandate model, voters compare promises politicians make of the future and select the best candidate. Under the accountability model, voters use their vote to sanction bad performers based on retrospective information on performance. However, voters do not make such distinction whether to use their vote as a sanction tool or select a better government.

Ideologically, a government is ‘responsive’ if it pursues policies which are signalled as preferred by the citizen. These signals may come from public opinion, elections, and votes for particular purposes - referendum etc. whereas, the government is accountable if the citizen can sanction them appropriately. As depicted in Figure 2-1, according to the ‘mandate view’, voters reveal their preference in elections by giving their mandate to their representatives. These representatives transform that mandate into policies which reveal voters' preferences. And a government is responsive if it pursues policies which are signalled by the citizen as their preferences. The citizen can reveal their preferences through various mechanisms of exit and voice particularly through electoral mandates. If government is not accountable to their community, then community members can sanction them appropriately by retaining those who are accountable and ousting those who are not. In this framework the main assumption is that government is responsive or accountable if people know about the outcome of policies and other exogenous conditions. People will signal their will through giving government mandates in the election and the government will implement policies that people want

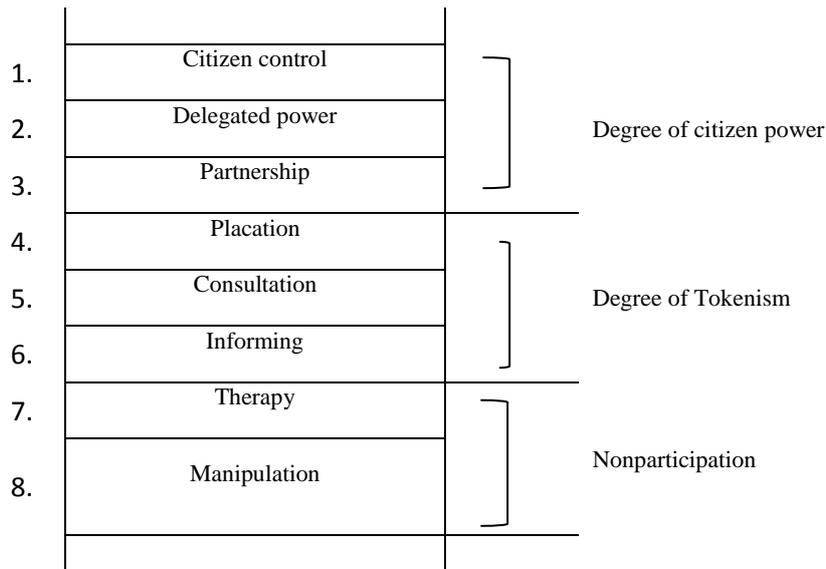
them (Przeworski, Stokes and Manin 1999). However, as argued earlier it is too simplistic that the whole system works in such an ideological manner as drawn in Figure 2-1.



**Figure 2-1: Local Government Policy Process**

Source: Adapted from Przeworski, Stokes and Manin (1999)

Beetham (In King and Stoker 1996, p: 33) has argued that validity of participation lies in the fact that it requires an active citizen body, without which “*government will not be representative, responsive, or accountable; nor will they enjoy the full legitimacy that comes from popular participation*”. How far participation can be “democratic” depends on its contribution in securing a popular control over collective decision making and greater equality in its exercise. This raises three questions; participation in what?, by whom?, and to what effect? However, popular participation is a necessary condition but not an alternative to the representative democracy. Arnstein (1969) further provided a ladder of citizen participation which is illustrated in Figure 2-2. This ladder identifies eight stages which correspond to the citizen powers in determining the policy outcomes.



**Figure 2-2: Ladder of Participation**

Source: Adapted from Arnstein (1969)

As depicted in Figure 2-2, the lowest stages (Manipulation and Therapy) of the participation ladder represent nonparticipation. At this level, the purpose of power holders is not to enable people to participate, but to ‘cure’ the participants through manipulation or therapy tactics. The next three stages (Informing, Consultation and Placation) refer to tokenism. Here citizen are involved in different ways such as one way communication (through pamphlet, leaflets, posters etc.) two way communication (through meetings, surveys), and co-optation (through giving membership to citizen on various committees or boards etc.). Further, up the ladder, are the stages (7, 8) which give citizen greater control over the decision making process such as partnership, delegated authority, and citizen control. This ladder provides a starting point to consider various forms of and the extent they give citizens empowerment in the true sense of meaningful participation. Burn, Hambleton and Hoggett (1994) have further extended the argument that voice mechanisms can be strengthened by employing four broad strategies as listed in Table 2-1.

**Table 2-1: Strategies for Promoting Voice in Local Government**

STRATEGIES
<ul style="list-style-type: none"><li>• <b>Improving representative democracy</b> e.g., voter registration, citizen rights at meetings, better support to councillors</li><li>• <b>Extending representative democracy</b> e.g., area committees of councillors based on wards or groups wards</li><li>• <b>Infusing representative democracy with participatory democracy</b> e.g. co-option onto committees, neighbourhood committees of councillors and representative from community and disadvantage groups</li><li>• <b>Extending participatory democracy</b> e.g. funding of non-statutory groups, community development, user group participation, valuing grass root movements</li></ul>

Source: Adopted from Burn, Hambleton and Hoggett (1994)

According to Table 2-1, the first strategy emphasizes improving representative democracy through various tactics such as giving community member right to ask questions at local meetings, information dissemination to the public regarding the council activities, and improving support services to councillor so that they can work more effectively. This will result in more effective representative democracy. The second strategy may be to extend representative democracy by creating a more local setting such as ward committees which can decide over local issues. The third strategy can be an intermingling of representative democracy with participatory democracy such as cooptation of community members in council committees. Another related strategy is the community driven development approach for service provision. The fourth strategy is shifting the focus from representative democracy to participatory democracy and community action. Some examples of this strategy include: user group involvement in service delivery, involving disadvantage groups representation in various committees etc. (Burns, Hambleton and Hoggett 1994).

Participation needs to be effective i.e. it not only the matter of magnitude of participation (election, turn out etc.) but also the depth and process of participation. There should not only be the avenues for the citizen to ‘Voice’ their concerns but this voice should also be heard by those who are responsible for service provision and

reflected in the decision outcomes. To put it in another way, as discussed earlier representative democracy needs to be infused with participatory democracy to make participation effective (Table 2-1). It also reflects the idea that increased participation in the form of representation need to be transformed into empowerment of the citizen to influence decisions that affect their lives.

#### **2.4.1 Responsiveness**

The second criterion of democratic local government is being responsive to community preferences. Responsiveness is defined as congruence between community preferences and public policies (Fried and Rabinovitz 1980). Local governments are justified on the consideration that they can accommodate the diversity of needs among localities. The needs of the urban councils may be different from the needs of the rural council. This diversity of solution offers avenues for experimentation and innovation which cannot be provided under a uniform standardized provision of services from the national government. Secondly, local councillors are more accessible to the people rather than nationally elected representatives. Local councillors are also regarded as an important avenue for expressing local opinion, and complaints both because they carry more weight with the non-elected member of the local government and they share the responsibility for policy making at the local level. Therefore, their accessibility to the local people is an important consideration (Young In Goldsmith 1986; Parry, Moyser and Day 1992). Moreover, they have an additional incentive to develop more participatory mechanisms for community involvement. Elections provides and incentives for them and service providers to look for more responsive ways of involving people (Beetham In King and Stoker 1996).

### **2.4.2 Accountability**

A democratic local government is accountable to the people as it derives its powers directly or indirectly from the people. Electoral institutions are used not only to select good policies but also to hold incumbents accountable to the public and in this way they make policies responsive or less responsive to public demands (Ferejohn In Przeworski, Stokes and Manin 1999). Through elections citizens can ensure that politicians act on their behalf and pursue their policy preferences. As Dahl has argued, “*a key characteristic of democracy is the continuing responsiveness of the government to the preferences of its citizen*” (1970, p: 1). At election time, voters will listen to political campaigns, try to compare and choose those who they think are trustworthy and can act responsively on their behalf. However, elections will also serve as a retrospective mechanism to oust those who did not perform well based on the incumbent’s past performance.

Elections may be a necessary condition but not the sufficient condition of accountability and responsiveness. Electoral process provides popular authorization of the key decision makers and from there follows the concept of accountability to the people for the policies and actions that are undertaken by this popular local government. However, to be effective, public accountability should be supplemented by other institutional arrangements such as an independent judiciary, free media, accountability of non-elected officials to the elected representatives, and independent audits for auditing the local government accounts, other associations and so on. In order to be responsive, there should be regular consultation of people in the local decision making process and access to information. Elections on its own cannot assess public opinion (Beetham In King and Stoker 1996).

## **2.5 REVIEWING EMPIRICAL EVIDENCE**

The previous section (2.4) has provided a justification of local government on three grounds: participation, accountability and responsiveness. This section focuses on reviewing the empirical evidence in order to substantiate the theoretical arguments provided earlier and to examine whether there is a link between ‘participation, accountability and improved service delivery performance’. However, before proceeding to the empirical review of literature, we will attempt to understand the politics of decentralization reforms which provide the context of motives behind decentralization reforms.

### **2.5.1 Politics of Decentralization Reforms**

The politics of decentralization reforms explain what interests might gain or lose from any set of institutional reforms, and policy initiatives and in turn may impact the reform implementation process and its outcomes. Therefore, it seems pertinent to understand the ideology or motives behind decentralization reforms to fully appreciate the process of reforms and its intended outcomes. The literature has provided us with various motives for decentralization reforms which Blair (1998) has clustered as inspired either from an administrative ideology or a democratic ideology. The difference between the two lies in the fact that pursuit of decentralization reforms under an administrative ideology fosters decentralization not for the pursuit of genuine democratically empowered local government but for the purpose of curbing regional political conflicts, fragment regional or state’s political power bases and to create a local patronage of its own. Quite contrary to the administrative ideology, a democratic ideology promotes democratic decentralization for genuine participation and to empower people in the decision making process. A comparison of both ideologies is provided in Table 2-2.

**Table 2-2: Motives for Decentralization Reforms**

<b>Administrative Ideology</b>	<b>Democratic Ideology</b>
<ul style="list-style-type: none"><li>• Administrative ideology promotes democratic decentralization for effective planning and implementation of service delivery at the local level and to accommodate variations in the local preferences.</li><li>• According to the administrative argument, democratic decentralization will cultivate local patronage for the central government. Administrative ideology favours democratic decentralization in order to accommodate regional differences and prevent social movements.</li><li>• Administrative ideology favours democratic decentralization to shift the burden of service delivery from central to local level.</li></ul>	<ul style="list-style-type: none"><li>• According to the democratic ideology local governments are better informed of local needs and hence will provide a mix of services tailored to the community needs and at the end people will be able to hold them accountable.</li><li>• From a democratic mentality, grass root participation will generate the mechanisms of accountability and will result in an accountable local government.</li><li>• Democratic ideology advances democratic decentralization for social inclusion of those groups who are being marginalized in society and take advantage of diversity of ideas.</li><li>• Democratic arguments favour local provision of services to make them more responsive and efficient.</li></ul>

Source: Adapted from Blair (1998)

The literature on political decentralization has stressed that the motives of decentralization reforms- whether it is for a genuine desire to empower grass root communities or a central government commitment to extend their own control, can have a significant impact on service delivery outcome (Crook 2003). For instance decentralization reforms in West Bengal and Brazil were the outcome of a strong political commitment of central government to challenge the existing local elite and a commitment to pro-poor policies which reflected in the support of central government to pro-poor policies in the form of funding to local government and local government's commitment to implement such policies with the support of local employees and political activists (Op-Cit). Compared to this, decentralization reforms in African countries are attributed to central government's intent to create a local base and foster patronage. Hence, decentralization could not result in pro-poor service delivery outcomes because of weak accountability culture and corruption at the local level. These findings are also shared by Olowu (2003; 2004) and Francis (2003). Therefore, it

seems significant to view decentralization reforms in their broader socio-political context in which they occur.

### **2.5.2 Participation, Accountability and Performance**

The comparative empirical evidence suggests that decentralization does lead to broadening the depth and scope of participation but it may not result in effective accountability arrangements or responsive service delivery. This is provided by the comparative case studies of Crook and Manor (1998), Crook and Sverisson (2001) and Blair (2000). This is also well established in the literature that elections are not sufficient to extend participatory democracy. Elections may increase representation of disadvantaged groups, however, it may not empower these groups in local politics. Even in cases where marginalized groups are given representation in local councils through legislations such as a quota system, it does not necessarily result in effective representation in local council meetings and deeply embedded structure that sustain elite domination of local politics remain the most powerful at the local level.

Blair (2000) found that in Bangalore, the capital city of Karnataka (a State of India), the president and vice president of local councils were females, yet council affairs were run by their husbands. Women were largely playing a silent role in council meetings. The same was true for the scheduled cast (Untouchables) who either do not participate or participate on the dictation of the elite groups. This was further supported from the case studies of Ghana, and Cote d' Ivories (Blair 2000; Crook and Manor 1998).

*“Democratic Local Government initiatives have encouraged participation and have increased representation, but they have provided little in the way of empowerment, and even less in making the distribution of benefits more equitable or reducing poverty” (Blair 2000, p: 25).*

Empirical evidence from Colombia and Bolivia also highlighted that indeed, citizen were given representation on local planning committees and administrative boards to

monitor local government service delivery performance; however, the level of participation remained ineffective partly owing to the lack of continuity of such participatory initiatives in Colombia and Bolivia and, partly such legislative requirements to increase direct community representation on such bodies needed change in the existing administrative structures and procedures which these local government initiatives failed to implement (Nickson 2001). The empirical evidence from Ghana also suggested that besides a high level of participation (contact between the community and councillors, electoral participation, active civil society, high level of public interest in local affairs) the local authorities were unable to articulate popular demands into service delivery outcomes. The main factors were legal and political structures of the local authorities. The political executives had no executive authority. They lacked political and legal capacity to establish accountability over the local bureaucracy and appointed officials of the central government. It also lacked political commitment from the central government to fully implement the decentralization plan. Therefore, local authorities were unable to fully participate in the policy formulation and implementation process.

The empirical literature on accountability mechanisms (Blair 2000; Olowu 1994) indicates that it is structured differently in different contexts, and these strategies work best when they are applied in a combined way (see Table 2-3). Indirect voice mechanisms: election, local media, political parties, and civil society, remains imperfect without the direct voice mechanisms: service delivery surveys, participatory budgeting techniques, and increased transparency in revenue sharing and resource allocation, complaint bodies or Ombudsman etc. Likewise, evidence from countries like Brazil and Porto Alger (Campbell and Fuhr 2004) and Kerala (a State of India) (Heller 2007) suggest that more direct voice mechanisms such as participatory budgeting techniques

have been able to make service provision more responsive and local government more accountable. However, the evidence from Uganda regarding the participatory budgeting approach is met with mixed findings because of weak fiscal autonomy and downward accountability mechanisms -accountability of elected representative to local citizens (Francis 2003). Blair (2000) has assessed the impact of decentralization on accountability and participation. He mainly assessed the effectiveness of voice mechanisms: free and active media, civil society, political parties, elections, formal procedures, public meetings, opinion surveys as depicted in Table 2-3.

**Table 2-3: Viable Mechanisms of Accountability in Local Government**

Type of Accountability	Philippine	Bolivia	Honduras	Karnataka	Ukraine	Mali
Bureaucrats to elected officials	X	X	X	XX	X	
Political accountability- elected officials to the public						
• Election <sup>b</sup>	X	X	X	XX	X	X
• Political <sup>b</sup> parties	XX	XX	XX	X		
• Civil society <sup>b</sup>	X					X
• Media <sup>b</sup>	X	XX	XX		X	X
Public meetings	X					
Formal procedures	X	XX	XX			
Opinion surveys	X					

XX- Viable source of accountability; X- Potential source of accountability, b-most important mechanisms

Source: Adapted from Blair (2000)

According to Table 2-3, Blair categorized elections, political parties, media and civil society as stronger accountability mechanisms compared to public meetings, formal procedures, and opinion surveys. He found that the most robust mechanism of accountability in the Philippines was civil society. In Bolivia, political parties, media and formal procedures were strong accountability mechanisms whereas political parties and public meetings played a major role in Honduras. While, elections and institutional accountability were very strong accountability mechanisms in the Indian state of Karnataka. Overall, he concluded that though local government had been able to improve the quantity and depth of participation, increased representation; but, there had

been little success in the empowering of marginalized groups and even less in making the service delivery responsive to local community needs.

All these forms of participation have problems of their own. For instance, competitive and free elections are essential to hold government accountable, the strength of election system depends on factors such as the structure of electorates, the regularity of elections, and extent of genuine voters' choice as vote buying and vote bargaining are common features of developing countries (Devas 2003). There is also an argument in the literature that civil society organizations are no guarantee that they will represent excluded social groups and it is more likely that they may reinforce the existing pattern of social inequality and exclusion. In many cases they have been captured by elite groups for their networking and result in policies which benefit those who are already better off. Empirical evidence from Bolivia and the Philippines has indicated that besides the presence of a strong civil society there is a lack of evidence that genuine civil society participation exists at the local level and it has made any significant impact on service delivery outcomes (Blair 2000).

Advocates of decentralization argue that a decentralized system is more responsive to local preferences. However, there is little support to substantiate this assumption and it seems that decentralization *alone* is not a sufficient condition to induce participation or responsiveness; it is contingent on the *context* in which it is implemented. To fully grasp the much advocated assertion that decentralization is dependent upon the *context*, this section has attempted to map the relationship between decentralization and responsive service delivery by drawing on the evidence of comparative studies from different country context-Africa, East Asian Region, and Latin America. The pattern of relationship between participation, accountability and service delivery performance is

provided in Table 2-4. According to Table 2-4, the most significant variables which affect the link between decentralization and service delivery performance are: Effective participation, institutional environment, resource adequacy and accountability arrangements. The empirical evidence on assessing the impact of political decentralization mostly assessed this impact in terms of improved participation, effective accountability and responsive services which are the main objectives of political decentralization.

**Table 2-4: Patterns of Relationship Between Participation, Accountability and Performance**

Regions	Country	Participation	Accountability	Socio-Political Context	Explanation of Performance Outcomes	Authors
Africa	Ghana	Poor participation	Weak	Moderately Favourable	Resource constraints, lack of political and institutional accountability, elite capture	Crook (1995)
	Uganda	Poor participation	Weak	Weak	1) Weak resource base, central transfers in the form of earmark grants, capital grants specified for the sector, unconditional grants mainly used for the operational and administrative cost 2) However, main factor remained a lack of genuine participation in the planning process of local government and lack of administrative capacity of councillor and administration	Frnacis & James (2003)
	Cote D'Ivoire	Poor participation	Weak	Weak	Inadequacy of resources, elite capture, weak political accountability	Crook & Manor (2008)
	Tanzania	Poor participation	Weak	Weak	Lack of genuine local democracy, weak resource base, however main factor for poor performance is lack of participation in decision making at the local level and weak political accountability.	Munkandala (1998)
				Moderately favourable	Some improvements in roads and health facilities after decentralization	Crook & Sverrison (2001)
	Kenya	Very Poor/ Participation	Weak	Weak	1) Weak participation, lack of resources, elite capture 2) Some improvements in resource allocation to poor regions, however, the main reason was more political than serving the needs of the poor	N'gethe, (1998) Smoke (1993)
	Zimbabwe	Very poor participation	Weak	Weak	Weak participation, elite capture, weak resource base	Brand (1991)
	Nigeria	Very poor participation	Weak	Very weak	Weak participation, weak and institutional accountability, mayors involved in political patronage, corruption and exhibiting dictatorial behaviour	Olowu (1993)
	Botswana	High participation	Good	Supportive	Adequacy of resources, authority and high level of political process (civil society, popular participation, free media) leading to genuine participation in the decision making process at the local level	Wunsch (1998)

Regions	Country	Participation	Accountability	Socio-Political Context	Explanation of Performance Outcomes	Author
Latin America	Colombia	Medium participation	Medium	Supportive	The real level of participation is not effective in spite of the institutional arrangements such as local planning committee, administrative boards for monitoring local government performance	Nickson (2001)
	Bolivia	Medium participation	Medium	Supportive	Improved participation, Some evidence of improved participation as local authorities in some regions has allocated resources for school construction in remote areas, however, same authorities have allocated resources for building automobile race track.	Blair ( 2000)
	Philippines	Medium participation	Medium	Supportive	Improved participation, some evidence of distributional benefits going to the poor or disadvantaged groups in some regions.	Blair ( 2000)
Asia	Bangladesh	Medium/ participation high	Weak	Political context not supportive, social context supportive	High level of participation, and resource adequacy, however, poor performance is an outcome of weak political and institutional accountability, elite capture; corruption is the outcome of weak accountability mechanisms.	Crook & Manor (2008)
	Karnataka	High participation	Good	Very supportive political and social context	Participation medium, adequacy of resources, strong political and institutional accountability.	Crook & Manor, (2008)
	Kerala	High participation	Good	Very supportive political and social context	High level of participation in budgeting and planning process, social inclusion of all groups in the local decision making process leading to overcome the problem of elite capture and challenge the historical pattern of social inequalities of the region	Heller, Harilal & Chaudhuri (2007)

### 2.5.3 African Case Studies

The findings of African case studies (Crook 1994; Crook 2003; Crook and Manor 1998; Francis 2003; Hope 2000; Olowu 2003; Wunsch 1998) as provided in Table 2-4 indicate that there is a lack of congruence between decentralization and responsive service delivery. It raises the question of why decentralization outcomes are so disappointing. Empirical studies have highlighted different factors. Francis and James (2003) indicate that although local government in Uganda has shown significant improvements in education and water provision, these cannot be attributed to the local government decision making process. The improvements in these sectors are the result of increased central government conditional funding tied to these specific sectors. Uganda's experience with decentralization indicates a heavy reliance of the local government on conditional grants. 80% of the grants were conditional leaving less leeway for the local government to influence the spending pattern (Op-Cit).

Hence, the decentralized institutions had very limited scope in terms of local decision making. Therefore, improvements in social sectors are the outcome of this factor rather genuine local level decision making process. Decentralization provided local community opportunity for participation in local planning process, such as committees for bottom up planning, their suggestions were never articulated into policy outcomes. According to Francis and James (2003), the main reasons for ineffective participatory mechanisms were; firstly, lack of capacity of the politician and local bureaucracy to make any realistic development plans and secondly, there was a lack of financial resources to implement such plan. Thirdly, social norms also prevented local community to take part in discussion during the meeting of such committees as they conceived that "*such decisions are the prerogative of elected representative*" (p: 332).

In rhetoric and reality, there were institutions of wider social inclusions. However, as the resources which local authorities could actually control were very limited, participation could not be translated into service delivery outcome. Moreover, decentralized structures lacked a genuine participatory system of local government, a culture of transparency and civic engagements to ensure downward accountability (Op-Cit).

The cases of Ghana and Cote d' Ivories further suggest the importance of socio-political context, elite capture and institutional arrangements (the structure and power of local authorities, accountability arrangements) as significant variables in determining the service delivery outcomes. According to Crook and Manor (1998), the motives behind Ghana's decentralization reforms were not to relinquish the central government's control, but rather the military government of Ghana considered it as an opportunity to extend its power base at the local level. However, the social context was quite favourable. For them, the explanation of Ghana's local government poor performance was the weak institutional arrangements. The elected leader of the assembly had no executive powers. Local authorities were unable to fully participate in the policy formulation and implementation process, lacked political and legal capacity to establish accountability over the local bureaucracy and appointed official of the central governments. It also showed a lack of political commitment from the upper tiers of government to fully implement the decentralization plan. In addition to this, communes did not have the power or administrative capacity to take action in various policy areas. However, as far as participation is concerned, there was a high level of contact between public and elected representatives, well developed civil society, high level of electoral participation, higher level of public interest in local affairs, however, despite the

awareness of popular demands, the local authority was unable to articulate these demands into outputs such as roads, schools, health facilities etc.

While Cote d' Ivories presented a different socio-political context. There was a single party system, opposition fully excluded from the council, weak civil society and low contact among councillors and constituents. The main explanation of poor performance was the inability of the elected official to maintain contact with the people. Elected officials (Mayors and Assistant Mayors) were able to exert influence over local administration and bureaucracy which is reflected in their ability to execute budgets. However, mayors and assistant mayors had a strong social network with elite groups both at the centre and at the local level, and they had experience of national and regional politics and enjoyed elite status. Consequently, their policies were politically sensitive and mainly benefited the elite groups whose interest they represented rather than the marginal groups of society. Other factors responsible for poor performance, as found in Ghana case, were: lack of administrative capacity and resource constraints. Overall, elected representatives failed to establish strong contact with their constituencies as they never felt accountable to the local community. Their accountability was to the central government (Crook 2003; Crook and Manor 1998)

The case study of Tanzania also indicated poor performances of local government. According to the survey findings of Munkandala (In Barkan et al. 1998) service delivery benefits were not targeted to the marginalized groups and local representatives have little influence in making service delivery more responsive. The elite local politicians were unable to establish strong public accountability with their electorates. However, besides poor performance outcomes, it was interesting to note that the majority of the respondents were of the opinion that local government should not be

abandoned and should have more features of democratic character. Similar evidence is found from Kenya (Barkan et al. 1998; Smoke 1993), Zimbabwe (Mutizwa-Mangiza 1990) and Nigeria (Olowu 1994). These case studies found that the poor performance of local governments in these countries was the result of weak accountability mechanisms and political patronage. N'gethe (1998) found popular participation in Kenya as a delusion referring to the interviewee of a district official in Meru district council office: *"To say that ordinary people participate in making decisions is a joke: they have to be guided by the 'elite' or at least energized to participate"* (Barkan et al. 1998, p: 44). Smoke (1993) found local authorities in Kenya non responsive to their electorates, even in situations where they have a certain amount of autonomy. Overall, popular participation was unable to translate representation into responsiveness and effective public accountability to the electorates. Even to the extent that the head of the District Development Committees (DDC) could delete any project proposal they felt irrelevant without any democratic procedure. Likewise, in Zimbabwe and Nigeria, local authorities were found more responsive to the central government policies rather than to the needs of their local community.

Olowu (2003, p: 50) has summed up African decentralization experiences as:

*"Many institutions of local accountability in Africa do not yet meet two conditions required for effective voice mechanisms: citizens lack information and power to compel local politicians to account. Moreover, both central and local government systems have weak incentives to make service providers responsive to citizen's voices. In the absence of effective voice institutions, many local governments in Africa remain weak and corrupt, and citizens have often resorted to violence or social resistance---but there must be a political desire to do so."*

To sum up the literature from the African country context has provided examples of increased participation but little evidence that they have resulted in pro-poor policies or responsive service delivery owing to the politics of decentralization reforms. These

studies support the proposition that *“participation is a necessary but not sufficient condition for greater responsiveness”* (Crook 2003, p: 79). Therefore, based on the empirical literature it cannot be assumed that empowerment and participation will automatically lead to responsive service delivery or better accountability arrangements. For this to happen, participation needs to be effective. It is not enough that citizen voice should be encouraged, it needs to be heard by those who hold the government accountable (Goetz et al. 2001; Olowu 2003) and translated into policy outcomes. It also reveals that in order to assess participation we need to track accountability mechanisms; both accountability within the local government institutions such as accountability of bureaucrats to the political head (institutional accountability) and accountability of local government to the public (political accountability).

The empirical evidence from African countries (Hope 2000; Wunsch 1998) has highlighted Botswana as one of the success stories of decentralization. The comparative evidence suggests that Botswana had a combination of favourable socio-political context, resource adequacy and mix of participatory arrangements for better accountability mechanisms. For instance, Hope (2000) while assessing the impact of decentralization reforms in Botswana concluded that local democracy has considerably improved local accountability. Local communities are successful in providing important input to their authorities regarding local needs. In turn, local councillors are articulating their local preferences in the policy making process. The councillors of the local government have been the most vocal in representing their community voice at local council meetings besides a weak civil society. These findings were also supported by Lekorwe (1998), Reilly (1997) and Wunsch (1998). According to Lekorwe:

*“Though interest groups are weak, Botswana offers another option in which political elites existing political structures-----to encourage political*

*participation. Using this approach, Botswana has built a strong democracy whilst its civil society remains weak.” (Lekorwe 1998, pp: 95-6)*

Similarly, Wunsch’s (1998) comparative findings from African countries such as South Africa, Swaziland, and Botswana, ranked Botswana high on service delivery performance. The study assessed the relationship among three independent variables; resource availability, authority, and local political process on local government performance. All the three variables were found very strong in the case of Botswana contributing to the improved performance outcomes. Moreover, Wunsch (1998) and Hope (2000) found that Botswana had a culture of tolerance, openness to criticism, a committed national government to the devolution reforms and national government efforts to enable them by providing sufficient financial and operational autonomy. This all contributed to creating a favourable context for the local government performance.

#### **2.5.4 Asian Case Studies**

The empirical evidence from Asian regions - Bangladesh and Indian state of Karnataka and Kerala further substantiate the argument that decentralization outcomes depend on a favourable socio-political context, resource adequacy, level of participation and accountability arrangements. For instance, Crook and Manor in their comparative study of Asian and African context found that Bangladesh besides having a favourable socio-political context, central government’s commitment in the form of resources, the pattern of service provision reflected *“elite bias, the domination of patronage, extensive corruption and electoral manipulation. Vulnerable groups received few of the resources provided”* (Crook and Manor 1998, p: 320-321). They found that local governments had weak administrative and technical capacity to carry out newly assigned functions, however, the main limitation was local councils could not hold the executive chairman accountable for its action (just like the case of Cote D’Ivoire). Consequently, the result

was corruption, political patronage and domination of elite groups. As the chairman derived its powers mainly from the connections with the central government, he allocated resources to attract a network of supporters of the military government.

*“The military regime was more concerned to throw resources into creating a network of clients loyal to itself, and social norms were such that most villagers had a ‘servant-master’ relationship with bureaucrats and council representatives, which did not easily support the making of complaints about bad behavior or lack of accountability” (Crook and Manor 1998, p: 326).*

Compared to this, the Indian State of Karnataka demonstrated significant positive outcomes in terms of institutional performance (Crook and Manor 1998). However, according to Crook and Manor, the success of Karnataka cannot be attributed to decentralization alone. First of all, Karnataka had a free press, competitive party system and a supporting bureaucracy, thus there was a ‘*culture of accountability*’ (p: 327) exhibited through the willingness of people to complain or report any illegal behaviour. While summing up the findings of their research Crook and Manor (1998) concluded that the main factors which resulted in poor performance in case of Cote D’Ivoire, Ghana and Bangladesh - resource constraints, poor administrative capacity, and lack of public and institutional accountability - were not a major problem in the case of Karnataka. However, participation was not found a very significant explanatory factor as it was much higher in Bangladesh. They suggested that a combination of fiscal, administrative, and democratic element can only ensure responsiveness and accountability of local governments:

*“participation alone could not be a satisfactory explanation of performance. ----- only in Karnataka there was a benign combination of adequate resources, a supportive political and social context, a well-established administration, at least adequate level of participation, and publicly accountable elected representatives who were able to make the fruits of participation effective at the institutional level” (pp: 327-329).*

However, Blair’s (2000) research findings from the State of Karnataka contradicted Crook and Manor’s findings. He reported that popular participation was not able to turn

distributional benefits to the poor or disadvantaged groups and as local council were composed of local elites, therefore, they directed most of the benefits into policy outcomes which benefited them. According to Blair (2000), decentralization has improved community representation, yet it could not empower disadvantaged and marginalized groups of society even though their seats were reserved in local councils. Overall, local council decision making remained susceptible to elite capture. A comparison of both studies directs our attention on the methodological issues of measuring performance.

According to a World Bank report (2000, pp: 28-29) Kerala has not only the greatest degree of fiscal autonomy and is the most fiscally decentralized state in India and second to Colombia in the developed world, its Panchayat system (local council) are fully empowered to make decisions and implement them. Heller (2007) examined the relationship between decentralization and its impact on performance in the context of Kerala (Heller 2007). This study was focused on assessing the impact of direct forms of participation-direct involvement of citizen in planning and budgeting. The decentralized planning campaign initiated in 1996 aimed at devolving not only functional responsibility but fiscal devolution along with creating mechanisms and institutions for direct community engagements in planning and budgeting. The study reported that when respondents were asked whether services were 'improved, deteriorated or no change' during 1996-2001, the majority of the respondents indicated that services are improved. Similar findings were found across level of participation in development planning, and responsiveness of local representatives to community needs (92% indicated that elected people were more responsive to the local needs and their opinion). An interesting finding was that the majority of the respondents also reported that the campaign benefited the poor people and it was able to overcome the problem of elite

capture as less than 4% of the respondents indicated that “powerful interest” exerted influence over project selection. Even they indicated that government officials have no influence over project selection which was quite surprising given the Kerala’s history of political patronage and elite capture prior to the campaign.

*“Participation can improve the quality of governance both by providing better inputs (information and ideas) and by holding politicians and bureaucrats accountable. Accountability can increase as a result of checks and balances (as in constitutional-legal theories of democracy) and as a result of cooperation between state and civil society actors (as emphasized in the literature on synergy and participatory bodies)”* (Heller 2007, p: 638).

In sum, comparative evidence from Asian regions also supports the assumption that mix of favourable socio-political context, institutional arrangements, sufficient political, administrative and fiscal capacity of local government determines the decentralization outcomes. Blair (2000) and Azfar *et al.*, (In Kimenyi and Meagher 2004) found mixed but positive evidence of effective citizen participation in Philippine. According to Azfar *et al.* NGOs in Philippine were playing an active role at the local planning committees and in the local governance of schools and health. Furthermore, Blair (2000) also found that in some areas of Philippine, the flow of benefits remained unchanged because of the elite capture. However, he found evidence of responsive service delivery in areas such as councils of Cochabamba and Honduran, where civil society was strong, local councils were effective in allocating resources to marginalized social class.

### **2.5.5 Latin American Case Studies**

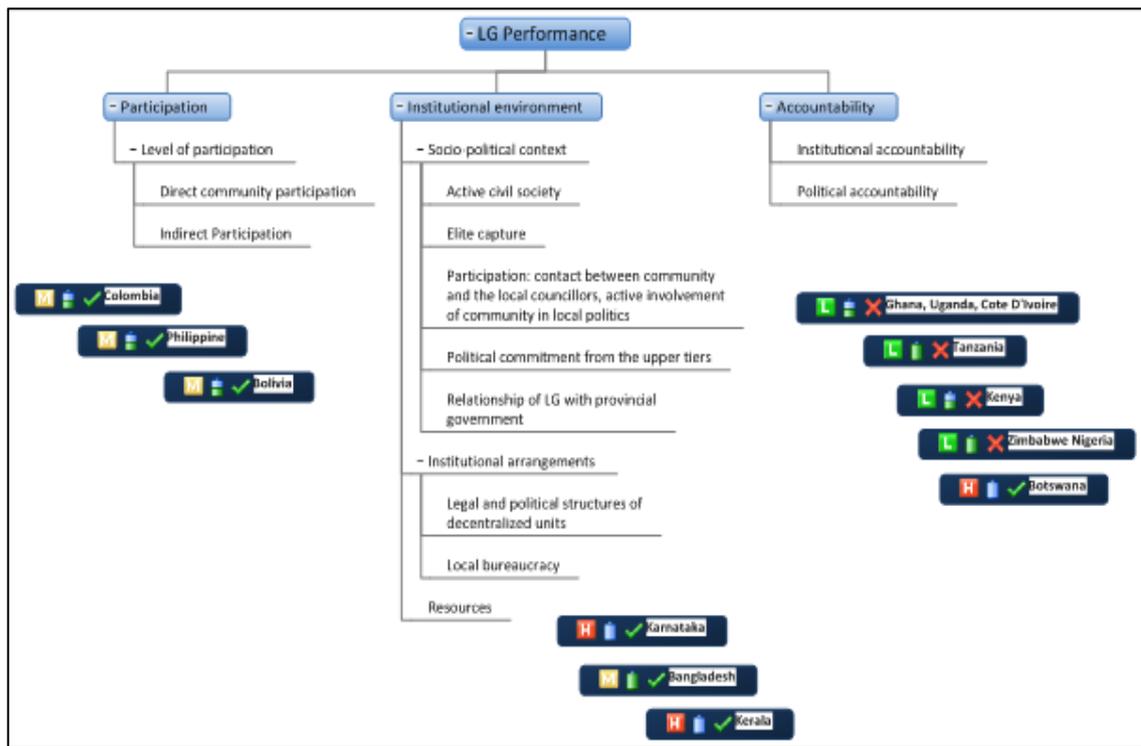
The evidence from Latin American countries also found mixed outcomes in terms of responsive service delivery and enhanced participation. The empirical evidence from Latin America, particularly with reference to Colombia supports the proposition that if local policy makers can be held accountable to the public through voting, it would force them to make policies which are more sensitive to local needs as they know that their

performance is assessed by local people and their re-election depends on the fact that they have mobilized resources and articulated their concerns in the policy making and implementation process. This was further supported by Fiszbein (1997) that decentralization has been successful in increasing service coverage, community satisfaction with respect to services such as education, health, water and sanitation, roads and infrastructure and agriculture extension. The respondents of his study reported greater satisfaction with the local government compared to national government. Whereas Prawda's (1993) comparative analysis of four Latin American countries - Argentina, Chile, Colombia and Mexico-revealed that democratic decentralization was unable to lead to an efficiency or equity gains. Decentralization must be treated as a long term process to see any significant outcomes.

#### **2.5.6 Conclusion**

As depicted in the Figure 2-3, the assumption that a local government will lead to responsive service delivery outcomes depends on accountability arrangements, adequacy of resources, institutional arrangements and socio-political context. Figure 2-3 and Table 2-4 present the summarized view of empirical evidence discussed earlier and as provided from the evidence of responsive service delivery outcomes in cases Botswana, Kerala and Karnataka, these local governments had a combination of all the three variables - high level of participation, highly supportive institutional environment, and strong political and institutional accountability arrangements, and therefore these local governments were able to deliver the promises of responsive service delivery outcomes. Some of the studies have assessed performance in term of the change in service delivery and development (assessed by asking respondents their perception of quality, accessibility of service), and depth, quality and process of participation through survey administered at the political representatives and public officials (Heller 2007),

others have assessed it by looking at the public spending and community preference through perceptual survey at the grass root level, and process indicators by looking at the accountability relationships between community, public officials and political representatives at one end and improved participating on the other (Crook and Manor 1998).



**Figure 2-3: Local Government Performance**

**Categories:**

- H M L** : Participation: Impact: High\Moderate\Low
- L M L** : Socio-political context: Very supportive\Moderate\less supportive
- ✓ ✗** : Accountability: Strong accountability\weak accountability arrangements

Source: Author

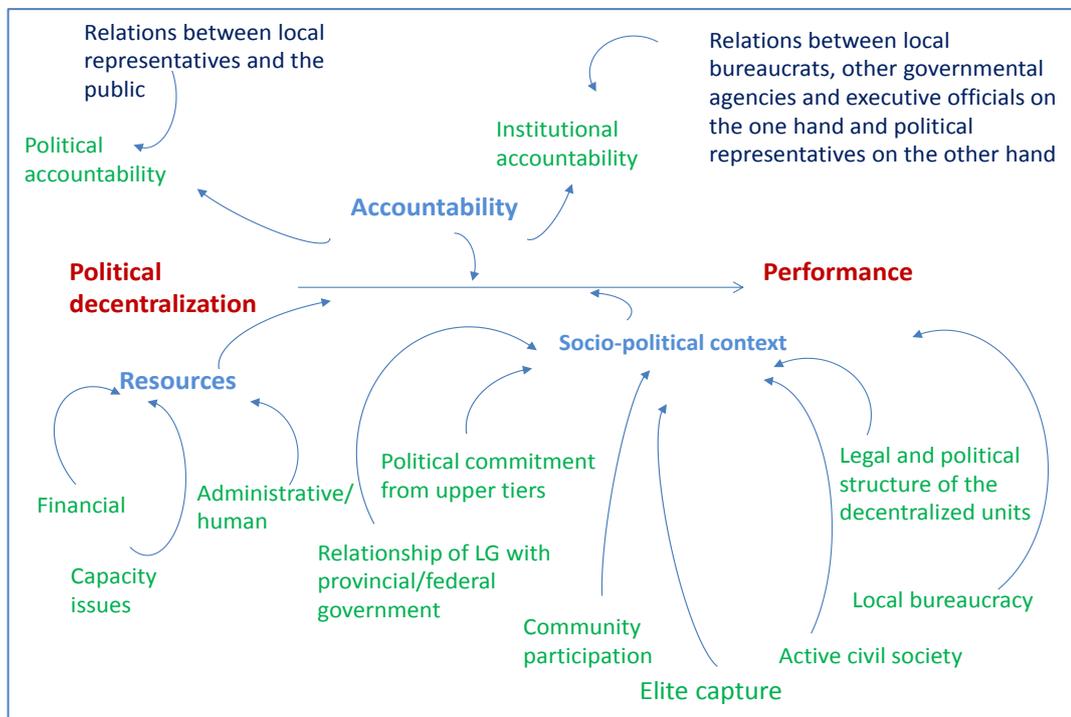
The comparative evidence suggests that elite capture can be a potential problem unless central government tries to control it through challenging the existing elite groups. From the empirical evidence it can be inferred that the problem of elite capture may occur when: (1) representative democracy despite its commitment to political equality results

in reproducing the same existing social and economic inequities, (2) paradox of participation-disadvantaged groups remain disadvantaged as participation reaches only to mere representation level, (3) elite capture is also determined by the nature of central-local relations. The question arises what kind of alliances central government is trying to seek from the local elites. What is their strategy; cooptation or avoidance? This further emphasizes the need to strengthen the local accountability mechanisms. The problem of elite capture and weak accountability is related to factors such as literacy rate, social status, wealth, and forms of political participation, availability of information to the local community, central government oversight bodies and other institutional arrangements (Bardhan 1997; Bardhan and Mookherjee 2006). It is also argued in the literature that decentralization would not lead to responsive service provision if it is not supported by strong accountability mechanisms at the national and local level (Crook 2003).

## **2.6 CONCLUSION**

Political decentralization promises to increase participation, improved political accountability and responsive service delivery. However, the literature in the previous section has argued that representative democracy should be strengthened by participatory democracy to transform mere representation of people in councils or different committee structures into effective participation. Therefore, it can be inferred from the literature that participation is treated not only an input but also an output of political decentralization. Empirical evidence regarding political decentralization and responsiveness has already suggested that political decentralization alone can neither improve participation, nor result in responsive service delivery outcomes. The empirical section (2.5) of this chapter has highlighted that the relationship between political

decentralization and performance depends on a range of institutional factors, resource adequacy and accountability arrangements as depicted in Figure 2-4. Therefore, in order to analyse this relationship a framework is proposed in Figure 2-4. As reflected in the Figure, decentralization can lead to improved participation or service delivery performance, if it has a combination of factors - positive institutional environment, adequacy of resources, and better accountability arrangements. The empirical studies in this section have mostly assessed local government performance in terms of responsiveness, enhanced participation and accountability.



**Figure 2-4: Framework for Analysing the Relationship between Decentralization and Performance**

This section has explained that in order to assess the impact of political decentralization we need to look at the nature of participation in decision making: are political representative playing an influential role in local decision making process?; do they have sufficient resources to translate policy decisions into service delivery outcomes?;

and how institutional environment and accountability arrangements affect local government performance in terms of participation and service delivery outcomes?

## **CHAPTER 3**

### **FISCAL PERSPECTIVE ON DECENTRALIZATION**

#### **3.1 INTRODUCTION**

Chapter 3 provided an understanding of the link between democratic decentralization and institutional performance in terms of local government responsiveness and accountability to the people, and also highlighted factors that may have a significant impact on this relationship. It also argued (Section 2.5.6) that local government needs adequate fiscal and administrative autonomy to perform its role as an effective service provider. Hence, political autonomy should be followed by sufficient fiscal autonomy to achieve responsiveness and make local government accountable. This chapter focuses on the fiscal autonomy of local government, how it should be structured (Section 3.2) and the empirical evidence (Section 3.6) that links fiscal decentralization to improved organizational performance.

#### **3.2 CONCEPTUAL FRAMEWORK**

Fiscal decentralization lies at the heart of the fiscal federalism perspective which is rooted in the theories of public finance. The conceptual framework of fiscal decentralization largely draws on the contributions of; Stigler (1953), Musgrave (1965), Olson (1969) and Oats (1972).

This literature implies that decision making should occur at the lowest possible tier in accordance with the principle of allocative efficiency (also known as the principle of subsidiarity). The main assumption is that decentralized decision making will enlarge

local participation and promote accountability by establishing a clear link between expenditure and revenue assignment. Fiscal federalism literature argues that spending responsibility should precede assignment of taxation powers for better accountability arrangements. For the assignment of roles and responsibilities to different tiers of local government Stigler (1953) proposed two principles:

1. A representative government works better when it is closer to the people it serves.
2. People should have the right to vote for the mix of services they need.

Oats (1972) extended this argument by proposing a decentralization theorem: *each public service should be provided by the jurisdiction having control over the minimum geographical area that would internalize benefits and the cost of each provision* (p: 55).

Broadly speaking, the national government should provide services which benefit the whole national population, whereas the state-local government should provide services which are divisible geographically. For instance, national defence is the responsibility of national government as the benefits of a national army extends to the entire nation (also referred to as spill over effect), and local police protection is a local government function as the spill over effect in this case extends to the local population only.

According to Buchanan (1970), an efficient division of responsibility among governments depends upon the geographic scope of the spill over effects of the collective action. *“Each collective good or service is ‘collective’ to only a limited group. The extent of the group determines the ‘economic’ size of the governmental units which should perform the function”*. Buchanan (1970) further argues that some of the collective goods such as local education provision and highway construction have spill over effects, and that there is:

*“Clearly some ‘national interest’ in ensuring that the service levels are at least up to some commonly accepted ‘standard’. It may seem desirable to try to represent this genuine national interest through grants-in-aid while allowing the state-local units to maintain the major responsibility for actually performing the public services.” (p: 443)*

Olson and Jr. (1969) extended this argument and proposed the *Fiscal equivalency principle* for determining the optimal jurisdictional boundaries and internalizing spill over benefits:

*“---there is a need for a separate governmental institution for every collective good<sup>1</sup> with a unique boundary, so that there can be a match between those who receive the benefits of a collective good and those who pay for it. This match we define as ‘fiscal equivalence’. This fiscal equivalency principle also explained how in case of collective goods, such as education provision, whose benefits extends or spill over<sup>2</sup> to other jurisdictions, central government should provide grants to compensate local governments for the external benefits of these expenditures, “The grant to the local government must involve the sharing of marginal costs of each additional unit of service in the same proportion as the benefits of the additional units are shared between the locality and the nation at large” (Olson and Jr. 1969, p: 483, 485)*

Another contribution came from Musgrave and Musgrave (1984) to address the efficient provision of public goods across jurisdictions (Allocation branch), equity in the distribution (Distribution branch) and macroeconomic stabilization (Stabilization branch). Based on this framework, the design of efficient provision of services suggests that services which are of local benefit should be provided by local government, however, where the benefits are borne by the regional or national population, and then it should be provided by the relevant tier of government. However, it also assumes that individuals with similar preferences should be located together in order to enjoy the benefits of the commonly wanted service. The assumption is simple: the residents of a particular jurisdiction will pay for the benefits they receive and get the choice of service

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- <sup>1</sup> Collective good is defined as “goods and services which yield certain indivisible benefits----the availability of a collective good becomes equal to all citizen once the good is provided” (Buchanan 1970, p: 419)
  - <sup>2</sup> Spill over effect- spill over is sometimes referred to as externalities are the benefits of some of the collective goods which extend to other jurisdictions. Such as benefits from parks, highway, education extend beyond a local community to regional or national level (Buchanan 1970)

they want. According to this assumption, local provision is best where benefits are local such as street lighting, and national provision is best where benefits are nationwide such as national defence. However, according to Musgrave and Musgrave (1984) distribution is the function of central government and a decentralized redistribution policy can operate in a very narrow boundary and can have perverse consequences. For example, jurisdictions offer very high benefits or impose very high taxes. This, consequently, will result in the migration of people from high taxing jurisdictions to those offering lower taxes or higher benefits. *“The appropriate design, in short, points to a decentralized provision of public goods, to be paid for by those who benefit, combined with a centralized policy of redistribution”* (Musgrave 1997, p: 68). Based on this justification, the federal government should employ progressive taxes because of its nationwide coverage, while regional and local government should have regressive taxes. Subsequently, the principle of subsidiarity guided how functions should be assigned among different tiers of government. The principle of subsidiarity, that is *‘local knows best’* and choice of services should be left to them, appeared, for the first time, in the European Union (EU) Maastricht treaty (Musgrave 1997, p: 66). This principle<sup>3</sup> proposed that functions such as taxing, spending, and regulatory should be performed by the lower level of government unless there is a convincing case for the assignment of these functions to the central government (Shah and World Bank. 2004).

### **3.3 ASSIGNING RESPONSIBILITIES AND CORRESPONDING RESOURCES**

The extent to which local governments can exercise autonomy depends on whether they have their own revenue sources or are largely dependent upon ‘Intergovernmental Fiscal Transfers’ (IGFT). It has already been mentioned that the guiding principle is that

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<sup>3</sup> Subsidiarity principle is defined in Article 3b of the Maastricht Treaty

*“finance follows functions”* (Boadway and Shah 2007, p: xxvii). Overall, financing arrangements of local governments- comprised of own revenue sources (local taxes), intergovernmental transfers and user charges- depend on the functions assigned to the local government tiers (Dillinger 1994; Shah and World Bank. 2004).

### **3.3.1 Tax Assignment**

The Musgrave and Musgrave framework (Musgrave 1965) assigns progressive taxes to central governments as they have to perform a wider role in income redistribution and macroeconomic management. Other considerations in tax assignment are: efficiency (technical and administrative) and accountability. According to the efficiency principle local governments should be assigned tax bases which are efficient and easy to administer such as land and property. Central governments should be assigned progressive taxes such as corporate tax, income tax as they have to play a wider role in macroeconomic management and income redistribution. Property and land taxes are the best candidate for local government as LG has better information about the market assessment of such properties (Shah and World Bank. 2004). On the other hand, the accountability principle requires that local government should be able to finance local services from their own revenue sources to make them accountable, therefore expenditure assignment should be closely matched to revenue assignment. This tension between efficiency and accountability persists throughout the fiscal federalism literature.

On the whole, tax assignment is related to the principle of stabilization, income redistribution and resource allocation. In practice, local governments have very narrow tax bases which create fiscal imbalances both vertically and horizontally. Intergovernmental fiscal transfers and revenue sharing bridge these vertical imbalances

and horizontal inequities. Intergovernmental transfers are a dominant source of revenue in developing and transitional economies. They constitute 75-95% of total local government revenue in Pakistan, Indonesia, Nigeria, Mexico, and South Africa (Shah and World Bank. 2004). Section 3.5 will discuss how the effects of different financing arrangements: own revenue, transfers, and user charges, affect the accountability of local government.

### **3.3.2 Intergovernmental Fiscal Transfers (IGFTs)**

Besides local taxes, intergovernmental transfers form a significant proportion of local government finances. Intergovernmental fiscal transfers form a part of local government revenues and create different incentives for local government autonomy and accountability. Broadly, these transfers or grants can be categorized as: (1) Unconditional or Block grants, and (2) Conditional grants.

#### **3.3.2.1 *Unconditional or Block Grants***

The primary advantage of block grants lies in the amount of freedom it provides to the local government in allocating funds for various local expenditures. The local government generally has no conditions attached to the choices as well as the amount of local expenditure decisions. These are also intended to maintain not only local government autonomy but also enhance inter-jurisdictional equity. Much of the empirical evidence from developed countries suggests that grants to local governments lead to greater public spending than an increase in citizen's income, known as the “flypaper effect”: money sticks where it hits (Bird and Smart 2002; Boadway and Shah 2007, p: 3). However, empirical evidence regarding the flypaper effect comes from high income and developed economies with a long tradition of democratic values and independent decision making and this may not hold true for the developing countries.

Their relevance to developing countries is questionable. The context of developing countries with a lack of sufficient fiscal autonomy, weak institutional arrangements and considerable reliance on intergovernmental grants leaves them with less autonomy to overspend.

### **3.3.2.2 *Conditional Grants***

The purpose of conditional grants is entirely different from block grants. According to Buchanan (1970), the block grant rationale may be to equalize the fiscal capacity among various local governments; however, it is not intended to shift local expenditure to a particular service or to achieve a desired level of service standard. Conditional grants are specifically aimed to induce local governments to provide specific services (out-put based) or to undertake specific programs (input-based). The receipt of the grant is conditional on being used for a specific purpose. For instance, central governments may attach a condition to spend a grant on capital expenditure or stipulate the condition to spend it on a specific service such as education. Therefore, the degree of fiscal autonomy of the local government with respect to a conditional grant is considerably less than with a block grant. By attaching conditions to a grant, central government ensures that the local government spends that amount on the provision of that particular service, while at the same time leaves implementation or service delivery to the local government level.

Conditional grants are further sub-categorized as: 1) matching conditional grants, and 2) non-matching conditional grants. The rationale for matching conditional grants is that the amount of the local service has a spill over effect as described earlier. It requires that a grant should be spent on a specific purpose and local government should at least match these funds to some extent. Alternatively, non-matching conditional grants does

not require local governments to match the funds as long as it is spent on the specific purpose.

### **3.3.3 Design of Intergovernmental Fiscal Transfers (IGFTs)**

The design of IGFTs reflects what the central government intends to achieve. It is largely dependent upon the intended objectives of the central government. Such as fiscal transfer may intend to:

1. Bridge a fiscal gap- the imbalance between expenditure assignments and revenue assignments,
2. Reduce regional fiscal disparities or inequalities arising from variances in regional fiscal capacities,
3. Compensate for spill over benefits,
4. Set minimum national standards and achieve national equity objectives,
5. Influence sector improvement in areas of high national but low local priorities,
6. Create macroeconomic stability, and
7. Consideration of various issues such as local population, urban vs. rural areas, and facilitation of responsible credit market access (Shah and World Bank, 2004).

An overview of the objectives of fiscal transfers and the corresponding best practices is presented in Table 3-1. As exhibited in the Table, if the central government intends to fill a vertical fiscal gap, it can employ various strategies ranging from the reassignment of expenditure and revenue, revenue sharing to some kind of tax abatement. Each strategy depends on what it intends to achieve. For example, if the reason for a fiscal gap is a mismatch between expenditure and revenue assignment, then central government may try to fill this gap by either reassignment of functions and corresponding matching revenues or may employ revenue sharing as a preferred approach to fill this fiscal gap. The general practice reveals variations in this regard. For instance, Bird and Smart (2002) have provided a comparison of different approaches of

transfers. According to them, some of the countries allocate predetermined amounts of the total or most of the national revenues to local governments based on a formula (e.g., Philippines, Austria, Japan, Brazil and Nigeria). Compared to this, transition and Eastern European countries use a “tax-sharing” approach whereby a certain amount of taxes- Value Added Tax (VAT) and income tax- are shared among the tiers of government.

**Table 3-1: Principles and Better Practices in Grant Design**

Grant objective	Grant design	Better practices	Conditions to avoid
To bridge fiscal gap	<ul style="list-style-type: none"> <li>• Reassigning responsibilities</li> <li>• Tax abatement</li> <li>• Tax base sharing</li> </ul>	Tax abatement in Canada Tax sharing in Canada, Brazil and Pakistan	Deficit grants Tax by tax sharing as in India
To reduce regional fiscal disparities	General non matching fiscal capacity equalization transfers	Fiscal equalization programs of Australia, Canada, and Germany RSA grant for teaching hospitals	General revenue sharing with multiple factors
To compensate for benefit spill over	Open ended matching transfers with matching rates consistent with spill out of benefits	Indonesia primary road and maintenance grant	Conditional transfers with conditions on spending alone Ad hoc grants
Setting national minimum standards	Conditional non matching block transfers with conditions on standards of service access	Matching transfers for social assistance as in Canada	Ad hoc grants
Influencing local priorities in areas of high national but low local priority	Open ended matching transfers (with preferably matching rate to vary inversely with fiscal capacity)	Limit use of capital grants and encourage private sector participation by providing political and policy risk guarantee	Stabilization grant with no future upkeep requirements
Stabilization	Capital grant provided maintenance possible		

Source: Adapted from Shah (2002); Boadway, Roberts and Shah (1994)

A vertical fiscal gap may arise because the national government needs more revenues to fulfil its broad fiscal responsibilities such as macroeconomic management. To deal with this issue, some kind of tax abatement by central government is required to provide more tax scope in areas of jointly occupied fields with the lower tiers of government. It would, however, assign central government more responsibility in some expenditure areas (Shah 2004, Bird & Smart 2001). Likewise, central government may use

equalization transfers to reduce inter regional disparities as reflected in Table 3-1, the majority of countries have an equalization transfer arrangement which aims to provide each local government with sufficient funds to provide a centrally determined level of service. Transfers are based on the local government's potential revenue raising capacity and not on actual revenues. Therefore, equalization transfers have two rationales: firstly, to equalize the differential fiscal capacity of all local governments creating the same incentives for all, and secondly to ensure that each local government can provide a certain level of local services (World Bank 1999; Bird and Smart 2001; Shah 2004).

In federations, there is always divergence on sector priorities. In such situations, if a federal government intends to influence lower levels to follow the priorities established at the federal level, central government employs matching transfers. The argument for conditional matching grants is based on the assumption that if a service has a spill over effect, then local government will have lower priorities in the provision of such services. Likewise, open ended conditional matching grants based upon the expenditures which give rise to the spill over are used to overcome such issues. However, it is difficult to calculate such spill over benefits accurately. Other issues in fiscal transfers are factors like rural urban divide, the size of the population, and the level of service provision (Shah and World Bank. 2004).

The empirical literature also supports the argument that the outcome of fiscal transfers depends on how it is designed, for example the method used to determine the amount to be transferred, criteria for distributing the distribution pool and conditions attached to it (Dillinger 1994). For instance, if the central government has a strong national interest in a particular social sector, then it should use the conditional grants system to ensure that the money allocated is spent for that specific purpose. In the case of Vietnam, the

central government's attempts to raise education standards and improve basic health care have not met the intended outcomes, despite the provision of funds from the central government to regional governments. The failure to achieve the desired outcomes is attributed to the fact that the provinces were not provided with specification on how to allocate these funds. In this scenario, the provision of a conditional matching grant could have achieved the desired objectives of the central government (Litvack, Ahmad and Bird 1998).

There is another argument in the literature (Dillinger 1994) that earmarking or matching grants are most appropriate for developed economies such as France, the UK, and Japan. They provide matching grants for the education sector with no condition attached to it. In case of less developed countries, the use of such transfers depends on whether the central government has the capacity to determine the level of subsidy required by local governments and the capacity to monitor whether these transfers are spent on the specified purpose as intended or not. An overview of the structure of Intergovernmental fiscal transfers in some developing and developed countries is provided in Table 3-2. According to the Table 3-2, most of the developing countries have a very weak resource base and are mainly relying on transfers, mostly on conditional grants. Whereas countries like Canada and France, local governments mostly receive block grants, which makes them more autonomous fiscal than developing countries.

**Table 3-2: Intergovernmental Fiscal Transfer in Developing and Developed Economies**

Countries	Structure of Taxes and Grants
<b>Karnataka (state of India)</b> (Rao, Nath, and Vani, 2004)	India has a three tier local government structure - Zila (district), Taluk and Gram Panchayat (village level). Only Gram Panchayat has some powers to levy local taxes and Zila and Taluk have no power to levy taxes and mainly rely on intergovernmental transfers. Though gram Panchayat collected significant amount of revenue, it represented only 10% of its expenditures and accounts for 22% of total revenue. These revenue comes from property taxes (48.6%), rents (11.5%), other sources (21.1%). Local government tiers have conditional funding tied to sector like education, health etc. overall rural local bodies total expenditures are 1.4% of GDP and 10% of state level expenditure, and rest of the 97% comes through transfers, mostly conditional. There is no systematic formula to calculate the amount of transfers which takes into consideration factors such as fiscal need and fiscal capacity; more funds go to Gram Panchayat in better of Zila rather than to significantly disadvantaged areas, it also lack transparency and are of ad-hoc basis.
<b>Indonesia</b> (Smoke and Lewis 1996)	70% of total local expenditure is financed by intergovernmental grants 10-15% from shared revenue sources Minor local taxes and user charges controlled by the central government
<b>Tanzania</b> (Fjeldstad 2001a)	85% of the total operation cost in district councils and 75% in urban councils was funded by transfers in 1994 Local government's own revenue represents less than 6% of total national revenues. Most common sources are: development levy, crop and livestock cess, business license and market fees
<b>Ethiopia</b> (Smoke 2001)	110 local authorities and each having a different local government revenue structure Single block transfer based on complex formula (40% of total central revenue) Relies on shared percentages of central taxes (personal income, business excise and sales), few modest independent taxes and non-tax revenues, various kinds of charges and fees.
<b>Kenya</b> (Smoke 2001)	Relies on local property taxes, service charges, and other kind of charges No transfers except for teacher's salaries for municipalities and a small grant to needy councils
<b>Uganda</b> (Smoke 2001)	Local revenue source is graduated personal tax and a complex hybrid of PAYE income tax, a presumptive income tax and a wealth tax and a poll tax Three types of grants: block, equalization and matching-but the system is not fully implemented Since 1998-2000, conditional grants doubled and make up 80% of total transfer, unconditional grants only spent on general management and administration
<b>Argentina</b> (Asensio)	Conditional and unconditional grants and tax sharing accounts for 50% of local government revenue
<b>Brazil</b> (Bird and Smart 2002)	Grants accounts for more than 70% of the municipal governments revenue and are calculated on the basis of formula
<b>Colombia</b> (Dillinger and Webb 1999)	Grants constitute 50% of local government revenue. It is calculated on a complex formula which assigns low weight to population and high value to local poverty. Other factors taken into consideration are: urbanization, development, extent of health and local infrastructure
<b>Canada</b> (Kitchen 2004)	Grants constitute only 17% of municipal government revenue. 15% of the grant is conditional and rest of the 2% is unconditional.
<b>France</b> (Prud'homme 2006)	Grants make up 48% of local government revenue and are calculated on a formula. Most of the grant is in the form of block grants and only 3% is conditional and come directly from various ministries to local government.

Source: Author

### 3.3.3.1 How to Design Intergovernmental Fiscal Transfers (IGFTs)

Since the IGFTs account for a large share of local government revenues; their design is a critical factor in determining the success of decentralization reforms. The design of IGFTs depends upon three main considerations: the amount/size of the distribution

pool; the criteria for distribution among jurisdictions; and the conditions attached to the transfers such as matching or non-matching grants.

1. **Distribution Pool:** It can be calculated based on 1) the percentage of a fixed proportion of the total national revenues e.g. Philippines, Japan, Colombia; or some of the central revenues such as VAT and income tax, also referred to as “Tax- sharing” e.g. transitional and Eastern European countries; or 2) on an ad-hoc basis like a budgetary expenditure (e.g., India)
2. **Determining Criteria for Distribution:** Once the divisible pool is determined, further allocations to local governments are based on a certain formula e.g. general characteristics of a local government such as size, population, rural-urban divide, fiscal capacity etc.
3. **Conditions attached to the Transfers:** Depending upon the intended outcomes, central government may choose to attach conditions to the transfers e.g., matching grants or non-matching grants. It may also choose to allocate funds in the form of a block grant with no conditions attached (Bird and Smart 2002).

Furthermore, the design of transfers and revenue sharing should be based on considerations such as:

- Accountability to control misappropriation of transfers,
- Openness, simple and transparent ways to determine the transfer formula to avoid any politics of interest. This can be ensured by having a quasi-independent body, or a central local committee for the allocation of Intergovernmental transfers,
- Predictability of transfers to ensure regular and timely provision of financial resources,
- Transparency, a transparent transfer formula based on credible factors such as population size, poverty (Bahl 1999; Dillinger 1994; Fjeldstad 2001b; Litvack, Ahmad and Bird 1998).

Whatever the design of the transfers, the literature (Dillinger 1994; Ebel and Yilmaz 2002; Litvack, Ahmad and Bird 1998) has stressed the need for simplicity, transparency

and predictability of IGFTs in order to eliminate the worst problems of uncertainty and bargaining that plagues intergovernmental relations.

#### **4.1.1 User Charges**

Dillinger (1994) argued that the choice of instrument- revenues, transfers and user charges, depends on the intended objectives of the central government and varies according to the functions assigned to local government. Different kinds of revenue arrangements have different kinds of impact e.g. local taxes are appropriate for financing those services whose benefits are localized, and are not confined to individual consumers, however, benefits do not go beyond the boundaries of local government. These local taxes provide a means by which local tax payers can express their demand for services that are consumed collectively. On the other hand, user charges are limited to individual consumers. User charges can impose costs on the individual and in turn ration their behaviour on service consumption. On the other hand, transfers are used to achieve various objectives of the central government and in a way enables central government to influence local government behaviour.

However, the central government may impose constraints on increasing the level of user charges on a distributional justification. Practice indicates that this justification does not hold scrutiny. Where it subsidizes services such as water supply with the objective of poverty reduction; it unintentionally subsidizes affluent consumers and encourages over consumption. This is a common problem in the water sector of developing countries (Dillinger 1994). Nevertheless, there are some reservations against the use of user charges based on equity concerns. For instance, it may be difficult to introduce charges in social sectors such as education particularly primary education. Therefore, it is suggested that services which have an area benefit should be financed through local

taxes such as parks and roads; but where large externalities are involved, such as primary education IGFTs should be used for financing (Bahl 1999)

### **3.4 LIMITATIONS OF THE FISCAL FEDERALISM MODEL**

One of the main themes recurrent in the literature (Bird and Smart 2002; Dillinger 1994; Litvack, Ahmad and Bird 1998; Shah and World Bank. 2004) is the focus on institutions (such political institutions - government, and fiscal institutions- fiscal commission). According to this perspective, the local government's closer proximity to its citizens enables it to respond to their needs more efficiently and responsively because of the better local information provision. This further entails that institutions of democratic participation and accountability for citizen voice and exit should be present. As discussed in the previous section on political decentralization, political accountability to constituents ensures that local governments provide services according to their community's needs. If they fail to do so, people can vote out (through election) such representatives or vote with their feet (through exit) by moving to other jurisdictions or non-government service providers (Tiebout 1956). In practice, these theoretical assumptions are difficult to hold. These assumptions face two problems; in developing countries, where markets and land are not well developed and democratic traditions are not deeply rooted, it is not easy for people to either migrate across jurisdictions or make their voices heard. In Chapter 2 (Section 2.5.2), it was discussed that although political participation is enlarged, it is not effective to be translated into responsive service provision and in most developing countries the political process is captured by.

The relevance of fiscal theories, developed in countries like the USA, has been questioned by researchers in the context of developing countries (Bird and Smart 2002;

Prud'Homme 1995; Shah and World Bank. 2004; Smoke 1993). Prude' Home (1995) has criticized the fiscal federalism model and its relevance to developing countries. According to Prude' Home, the problem is not whether to decentralize or not, but rather what to decentralize, in which sector and in which regions. However, his assertion that decentralization can increase regional disparities and endanger macroeconomic stability in developing countries has found mixed empirical support (Smoke 2001).

### **3.5 ACCOUNTABILITY AND PERFORMANCE**

The fiscal federalism perspective is mainly concerned with fiscal issues such as allocation of expenditure responsibilities, assignment of taxes to the lower levels, design of Intergovernmental transfers, budgeting and monitoring of fiscal flows between the different tiers. The assignment of responsibility alters the accountability relationship among actors. Correspondence between expenditure and revenue assignment will make local government tiers more accountable. If a local government has the right to raise their own revenue and adjust tax bases, they will rely more on their own income rather than relying on the central transfers or bail outs. This implies that central governments should look for tax bases that can be devolved to the local level or at least start a system of surcharges.

Bird and Smart (2002) further argue that a system which relies on matching grants uses a hierarchical arrangement as an accountability mechanism, as the central government requires local governments to provide detailed budget reports linking grants with the specific expense. A system utilizing non-matching grants believes in the political accountability of local governments to their constituencies. Therefore the composition of revenue assignments determines the extent of local governments' autonomy and accountability arrangements. When local governments are assigned a substantial

amount of their own tax bases, their legitimacy over revenue mobilization increases and spending decisions reflect local preferences. Contrary to this, local governments' greater reliance on IGFT limits their autonomy and local governments may become mere agents of the central government, particularly, if the design of transfers is largely conditional matching grants (Mello and Barenstein 2001). However, as discussed earlier, in the case of block grants there is much room for local governments to reflect local needs in the decision making process regarding service provision.

Dillinger (1994) elaborated this further by comparing the performance of: (1) the *over controlled local sector*, (2) the *under controlled local sector*, (3) and the *perversely regulated local sector*. In developing countries (e.g., Kenya, Philippines, Mexico, and India) intergovernmental relations demonstrate patterns of an over controlled public sector. The 'over controlled' local sector has two elements. Firstly, a large proportion of public expenditure is made directly by the central government. Secondly, local government function as an agent of the central government with central government appointing the mayors and controlling public expenditure and revenue decision. This scenario leaves local governments with little incentive to provide responsive services, as decisions are made directly by the central government. On the other hand, the 'under controlled sector' represent a situation where multiple levels of government enjoy functional and revenue autonomy but without a clear specification of their roles and responsibilities. For instance, Brazil enjoys complete political, functional and revenue autonomy, but there is no clear demarcation of the functional responsibilities between state and municipal governments as the constitution assigns the same functions to municipal and state governments concurrently. And without clearly defined responsibilities local government cannot be held accountable by their constituents. It

can also lead to over-expansion of services of fiscal deficits at the national level (Bardhan and Mookherjee 2006).

On the other hand, Latin America and South Asia represent patterns of perversely regulated local sectors. For instance, in Pakistan, every project involving capital investment needs to be assessed and approved by the regional or central ministries of planning and finance. It results in project which are selected and approved by people who have little knowledge of local preferences as they are at a distance from the beneficiaries. Though this process results in projects being sound on technical grounds and ensures funds' availability, however as local stakeholders are not part of the planning process therefore such centrally planned projects fail to induce local ownership of these projects in the long run (Dillinger 1994). It can be inferred from the preceding discussion that an optimal combination of grants, user charges and own tax bases will lead to more responsive and accountable local governments. In addition to this, the functions to be assigned to local governments should be clearly assigned before assigning any financing arrangements.

### **3.6 FACTORS AFFECTING FISCAL DECENTRALIZATION**

The fiscal decentralization literature has stressed the need for complimentary formal and informal institutions for successful decentralization outcomes. Different themes emerge in the literature on the building blocks of fiscal decentralization. An overview of all these factors which are discussed in this section is presented in Table 3-3.

**Table 3-3: Overview of the Factor Required for the Successful Decentralization Outcomes**

Author	Focus	Conclusion; Factors Required For Successful Decentralization Outcomes
Smoke (2001)	Fiscal decentralization in developing countries; literature review	The elements of good fiscal decentralization strategy depends on having an enabling environment; assignment of expenditure responsibilities to local government; assignment of appropriate set of own revenue sources of local government; adequate intergovernmental transfer system.
Smoke and Lewis (1996)	Fiscal decentralization for good governance and effective service delivery; literature review	Prerequisite for decentralization are: developed institutions and procedures, capacity of the local government to undertake new roles, existence of accountability mechanisms. The critical issue is to balance local government autonomy and central control.
	Fiscal decentralization in Indonesia, qualitative study	Obstacles to decentralization are: complex institutional environment lacking coordination among tiers of government regarding role clarity, weak fiscal autonomy and highly regulated local government, lack of central government commitment and poor performance indicators. Furthermore, donors are establishing client relationships with agencies of interest and it is leading to counterproductive competition among agencies for funds.
Dillinger and Webb (1999)	Fiscal decentralization	The outcomes of decentralization depend on the transfer of resources and responsibilities, their coordination through intergovernmental relationships. Set of coherent rules and procedures prescribing 1) division of national and sub national power and political interest 2) expenditure and revenue assignment, 3) electoral rules and political institutions that bind local politicians to the community
Dillinger (1994)	Fiscal decentralization and service delivery	Decentralization reforms require: clarification of functional assignment among tiers of government, linking function with the revenue sources, institutions of accountability both encompassing central regulation and political accountability.
Bahl (1999)	Literature review; implementation rules for fiscal decentralization	Necessary conditions for fiscal decentralization: elected local councils, locally appointed chief officers, significant expenditure responsibilities assigned to local government, significant discretion of local government to raise revenue, budgetary autonomy, a hard budget constraint transparency Desirable conditions: freedom from excessive control, expenditure mandate, unconditional transfers, borrowing powers
Ahmed and World Bank (2005)	Decentralization and service delivery ; literature review	Decentralization needs sequencing among fiscal, political and administrative decentralization reforms.
Mello and Barenstein (2001)	Empirical analysis of fiscal decentralization and intergovernmental fiscal relations	Intergovernmental fiscal relations may suffer from coordination failure in the absence of institutional clarity and transparency.
Litvack, Ahmed and Bird (1998)	Decentralization in developing countries	Decentralization needs incentives for accountability and capacity of the local government. Political accountability can be improved by having transparent budgetary procedures, participatory budgeting techniques, publicizing procurement bids and dissemination of information to the public; selection of tax instrument which can link services to taxes such as user charges, strengthening regulatory framework.

Source: prepared by Author

The empirical evidence from World Bank literature (1999) emphasized to take into account institutional factors such as clear assignments of functions among different tiers of government, a comprehensive regulatory framework which must anticipate that local governments sometimes act as agents of central governments in implementing national or centrally planned objectives and sometimes as principals acting on their own. In the absence of clarity of roles and a regulatory framework, there can be no accountability. For example, in the case of South Africa, central and provincial governments had joint responsibilities in health and education provision, however, the roles of each tiers were not clearly specified. The result of this ambiguity was that provincial governments spent central government transfers for purposes other than health and education (World Bank 1999). These factors are also central in the World Bank report of 1999. It argued that how decentralization affects efficiency and responsiveness of service provision largely depends upon how it is designed and implemented. It depends on the resources and responsibilities assigned to local governments. Even within a particular sector, the mode of decentralization makes all the difference (Table 3-3).

Granting powers to local government is no guarantee that all public interests will be represented; rather it may transfer power from national or regional elites to local elites. This happened in India where participation depends on class, caste and ethnic groups and the poor have very little say or influence in the decision making process (Chapter 1, Section 2.4). It also does not necessarily mean that decentralization will improve the service provision, as it may decrease. It all requires explicit, stable and self-enforcing rules which provide a common ground for all the players engaged in the political process.

As illustrated in Table 3-3, Litvack, Ahmed and Bird (1998) suggested that the fiscal design of decentralization further requires the presence of appropriate institutional

arrangement. These institutional arrangements consist of the ability to adjust the regulatory framework, the organization of service delivery arrangements, establishing an information system, and the synchronization of all these policies. A key issue in decentralization is the coordination of intergovernmental fiscal relations, as assignments of responsibility and revenue requires transparency and clarity in the institutional framework governing such relationships. This issue related to intergovernmental coordination is highlighted in various studies (Fjeldstad 2001a; Rodden 2002; Smoke 1993; Smoke and Lewis 1996) as one of the reasons for the failure of service delivery outcomes. For instance, Mello and Barenstein (see Table 3-3) found that coordination failures in intergovernmental fiscal relations may worsen a local government's fiscal position in developing countries. Similar findings were provided by Smoke and Lewis (1996) in an Indonesian context.

Decentralization does not mean that the central government has no longer a responsibility in those areas. However, it changes the nature of the central government's role from direct provider to creating enabling conditions for a decentralized service provision. Litvak, Ahmad and Bird (1998) suggested that decentralization strategies- political, administrative and fiscal- need policy synchronization to achieve their intended outcomes. For instance, full decentralization of the health sector in the Philippines led to the failure of one state to undertake the family planning program which was a central government priority; and to the drop of a vaccination program in Papua New Guinea.

Dillinger (1994) has also argued that problem of service delivery cannot be addressed by trying to change the behaviour of organizations (municipal governments) alone. It can only be addressed by looking at the variety of institutional factors that may affect its performance. His framework for assessing service delivery reforms emphasized three

main elements: 1) clarity in roles and responsibilities among different tiers of government, 2) linking expenditure with revenue assignments and 3) establishing institutions of accountability which entail both regulation and incentives for local government.

*“The political impetus behind decentralization has prompted central governments to make political concessions hastily. But granting election is a step that can be taken quickly. What is slow and difficult is the working through of new regulatory relationships between central government and local government; the conversation about what had been annual budgetary transfers within a central government into Intergovernmental transfers that are transparent and predictable, and the development of a credible local political system. Much of the problems associated with the current wave of decentralization arise from the failure to match the pace of political decentralization to the pace of regulatory and other organizational reforms.”*  
(pp: 3-4)

However, designing effective intergovernmental structures is not limited to these factors. In reality, the degree of fiscal decentralization varies with the context of each country. The main challenge posed by decentralization is to devise an appropriate structure that provides incentives for local governments to act responsibly and accountable for expenditure decisions, and provide an enabling environment by developing administrative capacity, supportive bureaucratic and political culture. Therefore, the benefits of fiscal decentralization largely depend on the degree of citizen participation, community involvement, the regulatory framework governing the rules of the game, and administrative capacity of different tiers (Shah and World Bank. 2004; Smoke 2001).

The literature has also raised the issue of using Government Finance Statistics (GFS) data as the measure of “decentralization”. For instance, Bahl and Wallace (In Alm, Martinez-Vazquez and Bird 2002) argued that:

*“Empirical estimations are sensitive to variable selection-----. Once the variable is estimated in a different way, the results change significantly, which shows how fragile the estimation results are.”* (p: 115)

Therefore, an analysis of the fiscal decentralization of macroeconomic indicators requires not only quantitative measures but also qualitative methods to fully capture the impact of different institutional structure. The limitation of the use of GFS data is that although it provides a breakdown of expenditure by function and economic type, it does not reflect the true degree of local expenditure autonomy. Expenditure mandated by the central government also appears as local government expenditure. Therefore, the data suffers from an aggregate problem in both expenditure and revenue, as it does not make any distinction between sources of revenues- tax revenue, non-tax revenue, IGFTs and other grants, and does not provide information whether grants are conditional or non-conditional. Therefore, to assess the degree of fiscal autonomy, attention should be paid to the intergovernmental fiscal arrangements (IGFTs), the range of responsibilities assigned to local governments and coordination mechanisms in order to relate fiscal autonomy to local government responsiveness and accountability.

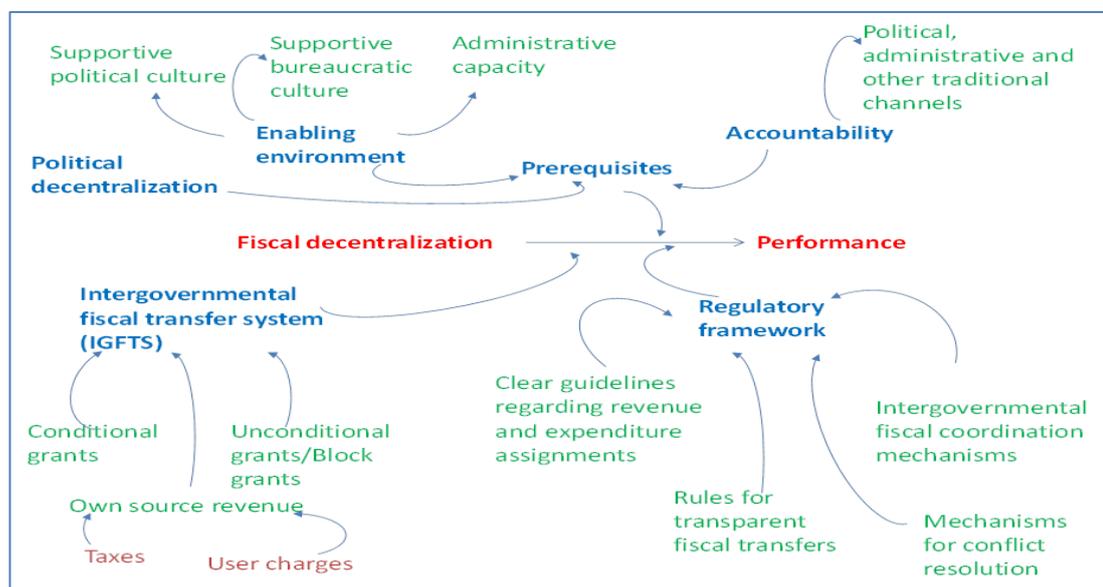
### **3.7 CONCLUSION**

The fiscal perspective stresses three elements of fiscal decentralization: the assignment of expenditure responsibilities to the local government tier followed by appropriate revenue assignment; designing an Intergovernmental Fiscal Transfers (IGFTs) and creating an enabling environment through appropriate legal structures. In addition to this, fiscal decentralization emphasizes political decentralization as a prerequisite - empowering people to participate in the local decision making. The institutional environment of local government is discernible by the intergovernmental fiscal relationship: it entails an appropriate legal and regulatory framework that enshrines clear guidelines regarding expenditure and revenue assignments (Figure 3-1). Most studies focused on assessing the intergovernmental fiscal system (Bahl and Johannes

1994; Boadway and Shah 2007), some studies examined the impact on economic growth (Davoodi and Zou 1998), some assessed the impact of decentralization in terms of governance quality indicators (Shah 1998), and very few studies have analysed the impact of decentralization in terms of responsiveness (Faguet 2004). The studies analysing the impact of decentralization in terms of responsiveness examined the level of public spending and their correspondence to local needs. For instance, Faguet (2004) based his study on fiscal federalism perspective and measured the impact of decentralization on responsiveness. He examined the change in resource flow by looking at the pattern of public investments at local government level and whether indicators of need (level of literacy, access to services) changed these investment patterns. He found that investment patterns changed significantly after decentralization as local governments invested in sectors like education, water management and urban development where they felt the need for these services.

Based on the empirical studies discussed in this chapter, a framework is proposed to assess the link between decentralization and performance outcomes (Figure 3-1). According to this framework, in order to assess the relationship between fiscal decentralization and service delivery performance, attention should be paid to the Intergovernmental Fiscal Transfer system (IGFTs), the regulatory framework and prerequisites of decentralization (political decentralization, enabling environment, accountability). It focuses attention on the institutions of coordination among different tiers by examining Intergovernmental fiscal relations which address the design of transfers, and institutions of accountability to hold local governments accountable for what they do with the resources that have been allocated to them. This section has linked political decentralization as a prerequisite for the assignment of functions and responsibilities to local government to make them responsive and accountable. It has

also shown the importance that roles and responsibilities should be clearly specified through a system of intergovernmental fiscal relations.



**Figure 3-1: Framework for Analysing the Link Between Fiscal Decentralization and Performance**

In conclusion, in order to assess the degree of fiscal autonomy, attention should be paid to IGFTs, the range of responsibilities assigned to local governments and coordination mechanisms in order to relate fiscal autonomy with local governments’ responsiveness and accountability. The key questions that need to be addressed in this chapter are: how far local government has financial autonomy, how the institutional environment constrains them in exercising their autonomy, is there any change in spending patterns of local governments in areas of their priority?

## **CHAPTER 4**

### **PUBLIC MANAGEMENT AND DECENTRALIZATION**

#### **4.1 INTRODUCTION**

This chapter discusses the decentralized service delivery framework from public management perspective. The previous chapters highlighted the local government political and financial autonomy. The dominant theory of public management- New Public Management provides a management solution to the problems of service delivery. The purpose is to identify and discuss various trends taking place in the structuring of the public sector and their implications for the newly decentralized public sector under the jurisdiction of local government. This aim is achieved by first de-constructing the concept of decentralization to distinguish different forms of decentralization which coexist in the public sector. The next following sections (4.3, 4.4, & 4.4.2) provide an understanding of the public management perspective on a decentralized service delivery framework mainly focusing on management decentralization, followed by the technology of NPM to deliver services including competition, contracting and collaboration. The discourse on NPM has raised issues whether such reforms are applicable to developing countries or not. Section 4.5 provides an argument of the applicability of public management reforms to developing countries. The chapter concludes by arguing that due to the increasing complexity of local governance through a plurality of actors involved in service provision, it has become pertinent to link the public sector with the external environment and move from an intra-organizational focus to the management of inter-organizational relations; the

problem of service delivery is not the problem of the public sector alone it is best understood in relation to the other actors involved.

#### **4.2 DE-CONSTRUCTING THE CONCEPT OF DECENTRALISATION**

Decentralization is the central theme of public management. It promises speedier and more responsive service delivery by letting managers manage or by making managers manage (Pollitt, Birchall and Putman 1998). It seems pertinent to define the concept of “decentralisation” before explaining the dominant theories of public management in relation to decentralization. Pollitt, Birchall and Putman (1998) defined decentralization as “*spreading out of formal authority from a smaller to a larger number of actors*” (p: 6), and distinguished different forms of decentralization comprising of three strategic choices:

A. First choice:

- Political decentralization: transfer of authority to elected representatives, or
- Administrative decentralization: transfer of authority to managers or appointed bodies.

B. Second choice:

- Competitive decentralization: competitive tendering or outsourcing to provide services. It does not transfer the ownership rights of an organization but it does transfers some of the operational authority while remaining in framework of contracts, or
- Non-competitive decentralization: when authority is delegated from a higher tier to a lower tier within an existing organization or from a superior organization to a subordinate organization.

C. Third choice involves:

- Internal decentralization: transfer of authority within an internal organization such as empowering the front line workers or

- Devolution: transfer of authority to a separate legal authority such as the creation of local governments.

Another way to look at the concept of decentralization is to differentiate vertical decentralization and horizontal decentralization (Mintzberg 1980). In vertically decentralized organizations the authority is decentralized down the hierarchy while in horizontal decentralized organizations, authority is spread along the same level (such as outsourcing of activities). Another useful distinction is provided in the form of the fourfold typology which has been provided earlier in Chapter 1 (Rondinelli 1989). These various forms of decentralization entail a different degree of transfer of authority and power from the centre to the periphery and governments structure their public services in different combinations of all these forms. These typologies offer a useful way to map different forms of decentralization that may co-exist in the public sector.

### **4.3 PUBLIC MANAGEMENT PERSPECTIVE ON DECENTRALIZATION**

In the late 1970s the traditional paradigm of public administration came under criticism. The financial crisis, the inflexibility of the administrative system and procedures, and a rising dissatisfaction of the public with service provision led to the introduction of a new set of reforms, known as ‘New Public Management’ or NPM (Pollitt, Thiel and Homburg 2007). The strength of the old public administration was based on its claims of: the rule of law, a focus on administration, rules and guidelines, the role of bureaucracy in making and administering policy, political neutrality, and accountability through hierarchy, meritocracy, stability and predictability (Hood 1999). The new public sector model often referred to as ‘managerialism’ (Pollitt 1993), ‘new public management’ (Hood 1991), or ‘entrepreneurial government’ (Osborne and Gaebler 1992), was considered a new “ideology” (Pollitt and Bouckaert 2000), or a “general

theory” of how the public sector should be structured (Lane 2000), comprising a set of social values and beliefs borrowed from private sector management techniques regarding ‘what to manage’, and ‘how to manage’ the public sector.

Managerialism is different from public administration in four respects. Public administration was considered to involve carrying out the instructions of politicians with a short term focus on internal organizational goals, while managerialism is concerned with linking organizations with their external constituencies, aiming at long term goals and making sense of its external environment in strategy formation. The second aspect relates to the management of the internal organization such as staffing, directing and controlling performance. Traditional public administrators carried out staffing and directing functions, however, controlling performance was weak. Managerialism gives managers more flexibility in managing staff by devolving operational autonomy, having a performance culture, explicit performance standards and performance based incentive structures. Clearly, strategy and managing external constituencies are pertinent features of NPM (Hughes 2003).

NPM proposed a decentralized service delivery framework to foster efficiency, economy and effectiveness by disaggregating large bureaucratic organizations into lean, flat organizational structures operating at arm’s length with devolved financial control, use of market type mechanisms such as contracting out to foster competition, hands on professional management with an emphasis on output and outcome, performance management and letting managers manage (Hood 1991).

The initial conception of NPM (Hood 1980; 1991) focussed more on internal organizational changes. At a more detailed level the content of NPM underwent a shift of emphasis over time and the proponents of NPM had competing perspectives on key

constituents of NPM. Ferlie (1996) provided a comprehensive overview of the evolution of different models of NPM. During the first half of the 1980s in the UK and the USA, the thrust of NPM reforms was to achieve efficiency and economy through quasi market and market type mechanism which were subsequently replaced by a more balanced approach emphasizing quality, “empowerment” of line staff, consumer and consumer choice (Pollitt 1993: 188-96). In the latter half of the 1990s, there was an emerging discourse emphasizing “joined up government”, “relational” contracts, “new managerialism”, Whole-of-Government (WG)” approach, and “modernization” which emerged as a response to the unintended consequences of NPM referred to as “hollowing out” of the state to achieve better coordination. Hollowing out refers to the process of increased fragmentation of public sector organizations as a result of a purchaser provider split and contracting out. The dominance of a particular NPM model also varied from country to country. For instance, market type reforms were more ambitiously adopted in the UK than in Germany, the Nordic countries and France (Pollitt, Thiel and Homburg 2007; Pollitt and Bouckaert 2000).

In the UK, the managerialism of the Thatcher government was mostly concerned with achieving efficiency and cost savings. However, there was a significant shift in the New Labour government policy to the public sector. They adopted a softer and more inclusive approach and focused on collaboration, joined up services and partnerships:

*“The government will take its drive for more joined up and responsive services further by actively encouraging initiatives to establish partnership delivery by all parts of government in ways that fit local circumstances; and establishing common targets, financial frameworks, IT links and so on that support such arrangements.” (Cabinet Office 1999, Chapter 3)*

Modernization presented a new form of managerialism. It challenged the boundaries between policy and management previously drawn by NPM and the negative consequences of fragmentation by bringing a shift in the technology of managerialism

and emphasizing the role of *collaboration* in service delivery. The role of the citizens and user participation also changed under the new managerialism. NPM governed its relations with consumers through limited feedback mechanisms such as consumer complaints procedures, market research, while relations with the public are governed through representative democracy. New managerialism gave users a more direct role in service delivery and relationships with the public were governed through deliberative democracy.

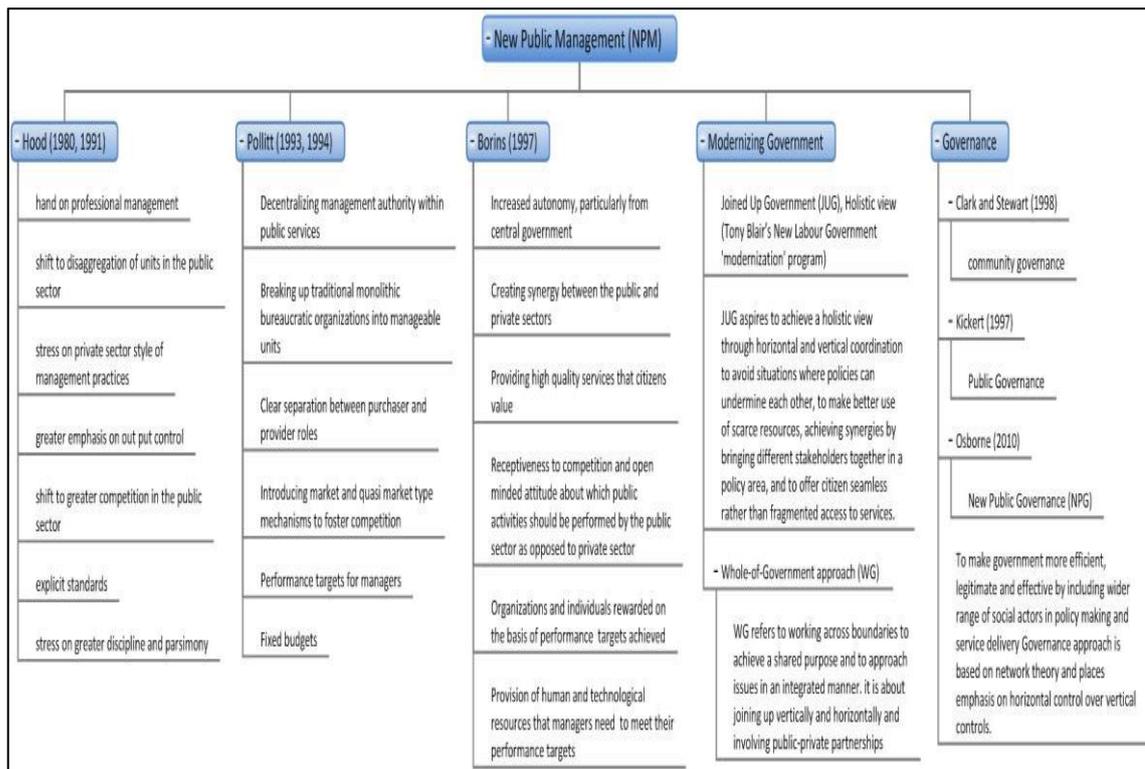
*“The discourse positions the public as stakeholders whose views are to be sought through various forms of participative and dialogic democracy.”* (Newman 2000a, p: 59)

Hence, the focus shifted to various forms of citizen engagement through partnership, community governance fostering active citizenship, overcoming the problems of social exclusion and promoting public participation in the decision making process. However, the discourse on new managerialism also acknowledged the challenges posed by new forms of governance to traditional institutional arrangements. According to Newman (2000), the focus on join-up government or new managerialism required a new set of expectation form political and managerial heads of service delivery organizations. It demands new managerial capacity to achieve organizational objectives and for managing collaborations.

Advocates of NPM (Pollitt and Bouckaert 2000) also argued that NPM is not a set of coherent interrelated techniques. Some of these techniques may work in some context and may not in others. Nevertheless the fundamental issue is to understand the context to know what works, what does not and why? (Flynn In McLaughlin, Osborne and Ferlie 2002). It is a commonplace understanding among public management scholars (Flynn In McLaughlin, Osborne and Ferlie 2002; Pollitt, Thiel and Homburg 2007) that

the context of an intervention plays significant role in the outcome of public management reforms.

Arguably, the NPM reforms of 1980-1990s introduced competition to the most activities of the public sector in advanced countries like UK, USA, and New Zealand (Walsh 1995). This had a significant impact on the structure and organization of public sector organization and the implications for the cultural values of public sector and subsequently on the roles and responsibilities of managers. The use of contractual arrangements required that service standards are clearly specified. There has been a greater emphasis on accountability particularly accountability for performance. The contract culture led to a differentiated mode of service delivery and resulted in a “hollowing out” of state. The result was loss of location of authority, responsibility and accountability in the public sector (Sullivan and Skelcher 2002). Hence, greater plurality in terms of service providers required significant implications for the local authorities. Subsequently, the focus shifted to how to deal with the unintended consequences of reforms and achieve more coordination and integration of public services. The outcomes of these were joined up services, partnership and formal or informal direct user involvement in service provision. An overview of NPM conception is provided in Figure 4-1.



**Figure 4-1: Key Themes of NPM**

Source: Author

#### 4.4 MANAGEMENT DECENTRALIZATION

NPM proposed a decentralized framework for service delivery: corporate core responsible for strategy and policy making, the client side for setting and monitoring standards, and the service providers directly involved in service delivery. Decentralization is the key feature of NPM; disaggregating organizations into manageable units and decentralizing operational and financial autonomy to public sector organizations and their managers. This has created different forms of decentralized organizational arrangements based on the amount of operational and financial autonomy transferred down the hierarchy such as the creation of executive agencies or semi-autonomous organizations, de-concentration, and corporatization. These organizational forms have had varying degree of financial and operational control in the decentralized units.

The argument for agencification is based on the idea that service providers can be set up as independent units using devolved budgets, and strong independent control at the local level through the establishment of clear performance based regimes. The role of politicians is limited to defining strategic policies and overseeing agency performance with limited involvement in the day-to-day operational matters. The agencies acquire greater managerial powers and flexibility in the allocation of resources (financial and human) and in turn for greater accountability for performance. Some of the examples of devolved financial control in Britain were: the Financial Management Initiative (FMI), Resource Management Initiative (RMI), and formula funding of schools with local management of school budgets. Devolving financial autonomy and giving managers more control required explicit performance targets either at the organizational level or individual level or both indeed (Walsh 1997).

#### **4.4.1 Management Decentralization and Performance**

Walsh has also argued that the development of executive agencies in the UK had a limited effect because:

*“In order for there to be a fundamental change to the way that system operates there must be fundamental changes in the organizational and institutional frameworks. -----it has not been accompanied by significant changes in the financial regime that operates within the civil service. The service is still dominated by an institutional framework that assumes central control, uniformity, and traditional concept of financial control-----the experience of other agencies and other countries suggest that without attention to fundamental institutional issues traditional approaches will tend to reassert themselves.”*  
(Walsh 1995, pp: 181-191)

He further argues that the shift to devolved budgets through the creation of semi-autonomous agencies or executive agencies required a break from the traditional hierarchal control. It is not enough to devolve budgets without devolving real control over resources at the local level. So far the emphasis has been on the creation of

independent operational units first, and not so much on the financial devolution and control of resources.

Research in developing countries in comparison found that there is often a reluctance to devolve financial budget and control. The agencies had no power over personnel management and their compensation partly because of central government's concerns over the size and expenditure of the public sector and partly because of central bureaucratic control (Larbi 1998). Russell, Bennett and Mills (1999) noted a similar centralized control of devolved units in developing countries which were the main barriers to the autonomy of local managers. For the effective implementation of management decentralization, organizations needed to break away from the traditional command and control system toward a performance orientation.

The implications of decentralized service delivery arrangements would result in the provision of public services in a differentiated pattern of service provision through a network of organizations rather than an integrated hierarchical provision as was the cases in public administration. This has shifted the focus from one organization to a network of organizations working together for service provision. For this change to be successful organizations require an effective organizational infrastructure such as information management systems, accounting systems, monitoring and control procedures to oversee managers are achieving the desired results within a defined framework of performance, and the capacity to manage a network of contracts through which services are delivered (Walsh 1995).

The research in developing countries has identified similar constraints on the effective performance of decentralized service delivery units. Management decentralization requires a monitoring system before control to the lowest level can be devolved, and

where such controls were weak, the increased autonomy was linked to an increased levels of corruption. According to Larbi (1998), in developing countries, organizations have weak planning, budgeting and management system in addition to a lack of financial and human resources, which put severe constraints on organizations' abilities to perform their new roles under decentralized arrangements. In addition to this, Larbi further argues, that in spite of capacity issues, performance contracting in Ghana produced initial positive outcomes. It was a useful intervention as it at least articulated performance objectives and gave managers more autonomy to manage day to day operations. Yet, these contractual models depended on the separation of the politics from management of operations. The findings also suggest that contractual models assume that organizations have the capacity to regulate, measure and monitor performance. However, developing countries do not have the capacity for corporate planning, and monitoring and usually lack information management systems.

Research in Zimbabwe, Bangladesh, India and Ghana also noted similar findings (Russell, Bennett and Mills 1999). The developing countries experiences suggest that reforms take place within an existing centralized bureaucratic system where key stakeholders such as politicians and senior bureaucrats are reluctant to relinquish their control on the justification that they have weak technical capacity and greater devolution of financial control may lead to more corruption at the local level. Furthermore, centralized financial management and personnel management systems hinder the capacity of decentralized units to manage contracting-out processes and the flexibility of local managers to manage their personnel performance in an effective manner. Hence, the effective implementation of NPM reforms needs a shift from a command and control approach to more market based relations, a change not only in structural arrangements but also change in organizational values, the capacity of

organizations to perform their new roles and the willingness of key stakeholders to commit themselves to the implementation of reforms.

#### **4.4.2 Selected Service Delivery Techniques**

This section explores decentralized service delivery techniques, their appropriateness and constraints on their implementation, particularly in a developing country context. NPM proposes service delivery options ranging from market and competition to collaborative forms. As discussed earlier, in the early period of NPM, efficiency and economy were the key focus and contracts and markets were considered the main service delivery options. However, during the late 1990s, the focus shifted to more collaborative forms of service provision which were seen as a more balanced approach to service provision. Therefore, this section will review contracts and competition followed by collaborative forms of service provision.

##### **4.4.2.1 *Contracts and Competition***

Contracts represent a move away from hierarchy to competition or market based approaches to the provision of public service, in which the roles of principal and agent are clearly specified. Public organizations can simply contract out services to the private, voluntary or non-profit sector or it may choose to bid internally for the right to provide services in competition with the private sector (Walsh 1995). Contracting out is the most common type of such reforms used in both advanced and developing countries. Contracting out refers to the outsourcing or buying in services or goods from the private, voluntary or non-profit sectors (Larbi 1998; Minogue et al. 1998; Walsh 1997). The role of the public sector, as a purchaser or principal is to define what is required through contracts and to let the contract monitor the performance of the client or contractor who is responsible for the delivery of service provision.

According to Walsh (1995, p: 112), the case for contracting is based on a 'make or buy' decision and the main objective of contracting is to "make responsibilities explicit and to create an appropriate pattern of incentives" and in doing so removes politics from the process of service delivery. Nonetheless, the empirical evidence indicates that politics of interests play a significant factor in the way contracts are awarded and the way contracts are structured, particularly in developing countries (World Bank 1994). The development of markets and competition requires a fundamental change not only in the structures of organizations, but also new values of entrepreneurial managerialism. Public sector managers have to think and act in a new way as the development of contracts involves a blurring of organizational boundaries and the focus of managers has to shift from intra-organizational to inter-organizational management. The key issues that arise in the development of markets are related to the management of information, quality and risk, incentives and trust. Subsequently, it raises the issue of whether a government has an information management system for detailed decision making, particularly in cases where the complexity and variation is great and it is difficult to anticipate all the possible contingencies in the contractual arrangements. Furthermore, if the quality of service is not easy to specify, it becomes more difficult to monitor the performance of contractors. In such cases, there is a greater need to have an emphasis on developing an inspection and monitoring system. Hence contractual arrangements have their associated costs. The cost of developing an information management system, monitoring and incentive system, relationship management, detailed procedures for inspection and audit where it is difficult to assess levels of service quality, detailed understandings of the pattern of risk involved particularly when contracts are of long duration and quality is not easy to define.

Contracts can be of various types based on the size, degree of formality, detail and length of time for the contract (Batley and Mcloughlin 2010; Walsh 1997). The four main types of contractual arrangements are:

- **Performance contracting:** a performance agreement is negotiated between the government and the managers of service delivery organizations. The objective is to improve the performance based accountability of managers and employees by clarifying their roles and expectations through performance contracts (World Bank 1994). The OECD goes further and argues that “*performance contracting offers a framework for generating desired behaviours in the context of devolved management*” (OCED 1999, p: 7)
- **Management contracts:** These are broad scope contracts and transfer the management and operation of public sector organization to the private sector such as water utilities, ports, railways. The main objective is to increase managerial autonomy and reduce the risk of politics in day to day operations.
- **Service contracts:** Transfer of operation and maintenance of a particular aspect of service to the private sector (such as refuse collection, billing and fee collection) or buying in of services from the private sector (such as data processing, engineering solutions, and consultancy)
- **Lease /concession contracts:** These are long term contracts used in case of non-public goods and services which have the tendency to become a monopoly and the government has a strong interest to retain ownership to ensure public interest. Examples of these kinds of contracts include: public utilities such as gas, electricity. The contracts transfer managerial and financial responsibility to the contractor. However, lease contracts are different from concession contracts as the latter involve private sector financial investments in the fixed plant, while in lease contracts, contractors cover the operation and maintenance costs from the revenue generation (World Bank 1994).

Each contractual arrangement has its associated risks and benefits. Short term contracts may be less risky, easily agreeable and easy to monitor. However, the associated

management cost is high. They may have the transaction costs of frequent contracting and in case of multiple contracting arrangements for various activities, the cost of coordination or management of these fragmented contractual relations may be very high. The private sector may be less likely to take interest in short term contracts because of the uncertainty and periodic nature of work, particularly when particular skills and assets need to be developed to carry out these activities. And with the uncertainty of getting such contracts, the associated risks become higher. Likewise, long term contracts have their own potential risks and gains. A concession or lease has the feature of covering up all aspects of a service in one contract for a period of 10-20 years while at the same time cutting down the cost of transaction and reducing the coordination cost. However, the associated risks are; public sector workers may perceive job insecurity, and the government may not have the capacity to design such contracts because of the increased complexity involved since it requires a great amount of anticipation and information to deal with potential uncertainties, these contractual relations are likely to depend on trust between the public and private sectors (Batley and Larbi 2004).

The extensive use of contracting out services may have serious implication on the organizations of public sector as the organization itself may become a ‘nexus of contracts’ (Walsh 1995, p: 116). Hence, Walsh argues “*the management of contracts is then a management of networks of contracts*” (p: 117) and the move is to inter-organizational networks rather than having an intra-organizational focus. Contracting out is mostly recommended in cases where complete privatization is not possible as it allows for managed competition. It asserts to bring the benefits of flexibility, cost savings, and improved efficiency as a result of increased competition and choice. It also provides public sector organizations with private sector expertise which otherwise

would be too expensive to retain on organizations payroll (Larbi 1998; Minogue et al. 1998; Walsh 1995). One argument by McPak and Hongor (1995 In Batley and Larbi 2004) is that developing countries employ contracting out not to achieve efficiency but because of the lack of expertise and technical capacity. This idea is contestable. Batley and Larbi (2004) highlighted that developing countries undertake contracting out for managed competition and improved efficiency of the public sector. The selection of the right type of institutional arrangements depends on the following factors:

- The technical capacity of the government to undertake new roles under contractual arrangements such as contract design, specification, monitoring and evaluation;
- The capacity of the government to enforce contracts and the presence of an adequate regulatory framework to enforce contracts
- The availability of many private sector providers with adequate capacity to undertake new roles (Batley and Larbi 2004; World Bank 1994).

In addition to this, contracting is most likely of benefit if contracts increase transparency and accountability by specifying the contract details and the way contracts are awarded. A comparison of concession contracts between Buenos Aires and Caracas for example, identified that concession contracts for water and sewerage in Buenos Aires were a success story because of the strong support of the government. This had fewer risks to investors, attractive tariffs and better technical and financial capacities (World Bank 1994).

#### **4.4.2.1.1 Contracting out and Service Delivery Outcomes**

The question is whether contracting will lead to more efficient, responsive and improved service quality. The empirical evidence for this claim of efficiency and responsiveness is mixed (Boyne 1998). Walsh (1995) provided a comprehensive assessment of this practice in advanced countries and concluded:

*“It is well to be sceptical about the data on the efficiency impact of the introduction of market mechanisms. The information is difficult to gather, and, in many cases, studies rely on assertions or on surveys of manager’s perceptions” (p: 231).*

Minogue et al. (1998), after assessing different studies on contracting in the UK, concluded that the outcomes of contracting remain contested and uneven throughout the empirical literature. A similar conclusion is drawn by Kirkpatrick and Martínez Lucio (1996). The literature from advanced countries suggests rather negative outcomes of contracting, such as trust deficit (Walsh 1995), and reduced workers' morale (Cutler 1994). Kirkpatrick and Martínez Lucio (1996) argued that new problems and contradictions are emerging as a consequence of managing public services through contracts. According to them, the use of contracts is creating new issues of coordination and control for the public sector.

Research in India, Sri Lanka, Thailand, Ghana and Zimbabwe (Russell, Bennett and Mills 1999) found limited application of NPM type reforms (unbundling, contracting out) and noted that the adoption of such reforms requires new management skills and a strong system of accounting, information management and human resource management, which were lacking in all the countries studied. In addition to the capacity constraints, the existing organizational culture was another main constraint. The organizational culture was not performance oriented and all the countries studied had a command and control system in place with little motivation for the staff to show an innovative approach to tasks. There were no efficiency gains reported in this study.

*“Many elements of the NPM type agenda require not only changes in organizational structure but also organizational culture. For effective implementation of contracting out or autonomous hospitals, there needs to be a shift away from patronage and hierarchical command and control towards more market-based relations. Such a transformation of organizational culture (and the social relations upon which it is based) cannot be quickly achieved, and those who did well under the previous system of relationships are unlikely to be willing to give up their influence. Nor change can be effected through formal*

*training alone: the new skills necessary need to be learnt through hands on practice.” (Russell, Bennett and Mills 1999, p: 773)*

Batley and Larbi's (2004) comparative research from South Asian and Sub-Saharan African countries compared contracting out in four sectors: health care, agriculture marketing, urban water supply and business development. They concluded that besides capacity constraints both at the institutional level and internal to the service delivery organization, there was evidence of advantages to be gained from contracting out:

*“Almost all the cases---show gains in managerial efficiency by comparison with direct public provision. They also showed that there were widespread reported gains in service performance to customers.” (p: 178)*

Larbi (1998) highlighted that contracting out faces problems of organizational capacity and resistance from various stakeholders. According to him, Ghana is using contracting out, particularly service contracts in the health and water sectors for feasibility studies by external experts, construction work, supply, installation and maintenance work, recurrent supplies etc. However, the research identified various constraints: a lack of clear policy or guidelines for contracting out, the central agencies were playing the leading role in the awarding of contracts and the implementation agency had no role in the decision making process at all. Regulatory mechanisms were also found to be weak. There were multiple agencies involved in contracting out process - contract designs, awards, monitoring and evaluations - but there was no coordination system among them to share information. The enforcement of contracts was based on a punitive approach. This was rarely used as the public sector has a list of “trusted” contractors and resorting to punitive measure may expose the hidden “deals”. Besides these macro level institutional constraints, reforms were also resisted by stakeholders both internal to the organizations and at institutional levels. For instance, reforms to contract out was opposed because of a fear of job losses, uncertainties about the benefits, poor coordination of how these reforms were going to effect in the long run. Therefore, the

research concluded; *“Contracting out may not be a panacea for the problems of public services in Ghana unless the right organizational and institutional conditions exist”* (Larbi 1998, p: 162).

According to Batley (1996) the assumption that contracting out will lead to better performance has met with partial support. For instance, clear positive evidence for contracting out was found in the case of refuse collection in Recife (Brazil). On the other hand, this study found negative outcomes of contracting out solid waste management in Malaysia. Likewise, the public water supply system was found to be more efficient, provided they had sufficient autonomy, in Porto Alegre (Brazil), Hermosillo (Mexico), and in Bulawayo and Mutare (Zimbabwe). Batley concluded that factors like the existence of competition, operational autonomy, political support for management, the local politico-institutional environment, and the nature of the services, play a significant role in determining performance outcomes. The introduction of market type mechanisms such as contracting result in new transaction costs such as the costs of drawing up contracts, monitoring, enforcing and demands on the government to perform new roles of regulating and coordinating these new arrangements of service delivery. However, the results of these studies are not very rigorous as the performance data found are very limited *“there is no before and after comparison, except what is based on the subjective impression of those interviewees”* (Batley 1996, p: 725). An overview of the factors affecting contracting arrangements is presented in Table 4-1.

**Table 4-1: Factors Affecting NPM Reforms in Developing Countries**

Author	Study Focus	Factors Affecting Contracting out Reforms
Batley and Larbi (2004)	Sector: Water Countries: Asian countries: Sri-lank, India African countries: Ghana, Zimbabwe,	<b>Internal factors:</b> limited experience of complex contracting, weak information on service operation, weak revenue raising for payments to contractors, weak regulatory skills or autonomy staff resistance and lack of incentive <b>Inter-organizational factors:</b> absence of pressure for change in organizational arrangements, weak ‘contract culture’ <b>External factors:</b> weak adaptive capacity, socio-political opposition to privatization, economic and financial instability, weak legal framework, private sector risk, weak indigenous firms.
Russell, Bennett and Mills (1999)	Sector: Health Countries: Ghana, Zimbabwe, Sri-Lanka	<b>External factors:</b> Resistance from politician and bureaucrats to reforms, economic factors (economic crisis in Ghana), small private sector, Kickback promised to politicians, political patronage in capital investment projects <b>Internal factors:</b> shortage of skilled staff, main weaknesses were found in HR, Finance, and accounting system, organizational culture (lack of a performance based reward system, poor salary structure limiting staff’s ability to learn new skills), lack of ownerships of reforms.
World Bank (1994)	Country: Developing countries Sector: Infrastructure (Water, Electricity, Telecommunication etc.)	<b>The technical capacity of government</b> to undertake new roles-contract design, specification, monitoring, and evaluation), <b>lack of regulatory framework</b> to enforce contracts, <b>weak private sector, local contingency factors.</b>
Larbi (1999)	Country: Ghana, Sector: Water	<b>Eternal institutional factor:</b> Lack of clear policy or guidelines for contracting, central agency’s main role in awarding the contract without consulting the implementing agency, <b>Inter-organizational factors:</b> coordination issues because of multiple agencies involvement in contracting out process, resistance form stakeholder-internal to organization and other institutional level
Batley (1996)	Country: Brazil, Malaysia, Mexico, Zimbabwe Sector: Education, Water, Refuse collection	Factors like existence of competition, operational autonomy, and political support for management, local-political institutional environment, visibility and nature of the service.
Samaratunge (2008)	Country: Bangladesh, Sri Lanka, Malaysia and Singapore	Political context, macroeconomic conditions, state traditions and role of International development agencies and civil society

Source: Author

Overall, the claims of efficiency and effectiveness through market type reforms from developing countries also remained thin (Batley 1996; World Bank 1994). There are very few comprehensive assessments of the outcomes of market type reforms from developing countries. The most detailed performance assessments of such reforms known to the researcher and referred to earlier were carried out by the World Bank and

Patrinos et al. (2009; 1994), Batley and Larbi (2004), and Batley (1996). Otherwise, studies seem to provide assumptions which claim that competition leads to greater efficiency and effectiveness, but very few studies actually have supported these arguments with empirical evidence. The limitation of data (pre-post data) availability is reported as the main constraint on the evaluation of reforms not only in developing countries but also in advanced countries (Pollitt 1995; Walsh 1995).

#### **4.4.2.2 Collaborative Service Delivery Arrangements**

Collaborative forms of service provision- formal or informal are becoming as important as hierarchical intra-organizational relationships. This section intends to review the collaborative forms of service provision with the focus on identifying the nature and type of collaborative forms: informal user or community involvement, and highly formal collaborative forms such as partnerships. In addition to this, this section attempts to understand the constraints that may affect the performance of such collaborative forms.

One way to understand the nature of collaborations is to use typologies to organize the literature on some common grounds for comparison. Sullivan and Skelcher (2002) provided a useful typology to distinguish highly informal relationships among partners to highly formal forms of collaboration which is presented in Table 4-2. According to the Table, at one end of the continuum are highly informal collaborative arrangements known as networks, and at the other highly formal or structured relationships termed as partnerships, and the extreme form of collaboration - integration.

A partnership is differentiated from contracts because of its requirements for joint decision making on a long term basis and it is differentiated from networks as they require the formal articulation of a purpose and plan which bind the partners together.

Networks are constituted on an informal basis and are regulated on the basis of trust and reciprocity. They characterize more fluid relationships among the actors in that particular network.

**Table 4-2: Forms of Collaboration and Rules of Governance**

Forms of Collaboration	Loose networks of informal ad hoc relationships	Limited agreement to share information	Agreement to undertake activities jointly	Agreement to constitute formal governing body	Creation of federal structure in which participating bodies agree devolve powers upwards some of their autonomy	Merger of participating bodies into single organization
Rules of governance	Self-government through mutual norms and obligation and shared values and trust	←————→			External government through overarching constitution	Hierarchy
Organizational and policy terminology	Network		Partnerships		Federation	Integration

Source: Adapted from Sullivan and Skelcher (2002)

Formal collaborative arrangements known as partnerships suffer from “*methodological anarchy and definitional chaos*” (Ling 2000, p: 82). A difference between partnership and contracting is provided by Klijn and Teisman (2003):

*“Contracting out is characterized as principal agent relationship in which public sector defines the problems and provides the specifications of the solution---partnership, on the other hand, is based on joint decision making and production in order to achieve effectiveness for both partners. Relational transparency, or in other words, trust is crucial.”* (pp: 85-6)

Klijn and Teisman (2003) defined a partnership as “joint decision making and production” (p: 1). The academic literature on partnerships stresses three key elements: long term commitment and mutual dependency, collaborative advantage (Huxham 2003), and the creation of formal partnership arrangements (Sullivan and Skelcher 2002). An ideal type of partnership (Brinkerhoff 2002b; Brinkerhoff 2002a) can be defined as:

*“A dynamic relationship among diverse actors, based on mutually agreed objectives, pursued through shared understanding of the most rational division*

*of labour based on the respective comparative advantages of each partner.”*  
(Brinkerhoff 2002a, p: 21)

However, this definition presents an ideal form of partnership, which in reality may not be either fully operational or universally applicable. Nevertheless, ideal forms are helpful to establish some comparison with what exists in reality. A broader and more operational definition is provided by Bovaird (2004, p: 200):

*“Working arrangements based on mutual commitment (over and above that implied in any contract) between a public sector organization with any organization outside of the public sector.”*

This is a broad definition in the sense that it encapsulates the key features of a partnership ‘mutual commitment and relationship beyond contractual arrangements’. It also incorporates all kinds of public sector partnerships with both private and third sector organizations. Third sector organizations include: Civil Society Organizations (CSO), Community Based Organization (CBOs), the voluntary sector/Non-Governmental Organizations (NGO). Another form of partnership which involves direct users or community in service delivery and/or third sector or local community organizations has been termed as co-production. In the UK ‘co-production’ has been used to analyse the role of voluntary and community organization (VCO) in service provision. An example of such a partnership includes: Local Strategic Partnerships in area regeneration (Osborne and McLaughlin 2004), while the term co-production is used to refer to the growing involvement of direct users in service provision in continental Europe (Brandsen and Pestoff 2006). However, the common notion is co-production refers to the involvement of the third sector- whether voluntary organizations, NGOs or community- in the local management of services. The focus of developing countries’ literature is also on the government and third sector collaborations.

Depending on the level of involvement of third sector and public organizations in the decision making process, financing and delivery of services, such collaborations can take three modes: *co-determination*, *co-financing*, *co-production*. In the process of *co-determination*, both parties decide jointly about the type of social services to be produced and how. Mostly, in this form parties work through the consultation process to discuss the utilization of resources, and *co-financing* involves decisions regarding the financing of a project such as how much the local community can raise to finance the project. *The co-production process* determines that both parties will provide the resources and labour in the actual delivery of services (White and Robinson 1998). Ostrom (1993) argued that co-production involves multiple parties including the public sector, private and/or third sector and even the recipients of the services- the local community in the production of services.

Hence, collaborations are more flexible and all inclusive institutional arrangements for efficient and responsive service provision and may range from highly informal arrangements to a highly formal partnership. A significant dimension of all these collaborative forms is an attention to the organizational relationship (also known as Inter-Organizational Relationship - IORs) among partners which are managed through “*engagement, feedback, adjustment and re-engagement*” (Brinkerhoff and Brinkerhoff 2002, p: 12). Inter organizational dynamics are a process of “*negotiation, commitment and implementation*” (Batley and Rose 2011, p: 234) and are the key to sustain such collaborative forms over time (Thomson and Perry 2006).

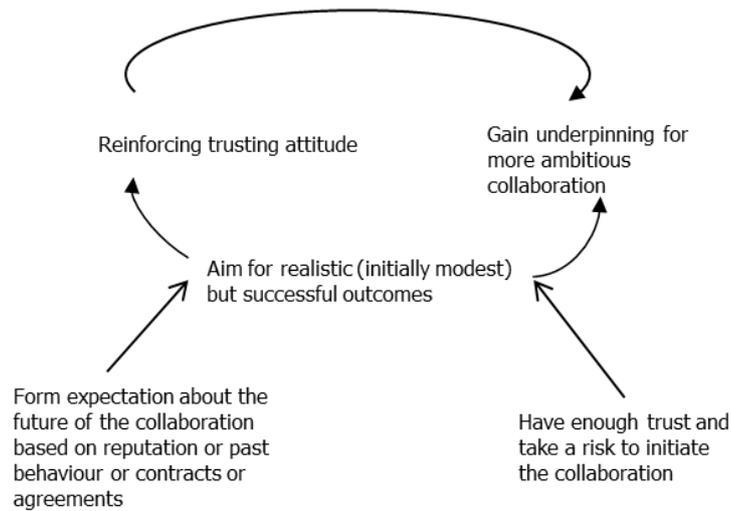
#### **4.4.2.2.1 Factors Required for Successful Collaborative Service Delivery Arrangements**

Rosenau (2000) emphasized that key decisions need to be set out at the beginning of the partnership and stated in a concrete plan. Partners should have role clarity in the roles

and responsibilities of each partner. Goals should be achievable and identified and partners should have some incentives to carry out such plans. The entire process needs systematic monitoring. Huxham & Vangen (2005) further argue for a need of clarity about the aims of working jointly if partners are to work together in order to implement the policies. A clear set of goals provides the starting point for collaboration. In collaborations, besides the goals for collaboration, there are organizational goals of each partner, as well as the individuals' own goals. Some of them may be explicit, and some of them may be implicit. The bottom line is that an agreement can be formed over key issues which can further foster trust among the partners. However, this whole process should be treated as an interactive process in which the goals of collaboration, roles of partners and methods of working jointly should be revised over time (Hulme 2001).

Trust is the key element for managing and sustaining collaborations. Trust is a product of prior working relationships and is an essential pre-condition for building mutual trust between partners. Figure 4-2, depicts the process of trust development in collaborations (Huxham and Vangen 2005; Lowndes 1998; Skelcher 2005). Trust building depends upon two factors:

- Firstly, the formation of expectation among the partners about the partnerships which is an outcome of past behaviour or reputation and,
- Secondly, risk taking; to what extent the partners are willing to take a risk in the initiation of collaboration (Huxham 2003).



**Figure 4-2: Trust Building Loop**

Source: Adapted from Huxham (2003)

One of the strategies presented in the cyclic loop offered by Huxham is to take some risks, in case there is no prior history of working relationships, to initiate collaborations and aim for realistic outcomes. Huxham (2003, p: 26) argued that the key to the successful management of trust lies in the ability to “*cope in situations where trust is lacking and ability to build trust in situations where this is possible.*” However, there is no general consensus on how to build trust. The management of trust remains problematic (Entwistle and Martin 2005).

The literature has also stressed the significance of the roles key individuals play in managing collaborations. The skills and capacity of individual’s leaders are very significant in achieving the competitive advantage of a partnership. On the organizational side, the adaptive character of a public official is a crucial factor in managing collaborative relationships. On the civic side, the drive and skills of the community leaders, NGOs or other private sector partners provide positive impetus. This has been coined as a new term - the ‘social entrepreneur’ (Robinson and White 1997). Williams (2002) argued for the role of boundary spanners - individuals who

manage inter organizational relationships, increase the likelihood of success of collaborative arrangements. His empirical research in policy areas-environment, crime and community safety and health promotion, identified four competencies for the role of boundary spanners - the ability to build and sustain relationships, ability to negotiate and influence through the power structure of collaboration, ability to manage complexity and interdependencies, and the ability to manage roles, accountability and motivation. These competencies require skills such as effective communication to create a shared purpose, understanding, empathy, networking, conflict resolution, creativity and innovation and the ability to build trust among partners (McGuire 2006). It is clear from these arguments that key individuals from both the public domain and from the private or civic domain are very significant in building up trust.

According to Huxham (2003) structures and processes for leading collaboration are as important as the participants involved in the collaboration. Structures determine key factors as they determine the power structure. They determine who has influence in shaping partnerships, the power to act and resources to be tapped, the line of control and accountability. On the other hand, processes consist of formal and informal arrangements such as committees, workshops, medium of communication. They provide the members of partnerships with access to the partnership agenda and are instruments for effective communication. In order to build and sustain trust it is necessary to pay attention to the issues of management of communication, power imbalances, credit recognition, joint working, and various levels of commitment on a continuous basis.

At the macro level, institutional context plays a significant role in determining government-private sector collaborative arrangements. The institutional environment consists of: a socio-political context, the history of government-private sector

relationships, and legal and policy framework which may restrict or be facilitative of government-private collaboration. Hulme (2001) argued that state-civic organization relationship are complex and vary according to the context. If the prior history of a particular context suggests a legacy of private sector collaboration with the government in service provisions such as in the case of India, the national leadership may be highly supportive of such initiatives and this will be reflected in favorable policy outcomes. The literature from third world country experiences with public and private sector partnership has also suggested institutional environment as a very significant variable as the institutional environment provides the context where partnerships collaborate and employ different strategies for the intended outcomes (Batley and McLoughlin 2010).

#### ***4.4.2.3 Partnerships and Service Delivery Performance***

One of the methodological problems with assessing the outcomes of collaborative arrangements is that the empirical literature defines success using two main approaches; process criteria and outcome criteria. The process indicators consist of commitment and engagement of partners, high level of trust, reciprocity, favorable environment, accountability arrangements. Outcome measures consist of efficiency and effectiveness of partnerships. In the preceding section the discussion centred on the nature of collaborative arrangements, and the key factors required for their effectiveness. This section intends to look at the empirical evidence relating to the successful performance outcomes of such collaborative forms.

One of the research assessments in a US context was provided by Rosenau (2000). She based her concluding chapter on the assessment of 11 chapters regarding public private partnership experiences in sectors like technology research, nuclear power, transportation, environmental policy, education and health, welfare and prison. Rosenau

reduced her analysis to the issues such as the impact of partnership on improving performance, equity, access, citizen participation, democracy and accountability. According to her, partnerships were driven by politics and discourse. The effects of the partnerships on the cost and quality were mixed. In most of the cases cost did not increase, and there was evidence of improved quality, however, sometimes quality improvements in one area were at the cost of loss of accountability or equity goals. Overall, she concluded that the impacts of partnerships on equity, access, citizen participation, accountability and democracy were hard to be generalized and her findings were mixed.

One of the main assumptions of collaboration was an emphasis on achieving synergy and joint working. However, Klijn and Teisman (2003), assessing Dutch cases of partnerships argued that 'synergy' and 'joint development' do not exist in current partnership arrangements and partners very often revert to the traditional ways of control such as using contracts. All stakeholders were occupied with their own internal issues and procedures rather than to act as partners alone. The explanation for the inability to develop partnerships lies in three interrelated factors: complexity of actors, institutional factors and strategic choices of partners involved.

Robinson and White (1997) also advocated that complementary or synergy in relation management depends on the political context, the extent of structural inequality, the legal framework governing the relationships among the partners and the institutional capacity of public and civic organizations. To support their argument, the urban sewerage system in Brazil was used as an example. According to them, the state-civil society interacted in the design and coordination of the project. In the design phase, the project was divided into two components; internal and external infrastructure. The internal infrastructure was developed and financed by the local community and the

external infrastructure was constructed by the public agency. The local community was also involved in the very outset in the coordination of all aspects of the design, construction and maintenance issues (Robinson and White 1997). This case study is well documented in the World Bank report (1994) as a successful example of community and third sector involvement. They advanced the idea of organizing 'synergy' among the partners to achieve performance outcomes.

Another set of literature (Bano 2008; Bano 2011; Batley 2011; Mcloughlin 2011; Rose 2009; Rose 2011) relating to South Asian countries (India, Bangladesh and Pakistan) assessed the collaborative engagement of the government with the third sector in areas including sanitation, education and health. This literature focused mainly on assessing factors which affected such collaborations (Mcloughlin 2011), the strategies adopted by the partners in the formation of such collaboration (Bano 2011; Batley and Rose 2011; Rose 2011), and proposing a framework for analyzing inter-organizational relationships (Batley and Mcloughlin 2010; Batley and Rose 2011). The key themes proposed in this literature are: a third sector engagement with the government is based on the technical credibility and prior networking of the third sector-elite connections, professional connections, connections with the international donor organization and networking within the government. According to Bano (2011) a comparison of the government-NGO collaborations in the education and sanitation sectors of Pakistan identified that collaborations are more likely to succeed if the third sector offers technically sound solutions for efficient service provision and NGOs have strong political and professional connections to promote such collaborations in the future.

In addition to this, inter-organizational relationships (IORs) are influenced by the institutional and sector level policy environment which can be facilitative of or inhibit collaboration. The literature has widely called attention to the national and historical

context to understand the state-NGO relationship in service delivery, the significance of funding arrangements on partnership sustainability and the nature of influence the third sector can exert over such collaborative models. The empirical research supports that NGOs which have access to only one funding base such as projects are funded by the international organizations, then it is more likely that the project's life cycle is only limited until funds are available. On the other hand, a third sector which has a more diverse resource base is more able to exert an influential role and act as equal partner in collaboration and projects have more chances of meeting the targets. The research also found that the formalization of relationships in the form of mutual agreements also helps in clarifying the roles and responsibilities of the partners (Batley and Mcloughlin 2010; Mcloughlin 2011).

Drawing on donor funded partnership experiences from India and Pakistan, Brinkerhoff (2004), made a comparative analysis of how donor funded partnerships can be used to improve service delivery by analysing two cases: the India Population Project 8 in the health sector and the Barani Area Development Project (BADP) in Pakistan in the agriculture sector. In the case of BADP, community ownership was sought through a participatory planning approach at all stages of project development: planning, design, implementation, and evaluation to ensure transparency and accountability. To further clarify the roles regarding the partners, standard operating procedures were developed in a participatory manner. In the initial two years, the performance was modest in terms of quantifiable indicators, however, the community organizations were established to overcome this issue and the project reached 90% of its performance targets. She attributed the positive outcome of such partnerships to the willingness of partners to change, the pre-existence of an effective public service and depth of social mobilization and the extent of social capital sought during this process. She also indicated the

importance of standard operating procedures (SOPs), behavioral norms and organizational culture to address partnership challenges.

Following initiatives such as BADP in Pakistan and the community sewerage system in Brazil, the Orangi Pilot Project (OPP) in Pakistan recognized the importance of this process and were based on a participatory approach for resolving conflicts and managing inter organizational relationships (IORs) through negotiation and engagement throughout the project life cycle.

*“Major challenges lie in making sense of the politics which underlie rather coddly notion of cooperation, the real conflicts of interest and agenda which persist in all areas and the process through which self-interest or short-sightedness, as well as genuine conflict over values are constantly being managed”* (Robinson 2000, p: 2).

The organic nature of these projects is summed up as follows:

*“The lesson is that there is no right way to approach projects, but that each project design, implementation strategy and management arrangements evolve during the course of give-and-take negotiation between the project team and residents”* (Watson 1995, p: 23).

The focus of collaborative forms of service provision is on understanding the inter-organizational dynamics. The literature identified a range of factors which are significant for successful partnership outcomes and are summarized in Table 4-3. The empirical evidence on collaborative service delivery forms consisted of case studies and was mostly focused on descriptive accounts of collaborative arrangements and identifying what preconditions were needed to make them successful. However, there was a lack of data on the outcomes of such partnerships and managing inter-organizational relationships. One clear theme reflected in all these articles was an emphasis that managing inter-organizational relationships relies on how politics is managed throughout this process, conflict acknowledgment and negotiation for a strategic purpose. The main emphasis was on paying attention to the institutional

environment, collaborative arrangements and how actors interact with these organizational arrangements.

**Table 4-3: Conditions for Successful Partnerships**

<b>Author</b>	<b>Factors</b>	<b>Focus of study &amp; conclusion</b>
Brinkerhoff (2002a)	Trust; contractual arrangement, standard operating procedure, degree of formality; senior management support; capacity of the partners; goal clarity; degree of conflict; existence of partnership champions	The framework presents 4 dimensions; 1) The preconditions of partnerships, 2) success factors, 3) degree of partnership based on two factors degree of mutuality and organizational identity, 4) measuring performance in terms of outcome of partnership relationship and partners performance
Rosenau (2000)	Key decisions need to be set out in a concrete plan; clear line of responsibility; achievable goals identified and clearly stated; incentives for the partners to pursue the goals; systematic monitoring of the whole process	This is a book presenting findings from an American context. Overall book concludes that overall PPP models presents some degree of cooperation and may be regarded de facto privatization
Thomson and Perry (2006)	Attention should be given to the processes and organizational structures of the partnership.	This article argues that the public managers should look inside the black box of collaboration which has five dimensions: governance, administration, organizational autonomy, mutuality and norms in order to manage the collaboration more effectively.
Greer (2001)	Development of an institutional framework for managing partnership	This study is a survey of literature from Northern Ireland context and concludes that ‘there is no one model for success’
Sullivan and Skelcher (2002)	Imperatives for collaboration include a context (multilevel, political, scope and complexity of the task); Resources or partners; vision (supporting/resisting) mainly based on the leadership. Collaborative capacity depends on individual and organizational factors; strategy, relationship skill, leadership, risk, trusts. Collaborative performance can be measured by; outcomes (targets, policies etc.), stakeholder perception (communities, users, agencies), collaborative governance (efficient, accountable and democratic)	This book provides a theoretical understanding of the collaborative organizational arrangements deriving empirical evidences form the UK context.
Ross and Osborne (1999)	The extent to which partnership arrangement meets their expectations depend upon the interaction between national policy frameworks and its implementation at the local level. Other factors are the centrality of organizational values and trust among the partners	
Batley and Rose (2011)	The analysis of collaboration among state and NGO service provider can be explained as the interplay of historical and institutional context, organizational factors and the strategies of engagement.	Providing a research framework for assessing collaboration from an institutional perspective/

Source: Author

#### 4.5 APPLICABILITY OF NPM REFORMS TO DEVELOPING COUNTRIES

One of the issues that has been raised in the literature researching the application of NPM to developing countries (McCourt and Martin 2001) is that we need to apply a public management model to developing countries *appropriately and critically* [My emphasis added]. Evidence on the impact of NPM type reforms in developing countries is more anecdotal than in the developed countries. Manning (2001, p: 305) noted:

*“If there is relatively little NPM to be found in developing countries compared to an earlier prediction, then there is an even less evaluation.....in fact there has been not a systematic evaluation of outcomes”*

Even Batley and Larbi (2004, p: 221) in their study of the impact of managerial reforms on the changing role of the government have noted that these reforms *“were inherently more complex and taxing of government capacity than previous arrangements”*. This raises the issue of the radical application of NPM type reforms to developing countries in the wake of weak administrative capacity. The weak state capacity makes the implementation of the complex new roles of contracting, monitoring, and regulation which are the important features of NPM type reforms, problematic. The weak administrative capacity is the underlying reason that instead of improving public management performance, NPM type reforms threaten to increase the core problems of administrative coordination and corruption. Therefore there is a need for a sequenced approach to the application of NPM type reforms in developing countries which Nickson (2008) characterized as: 1) first the creation of an old public administration, and 2) then a move to New Public Management approach. Pollitt (2007) also noted that the negative consequences of NPM reforms: *“when injected into situations where the civil service is highly politicized, a ‘public service ethics’ is unknown, budgets are unstable and accountability is weak. The paradox, then, is that NPM needs its enemy-traditional bureaucracy- in order to succeed”* (p: 6). Schick (1998) further elaborated:

*“Politicians and officials must concentrate on the basic process of public management. They must control input before they are called upon to control output; they must be able to account for cash before they are asked to account for the cost; they must abide by uniform rules before they are authorized to make their own rules; they must operate in integrated, centralized departments before being authorized to go to alone in autonomous agencies (p: 130).*

Polidano (1999) provides an opposite viewpoint. He argues there is an abundance of rules and procedures in developing countries which have not given any fruitful outcomes so far. Rather they have resulted in delays, nepotism, duplication, and rigidity. Therefore, centralization is not a solution to the problems for governments in developing countries and even adding new rules may foster more corruption and abuse of power. In addition to this the orientation of the centre plays a significant contingent factor (whether it is reformist or passive) in determining the centralization vs decentralization thesis.

For decentralization to be successful, it needs firstly the commitment of the political and administrative leadership to overcome the hurdles of the implementation phase and secondly, significant attention should be paid to local contingency factors. Batley (1999) provided a similar argument that reforms should be tailored to local conditions and should have local political ownership. Reforms need a long term commitment. There are champions of reforms and those who are the losers in this process. Difficult macro-economic conditions may mask the outcomes of reforms e.g., water sector efficiency where gains may be because of resource cuts rather than better management. The successful implementation of reforms requires an adequate infrastructure at the decentralized units; in human resource management, information management and financial management systems. Empirical evidence indicates centralized control over these organizational resources and less devolution to the decentralized units.

Mostly, reforms in developing countries such as Asia are promoted by authoritarian and non-democratic regimes under weak administrative capacity, a gradually rising civil society and a subservient private economy. Considering these contextual factors, Cheung (2005) argued that if the economic and social problems of Asian countries are an outcome of the Asian governance system, then an externally imposed reform program would not entail successful outcomes. It needs an internally generated 'will' to the reform process. Reforms are designed and implemented by the reform elites- politician and bureaucrats- usually in a top down decision making process (Pollitt and Bouckaert 2000). There is always room for manoeuvring or rent seeking for those who do not consider such changes suitable for them. Hence, reforms cannot work well if they are devoid of a wider context of policy and state capacity (Cheung 2005). In this context political and bureaucratic factors who consider themselves as the targets of reforms become very critical as they are the most likely to resist the process of reforms.

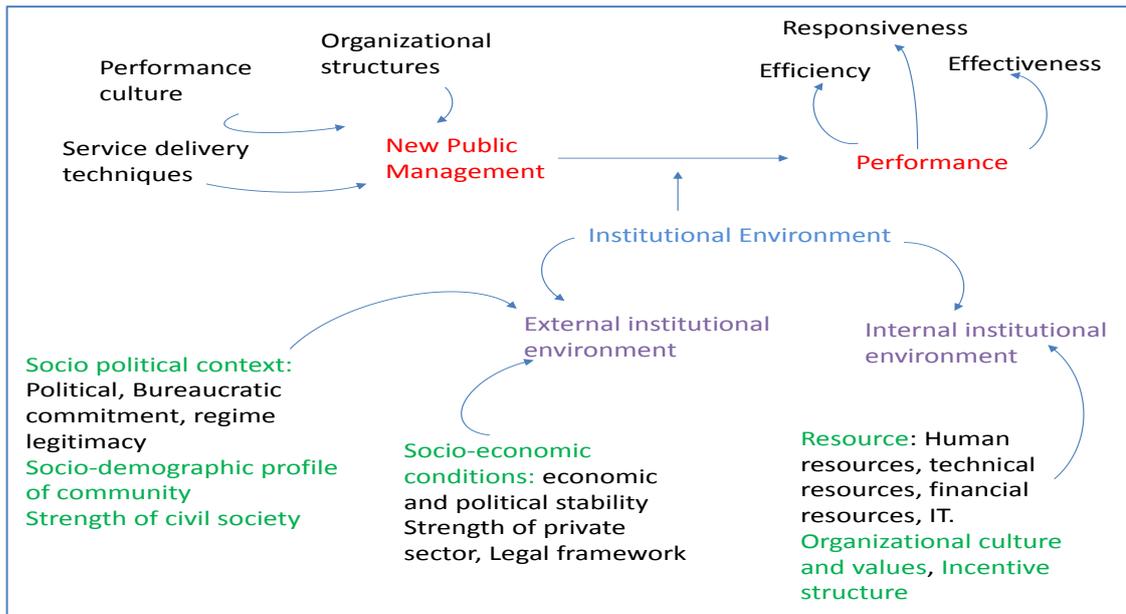
In conclusion, the literature from developing countries put forward the thesis of examining the contingencies which lead to differential outcomes related to New Public Management reforms. Less is known about the nature of the public sector in developing countries. The interpretation of the results depends on 'what' is being measured, and 'how' it is measured. This study intends to contribute to fill this gap in knowledge by assessing decentralized service delivery frameworks in a developing country such as Pakistan.

#### **4.6 CONCLUSION**

This chapter identified and explored the main themes of a decentralized service delivery framework as proposed under the NPM model. In doing so, a range of issues has been recognized related to internal organizational restructuring which emphasizes increased

autonomy through decentralized organizational structures, a performance focus and a NPM accountability model along with appropriateness of different institutional arrangements for service provision. This chapter also provided various emerging ideas on the public management landscape such as 'JUG' or the 'modernization' agenda. The value of these approaches is that they stress the need for shifting the focus away from *intra-organizational* to *inter organizational* governance to fully comprehend the complexity of public sector management and the complexity of local governance in service provision.

Borrowing from Walsh (1995) the contracting culture in NPM has initiated a shift of focus from intra-organizational management to inter-organizational networks for public service provision. This has shifted the focus on the management of inter-organizational relationships (IORs). Drawing on the literature review, Figure 4-3 proposes a framework for analysing the link between management decentralization and public sector performance. This framework suggests that the introduction of NPM reforms such as structural decentralization, performance based accountability models and the adoption of a mix of competition and collaborative service delivery arrangements depend on the institutional environment; internal and external.



**Figure 4-3: A Framework for Assessing Management Decentralization and Its Impact on Public Sector Performance**

According to Rhodes (1997), the internal institutional environment relates to four types of resources - human, financial, technical and information technology (IT). In addition to this organizational culture- the incentive structure and value system of the public sector, these are significant factors which may influence the implementation of public sector reforms. However, as public sector organizations operate in a wider institutional environment, therefore the institutional environment significantly influences the reform process such as the commitment of politicians and bureaucracy, the socio-demographic profile of the community (local contingency factors), and the socio-economic environment of a country. The performance of the public sector is assessed in terms of manager's perception of decentralization reforms. The key questions that need to be addressed from this chapter are; to what extent has decentralization been able to provide managers with autonomy in terms of operational and financial management; how does the institutional environment constrain them in exercising their managerial autonomy?; what kind of accountability systems exists in public sector organizations: is there any

shift from process to output models as emphasized under NPM?; and have decentralization reforms been able to improve the institutional performance of public sector organizations?

#### **4.7 REFINING THE CONCEPTUAL FRAMEWORK: INTEGRATING THE PERSPECTIVES**

The conceptual framework (Part 2) was organized into three main academic streams of thought (Political, Fiscal and New Public Management) in an effort to understand the main ways of academic thinking about decentralization and its impact on service delivery outcomes, in this way it provided a way to organize knowledge while exploring conceptual exploration of the core themes of decentralization and its impact on performance. Each perspective or approach asserts why decentralization strategies are different in different countries or within different sectors, and why some reform experiences are more successful than others, though, generally each perspective deals with one of the issue at one time. In this way, the conceptual framework helped in capturing the similar and divergent conceptions of decentralization phenomenon and helped to encompass the literature on multiple level of analysis. Furthermore, it informed the design and analysis of empirical research.

In some ways, these approaches provide normative theories of decentralization and offer a self-contained belief to understand the decentralization process. Indeed, it is possible to use an integrative approach to investigate the relationship between decentralization and service delivery outcomes, particularly, since only an integrated approach, one that employs important insights from all the approaches, can fully explain the complexity and diversity inherent in the design and implementation of decentralization reforms. These approaches are not contrary to each other; they

complement each other and provide an overall explanation of the impact of decentralized service delivery reforms on service delivery outcomes.

The ‘Political Perspective’ on decentralization (Chapter 2) provided normative theories of local government (Mill 1912; Przeworski, Stokes and Manin 1999; Sharpe 1970). It provided the political theory of local government, and the relationships between ‘participation’, ‘accountability’ and ‘responsiveness’. Then, later it assessed how far these normative theories can provide a possible explanation of the practical discourse by reviewing the empirical literature. It was found that empirical findings substantiate the proposition that participation needs to be effective if it is to be articulated into the decision making process as stressed by Arnstein (1969) and Burns, Hambleton and Hoggett (1994). However, participation alone cannot result in responsive service delivery outcomes. It once again brings in the issues of: participation in what, by whom, and to what effect. Then subsequently, as discerned in Table 2-4 (Chapter 2), it highlighted some trends and generalizations; *decentralization needs effective participation, strong accountability arrangements, and significant fiscal and administrative autonomy to realize service delivery outcomes*. However, practical discourse and normative theories mainly provide explanations about the institutions of participation, and their link with accountability and performance.

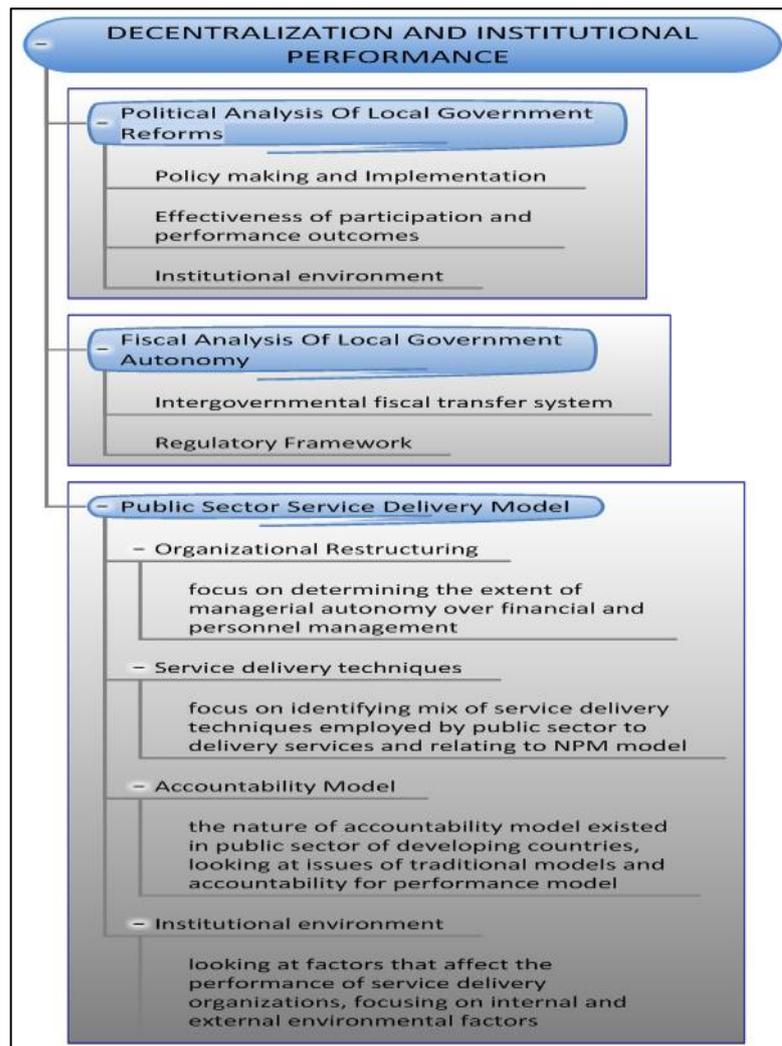
Alternatively, the ‘Fiscal perspective’ on decentralization (Chapter 3) presents a case for local government from the view point of normative theories of fiscal federalism (Stigler 1953, Musgrave 1965, Oats 1999). Their main assumption is that *decentralized decision making will enlarge participation and promote accountability by establishing a clear link between expenditure and revenue assignment*. Therefore, the focus of this perspective is on the allocation of function and resources; the intergovernmental fiscal relations. The proposition is that *local government cannot be accountable if it is not*

*assigned sufficient resources to match the functions assigned to them.* The ‘New Public Management perspective’ provides a managerial view of local government and how the public sector should be organized for the management of service provision (Chapter 4). It focuses on three main elements of change: *structural choices, change in the management culture by having an orientation towards accountability for performance, and techniques for service provision: contracting out, partnership, joined up government.*

The level of analysis moves from a macro-to more organizational level and actor level; organizational structures and processes of service delivery organization under the domain of local government and how actors working within their new decentralized organizational set up interact with them. There is an emphasis on linking organizations to their external environment, i.e., move from an intra-organizational to an inter-organizational focus. Public sector organizations work in a highly complex environment. In order to understand their complexity it is pertinent to analyse how organizations are engaged with their external constituencies to deliver services in a more efficient and responsive manner. The integration of perspectives in this way will synthesize all the normative strands as by doing so we can fully grasp the problem of service delivery. Borrowing from Pollitt and Bouckaert (2011) it is argued that though our focus is on public management, *“we cannot understand public management without also paying attention to political structures and processes.”* (p: 4)

All these perspectives have their own explanatory power and no one approach is better than the other, rather all three of them are intertwined. However, it is argued that in order to seek a better explanation about the link between decentralization and institutional performance, this research proposes an integrative framework of analysis which explicitly seeks to integrate the core ideas of the dominant perspective. This

framework of analysis is based on three levels: political, fiscal and managerial analysis of local government. The political analysis of local government will assess ‘how far local government is able to articulate participation in local decision making processes’ and test the assumption that ‘a local government closer to the people can provide locally responsive services. Local councillors, because of their closer proximity to the local community, will be able to translate community preference into responsive service delivery outcomes’. The fiscal analysis of local government will explore ‘how autonomous a local government is’ and ‘is there any relationship between fiscal autonomy and its relevant impact on service delivery outcomes’. The focus will be on intergovernmental fiscal relations, which subsequently, will also provide an explanation of central-local politics. The empirical section of the ‘Political perspective’ and the ‘Fiscal perspective’ provided a general consensus that the way local government is assigned resources considerably affect its decision making and its ability to provide locally responsive services. The ‘New Public Management’ approach will further explore the management of local government by situating the level of analysis at the organizational structures, processes level of local government and how actors are interacting with this decentralized structure. This will further contribute to our understanding of the management of local service delivery. Integrating perspectives in this way will help making sense of the complexity inherent in decentralized service delivery arrangements. The political, fiscal and managerial analysis of local government will provide us with a plausible explanation of the relationship between decentralization and institutional performance. A brief overview of level of analysis, as discussed above, is presented in Figure 4-4.



**Figure 4-4: Integrating Perspectives**

#### **4.8 OPERATIONALIZING THE CONCEPTUAL FRAMEWORK**

According to Blumer (1986) conceptual framework sets the context for the research, explore the literature, determines the data that will be collected, and is essential in analysing the findings “*with clear concepts theoretical statements can be brought into close and self-correcting relations with the empirical world*” (Blumer 1986: p. 143). A perspective based conceptual framework is used not only as a device to explore literature on decentralization in an attempt to explain and understand the phenomenon of decentralization and how decentralization can lead to improved service delivery outcomes, it also informed empirical research in that it formed the structure of the

questionnaire used in surveys and the structure of interview schedule used in conducting case study. However, primacy is given to use the conceptual framework as an explanatory device because it is impossible to explain relationships between decentralization and institutional performance without first conceptually exploring the features of the decentralization strategies and their subsequent impact on performance and in this way in the course of the research, this conceptual framework will be used as an analytical device for the analysis of the empirical research.

In each perspective, a general overview of the key theoretical and empirical contribution, conceptual models and arguments is presented about decentralization and its impact on performance. This section seeks to operationalize the conceptual framework. Firstly, it will define the key concept performance (4.8.1) and then it will provide a summary table of how decentralization and performance is being conceptualized from different perspectives in Table 4-4 as discussed earlier in the conceptual framework (Part 2).

#### **4.8.1 Defining Performance**

##### **4.8.1.1 *Introduction***

The study is focused on assessing decentralized service delivery arrangements. The previous section conceptualized decentralization from three different perspectives - Political, Fiscal and NPM. Moving on from the construct of decentralization, the next issue is how to assess that ‘decentralization has been able to improve the performance of local government’. This section will try to understand the complexity of defining performance, the limitation of data availability and set the criteria of how this study measured the relationship between decentralization and performance.

#### 4.8.2 Defining Performance

Performance is a multidimensional construct (Walker 2006). Pollitt, Birchall and Putman (1998) have also made a distinction between efficiency, effectiveness and quality. Efficiency (technical efficiency) is defined as the ratio between input and output, how cost efficiently the resources are employed, while effectiveness is the extent an organization is able to achieve its objectives of a policy, program or project. User quality is defined as the degree to which users are satisfied with the services. This concept is closely related to responsiveness. Responsiveness is defined as the “*congruence between public preferences and institutional policies and outputs*” (Crook and Manor 1998, p: 319). Pollitt, Birchall and Putman (1998) also highlighted that improved performance in one area may be at the expense of another: “.....*gain in effectiveness may have been accompanied by decreased economy and reduced efficiency*” (p: 11). Therefore a combination of these criteria may give a better picture of performance.

Walker and Boyne (2006) used both external and internal measures of performance. External measures of performance relate to the perceptions of stakeholders such as consumers and voters. These may also include archival data such as efficiency and effectiveness indicators used by organizations to assess their performance. On the other hand internal measures of performance include perceptions of internal stakeholders of the organization- managers, and front line staff, and may also consist of archival data of internal performance information that an organization collects for itself. According to Walker and Boyne (2006), a mix of internal and external measures can overcome the deficiencies of using a single approach in isolation.

From a public management perspective, decentralizing authority down to front line managers leads to the assumption that new organizational structures will make a

difference to performance outcomes, and decentralized organizations will achieve better service outcomes (Walker 2006). Boyne and Walker surveyed multiple informants in their study to assess the perception of organizations on different dimensions of reforms. The World Bank has assessed the impact of institutional change in performance by looking at three dimensions of performance: result focus (whether the organizations were geared to its objectives, whether organizations had a merit based, reward and punishment system), accountability (record management, project evaluation, internal audit, performance appraisal, public at large) and employee morale (Manning, Mukherjee and Gökçekuş 2000). Different perspectives measured performance differently. For instance, the political perspective focuses on measuring responsiveness, defining as the congruence between community preferences and services provided (Crook and Manor 1998). The fiscal perspective focused on the macro level and anecdotal evidence of measuring performance at the local level. One way to examine the link between decentralization and responsiveness is to study the change in investment patterns after decentralization (Faguet 2004).

Pollitt (2003) also argued that one way to assess programs/reforms is by asking key stakeholders about their perceptions of the program. This can be achieved through an opinion survey of key stakeholders such as managers, citizen, and politicians. However, this alone will not give sufficient insight into the reasoning or interpretation of the opinion sought through the survey, therefore interviews can probe further into the interpretation and reasoning of individuals. Some of the studies (Batley and Larbi 2004; Batley 1996) assessed NPM reforms and highlighted the problem of performance measurement, *“there is no before and after comparison, except what is based on the subjective impression of those interviews”* (Batley 1996, p: 747). Other studies also

acknowledged that data below the provincial level is often very scarce, making evaluation even harder (Bardhan 2002).

This research is not about evaluating the conceptual validity or empirical accuracy of measures of performance, rather it focuses on assessing the link between decentralization and performance. Whether decentralization leads to better service delivery outcomes remains empirically questionable. Therefore this study focused on assessing this relationship. Considering the data limitations particularly at the local government level, the study will rely on measuring the performance of the Local Government by assessing perceptions of multiple constituencies - politicians, managers of service delivery organizations, consumers and NGOs. Each of these evaluates performance differently. For instance, in political perspective studies examined the link between participation and improved performance.

Performance is disaggregated into: responsiveness, user quality and effectiveness as presented in Table 4-4. Responsiveness is defined as the congruence between community preference and services provided (Fried and Rabinovitz 1980). It was measured by asking respondents to rank their community problems followed by the question whether local government was able to solve their issues. The term user quality is equated to responsiveness and (Pollitt, Birchall and Putman 1998) and effectiveness (Ball 1998). It is defined as the *“user satisfaction with local services”* (Ball 1998, p: 59). User quality will be assessed by asking respondents to indicate improvements in the level of access, such as access to school, and water and sanitation coverage, ranking their level of satisfaction with the quality of service, grievance procedures, and pre-post comparisons of the service delivery framework. Another dimension of effectiveness in this study was by making a comparison between the objectives of reforms set earlier, and actual outcomes of these reforms (Pollitt 2003). The decentralization reforms in

Pakistan had three main objectives: improve user involvement in service provision, achieve better accountability arrangements and increase responsive service delivery. Therefore, local communities will be asked to indicate the extent decentralization was able to improve community participation, accountability (reduced level of corruption, transparency etc.) and overall service provision. In addition to this, another aspect is to look at how performance is defined by different stakeholders (Pollitt, Birchall and Putman 1998).

One of the key focuses, as mentioned earlier, is to explore how performance is actually defined by the public sector itself, what criteria they look for in terms of performance, meaning attached to performance indicators, how this information is actually used within the organization and what they consider how and in what ways decentralizations reforms led to better performance outcomes. This is partly an attempt to assess the performance management model within the public sector and compare it with the NPM model of performance. To conclude this study will assess performance through:

- Internal measures of performance consisting of perceptions of political heads of the local government and managers of service delivery organizations regarding the impact of decentralization on institutional performance.
- In addition to this, archival data on the performance of each sector will be collected using indicators of efficiency, effectiveness and equity as defined and collected by those organizations.
- External perceptual measures will consist of assessing community perceptions of how they valued Local Government service delivery performance in terms of improved participation, accountability and responsiveness. Internal perceptions of the managers of service delivery will be assessed through a survey instrument. However, in order to have an in depth perception of the key stakeholders regarding decentralization and performance improvements, interviews will be conducted with politicians, managers, and other key stakeholders involved in service delivery.

A combination of internal and external perceptual measures and the use of archival data will also help in achieving triangulation of data. For instance, in the Water and Sanitation sectors if archival data show a decrease in customer complaints, managers see this as an indicator of effectiveness and the community survey validates that complaint procedures are more efficient and their complaints are heard. It will indicate user quality. Likewise, an increased number of schools or increased coverage in water and sanitation provision also means an increase of access to services. According to Ball (1998) these are equality indicators - (p: 59) and in some studies access to services is treated as equity indicators (Pollitt, Birchall and Putman 1998). If the community perception is that under decentralization their access to school has increased, then again it represents the effectiveness of decentralization reforms. Details of these measures are provided in Table 4-4. This research employs three perspectives to understand decentralization as explained earlier, which not only defines decentralization from different perspectives, it also provides three levels of analysis. These levels of analysis are illustrated in Figure 4-4 (Integrative perspectives). Table 4-4 provides the conceptualization of the main variables, their dimensions and relevance based on the literature review.

**TABLE 4-4: OPERATIONALIZATION OF CONCEPTS**

Main Research Questions			
Main Research questions: 1) What has been decentralized and has decentralization really taken place? Has decentralization been able to improve the institutional performance of local government? How do accountability mechanisms affect the institutional performance of local government? What are the institutional factors that affect the link between decentralization and the institutional performance of local government?			
Research Questions	Measures/Dimensions/Relevance	Data Collection Instruments	Studies Using Similar/Related Indicators
<b>Political analysis of LG reforms</b>			
Has decentralization been able to improve institutional performance of local government? How does accountability arrangements and institutional environment of local government affect this relationship?	<p>Mainly the questions aimed to look at ‘how far local government is able to articulate participation in local decision making and can influence local decision making process’</p> <p><b>Participation:</b> Participation is both an input to the building of accountability and articulation of their preferences and outcomes of improved responsiveness and sense of empowerment. There is a feedback mechanism at work in which once effective participation is established and produces good results, a self-reinforcing process is started which further increases the level and scope of participation. Participation is defined as a set of activities aimed at engaging with or influencing public institutions: voting, electoral campaigns, contacting and pressurizing either individually or through groups or associational activities.</p>	<ul style="list-style-type: none"> <li>• At the gross root level a Community Survey assessed user/community perception of decentralization and local government performance</li> <li>• At the institutional level Qualitative interviews with Political elites to determine the influence in policy making and implementation, accountability relationships with local bureaucrats and public officials on one hand and their constituents on the other hand such as how well do elected representatives ‘listen to their constituents, and How genuinely democratic or inclusive are local government institutions, participatory decision making bodies</li> <li>• Institutional factors that are a constraint on their capacity to perform their role effectively, Perception regarding change in performance outcomes</li> </ul>	<p>Crook and Manor (1995); Ng’ethe and Barkan (1998); Munkandala (1998); Wunsch (1998); Blair (2000); Crook and Sverrisson (2001); Frnacis and James (2003); Olowu (2003); Heller, Harilal and Chaudhuri (2007); Bardhan et al. (2008).</p>
	<p><b>1. Measures of participation:</b></p> <ul style="list-style-type: none"> <li>• At the grass root level: election results, level of citizen participation in local associations and meetings, quality and quantity of contacts between the public, elected representatives and the officials of decentralized institutions</li> <li>• At the institutional level effective participation is determined by measuring the extent to which local representatives are able to exert their influence on the policy making process.</li> </ul>		

**Accountability:** defined as

- Political accountability: requirement of political representatives to render their account to their electorates
- Institutional accountability: relationship between public officials and political representative

Measurement: the main proposition in literature ‘accountability is both a prerequisite and an outcome of decentralization’.

As an input it is measured by looking at Public accountability procedures by which an institution deals with members of public and according to which it reaches decisions

Measured through quality of contact between political representatives and public representatives, complaints procedures of local government, information dissemination by the local authorities etc.

An outcome of decentralization, improved accountability results in transparent local government, reduced level of corruption, access to and redress of complaints, improved level of attendance

**Performance:**

- *Effectiveness:* defined as a comparison of objectives set at some earlier time and the actual outcome of impact of an activity or set of activities.
- *Measured as* the extent to which pattern of resource allocation and quantities of tangible outputs corresponds to targets or policy objectives of local governments (the extent policies objectives are actually met).
- *Responsiveness:* measured as 1) Degree of congruence between public preferences and institutional policies and outputs and 2) User quality: degree to which user expectations. of a services are satisfied or exceeded

**Process dimensions of performance:** Measured as improved accountability arrangements as mentioned earlier

How does institutional environment of local government affect the impact of decentralization?

**Institutional factors: Political and social context:**

Formal administrative, legal and political structures of decentralized structures and their relationships with higher levels of the political system, resources, administrative capacity and funding system (stability of funding and assuring stability of financing, autonomy in access to and management of funds)

Fiscal Analysis of LG Reforms	Measures/Dimensions/Relevance	Data Collection Instruments	Studies Using Similar/Related Indicators
<p>How far local government has financial autonomy? What kind of Intergovernmental fiscal relations exists between local government and provincial government?</p> <p>How does Institutional Environment affect fiscal autonomy of local government?</p>	<p>Mainly the focus of this question was to determine ‘how fiscally autonomous a local government is’ and ‘is there any relationship between fiscal autonomy and its relevant impact on service delivery outcomes?’</p> <p>It was proposed in the literature review section that design of Inter-governmental Fiscal Transfers (IGFT) reflects the fiscal autonomy of local government.</p> <p>Measures: analysis of Intergovernmental fiscal transfers, predictability and transparency of resources</p> <p>Regulatory framework governing fiscal transfers, political decentralization as a prerequisite, accountability mechanisms</p>	<p>Documents analysis of local government budget, Finance Commission award, Legal Framework governing fiscal mechanisms. Perception of local representatives and managers of service delivery organizations regarding adequacy of resources, expenditure autonomy etc. and how it is affecting their performance</p>	<p>Bird (1993); Bahl (1994); Dillinger (1994); Faguet (2004); Boadway and Shah. (2007)</p>

Managerial Analysis of Reforms	Measures/Dimensions/Relevance	Data collection instruments	Studies Using Similar/Related Indicators
<p>Has management decentralization been able to improve performance of public sector? And how does institutional environment affect the performance of service delivery organizations?</p> <p>To answer this question, the study mapped:</p> <ol style="list-style-type: none"> <li>1) Firstly, the extent to which decentralization has been able to provide managers autonomy in terms of operational and financial management, the nature accountability system that exists in public sector organizations and to determine if there is any shift from process to output model as emphasized by NPM perspective.</li> <li>2) Secondly, the study looked at the contractual/collaborative modes of service delivery that are employed by the public sector organizations, and how does it has contributed to their organizational performance.</li> <li>3) Thirdly, examine the role of institutional environment on public sector performance.</li> </ol>	<p>Management decentralization assessed focusing on three type of reforms:</p> <ul style="list-style-type: none"> <li>• Organizational restructuring</li> <li>• Service delivery techniques (use of contracting and collaborative forms of service provision)</li> <li>• Performance based incentive structure</li> </ul> <p>Managerial autonomy is measured as the measure of the operational and financial autonomy of an organization. Two sub-dimensions were measured</p> <p>Autonomy over:</p> <ul style="list-style-type: none"> <li>• Personnel management</li> <li>• Financial management</li> </ul> <p>Participation was measured by</p> <ol style="list-style-type: none"> <li>1) At the institutional level, community participation was assessed by looking at how local government institutions engaged citizens in helping solve local problem through partnerships, co-production and other community involvement strategies</li> </ol> <p>Institutional environment measured as:</p> <ul style="list-style-type: none"> <li>• Internal institutional environment-related to personnel management, financial management system, performance management system</li> <li>• External institutional environment-related to policy coordination, political and bureaucratic interference, other institutional factors such as regime legitimacy, political and economic instability, political and bureaucratic commitment, and local context.</li> </ul> <p>Accountability: performance focus, budgetary transparency, audit system, public access to information, complaint procedures, reliability of information management system.</p> <p><b>Performance:</b></p> <p>Perception of Internal stakeholder's of reforms and has it contributed to improved service delivery outcomes.</p> <p>Perception of external stakeholders of decentralization reforms on service improvements (community survey)</p> <p>Archival internal and external measures of performance (efficiency, effectiveness indicators as used by organization and other external organizations)</p>	<p>Organization survey measuring perception of change after decentralization reforms on managerial autonomy, extent of user involvement, accountability model, institutional environment consisting of internal organizational factors and external institutional factors. Survey instrument also assessed managers perception how far decentralization is able to improve performance of public sector.</p> <p>Qualitative interviews and document analysis also aimed at:</p> <ol style="list-style-type: none"> <li>1) Assessing How far decentralization reforms were able to decentralize real autonomy down the hierarchy or more autonomy is followed by more central or provincial control?</li> <li>2) Determining community involvement in design, development and implementation of service delivery (community led initiative and the incorporation of a wide range of civil and citizen groups in service provision, grievance or complaint systems, access to information, consumer surveys)</li> </ol>	<p>Manning, Mukherjee and Gökçekuş (2000); Girishanker (2001)Larbi and Batley (2004); Verhoest (2004);</p>

## **PART 3**

### **RESEARCH METHODOLOGY**

## PART 3

### RESEARCH METHODOLOGY

Research methodology builds on a set of philosophical assumptions which guide the research design underpinning the strategy of academic inquiry. This part of the thesis is comprised of two chapters and will discuss the research methodology of this study. Chapter 5 presents epistemological and ontological positions and how they influence the perspective of a researcher to ‘see’ things around her. It explains how a researcher can make informed choices about the methods to be utilized to gain knowledge. Chapter 5 covers the philosophical assumptions or normative aspects of research and methodological issues influencing the design of the research process. Subsequently, Chapter 6 narrows down the discussion to the actual field work carried out for this study. The overview of this part is presented in Figure 4-5.

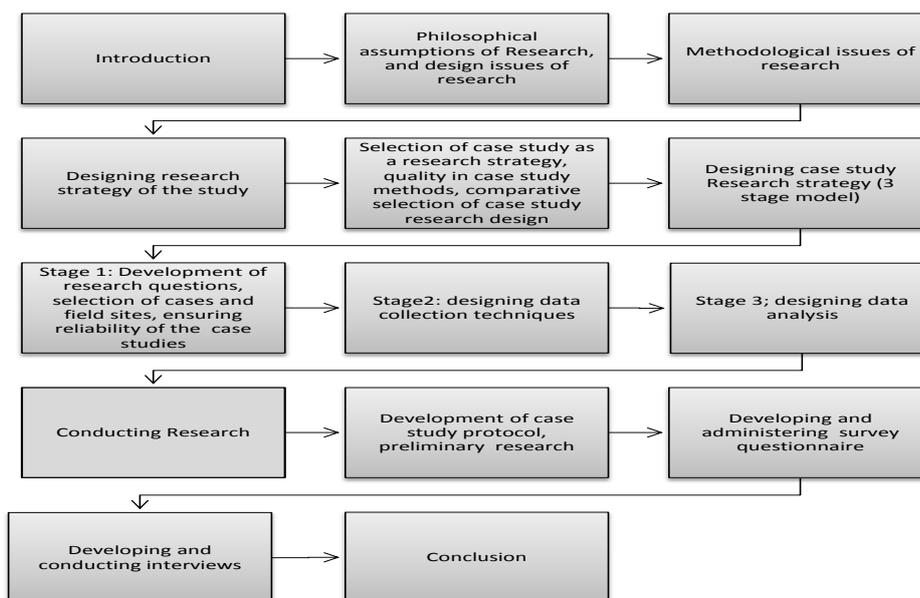


Figure 4-5: Overview of Research Methodology

Source: Author

## CHAPTER 5

### RESEARCH METHODOLOGY

#### 5.1 INTRODUCTION

Research methodology sets the explicit rules and procedures upon which research is based and claims of knowledge are evaluated (Frankfort-Nachmias and Nachmias 2007). In essence the research methodology relates to the theory of how research should be undertaken based on the philosophical assumptions related to epistemology and ontology of knowledge. It further informs the methods to be adopted for collecting and analysing empirical data. Therefore, this chapter provides an overview of the philosophical assumptions of research that guided the researcher to make informed choices regarding ontology and epistemology of the research and the methodological issues of the research. This chapter concludes by outlining the research strategy of this study (Section 5.5).

#### 5.2 OVERVIEW OF PHILOSOPHICAL ASSUMPTIONS OF RESEARCH

The research philosophy is the central part of a research project as it contains the basic assumptions about the way the world is perceived. The research philosophy which a researcher adopts contains significant assumptions regarding the choice of research strategy. Research philosophy refers to the “*development of knowledge and the nature of that knowledge*” (Saunders, Lewis and Thornhill 2003, p: 101). Research philosophy is based on different assumptions related to ontology, epistemology, human nature and methodology and underpins the choice of research strategy. There are three main interrelated elements of research philosophy: 1) *Ontological* assumptions regarding the

nature of reality, 2) *Epistemological* assumption - how this knowledge is researched and 3) *Axiology* - the role of values in research (Saunders, Lewis and Thornhill 2003).

Ontological assumptions are concerned with the nature of reality, whether it is external to an individual or a product of individual consciousness; whether it is of an objective nature; hard facts, 'out there' or subjective in nature; the product of the human mind. Epistemological assumptions, on the other hand, are concerned with the view of the nature of knowledge itself, how knowledge should be developed; whether knowledge can be found as hard, tangible facts or whether it is softer in nature and based on experiences, personal and unique in nature. It has two extreme positions on a continuum: knowledge can be acquired or knowledge can be personally experienced. These assumptions regarding human nature are concerned with the view of human beings and their interaction with the external environment; deterministic view of the environment, i.e., human beings respond to the external environment in a deterministic way or voluntaristic nature of the human being and their environment, creator of the environment (Burrell and Morgan 2011).

According to Burrell and Morgan (2011) the assumptions related to ontology, epistemology and human nature in turn determine the methodology of social research; a nomothetic approach (Positivism) or an ideographic choice (Interpretivism). A nomothetic approach treats reality as hard, external to individual and uses a scientific approach. The issues of concepts, their measurement and identification of underlying themes become very important, and the focus is on analyzing the relationships and regularities. The ideographic approach treats social reality as the product of the individual's mind, and focuses on understanding their subjective experiences. It analyses how individuals are able to modify, create and interpret the world around them.

Another way to conceptualize research philosophy is through the concept of a paradigm. On the basis of this subjective and objective divide, social researchers have offered different contributions in identifying research paradigms. According to Patton:

*“A paradigm is a world view, a general perspective, a way of breaking down the complexity of the real world. As such paradigms are deeply embedded in the socialization of the adherents and practitioners: paradigms tell them what is important, legitimate and reasonable. Paradigms are also normative, telling [the] practitioner what to do without the necessity of long existential or epistemological consideration. But it is this aspect of paradigm that constitutes both their strengths and weakness-their strength in that it makes actions possible, their weakness in that the very reason for action is hidden in the unquestioned assumptions of the paradigm.”* (Patton 1978, p: 203)

Paradigms provide a system of thinking and perceiving the world, and techniques and methods to do so. The *Positivism* paradigm seeks rational explanations of human behavior and provides an objective view of the world. It is rooted in sociological positivism. Its approach to the social science is realism, positivism, deterministic and nomothetic. On the other hand, the *interpretive* paradigm is concerned with a subjective view of the world and seeks explanations in terms of human consciousness and subjectivity. Its approach to the social sciences is nominalist, anti-positivism, voluntarism and ideographic. The focus is on inter-subjective social meaning, social order, and status quo. Since positivism tries to seek a rational explanation of human behaviour, it treats reality as a single ‘out there’, which can be studied objectively. The interpretive paradigm considers the way human beings *see* the world around them and *make sense* of it through the *social construction* of reality (Burrell and Morgan 1979).

Lincoln and Guba (1985) have distinguished between positivism and a post positivism paradigm. They have referred to the post positivism paradigm as a ‘naturalistic paradigm’ (p: 36). Denzin and Lincoln (1994) argued that a paradigm is a systematic set of beliefs which guides the researcher’s inquiry. They claimed that the question of research methods is of secondary importance to the question of which research

paradigm is applicable to the research:

*“Both qualitative and quantitative methods may be used appropriately with any research paradigm. Questions of methods are secondary to question of paradigm, which we define as the basic belief system or world view that guides the investigation, not only in the choice of methods but in ontological and epistemologically fundamental ways”* (Denzin and Lincoln 1994, p: 105).

They also acknowledged that *“while paradigms are thus enabling, they are also constraining”* (Lincoln and Guba 1985, p: 15). Lincoln and Guba (1985) compared positivism and a naturalistic paradigm against five sets of assumptions presented in Figure 5-1.

<p><b>Ontological assumption:</b> <i>Positivism:</i> An ontological assumption of a single, tangible reality “out there”, and can be fragmented into independent variables and processes. <i>Naturalistic:</i> An ontological assumption that realities are multiple, constructed and holistic.</p> <p><b>Epistemological assumption:</b> <i>Positivism:</i> An epistemological assumption about the possibility of the separation of the observer from the observed- the knower from the known. <i>Naturalistic:</i> an epistemological assumption that there is a possible interaction between the inquirer and the “object” of inquiry.</p> <p><b>Possibility of Generalization:</b> <i>Positivism:</i> An assumption of the temporal and contextual independence of observations, so what is true in one time and place—also be true at another time and place. <i>Naturalistic:</i> only time and context bound a working hypothesis “idiographic statements” are possible.</p> <p><b>Causal linkages:</b> <i>Positivism:</i> An assumption of linear causality; there are no effects without causes and no causes without effects. <i>Naturalistic:</i> all entities are in a state of mutual shaping so that it is impossible to distinguish causes from it from the effects.</p> <p><b>Axiology- The role of value:</b> <i>Positivism:</i> An axiological assumption of value freedom, that is, that the methodology guarantees that the results of an inquiry are essentially free from the influence of any value system (bias). <i>Naturalistic:</i> Inquiry is value bound.</p>
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**Figure 5-1: Philosophical Assumptions of Positivism and Interpretive Paradigm**

Source: Adapted from Lincoln and Guba (1985)

Another development in social research is that choosing either between positivism or interpretivism research philosophies is highly unrealistic. The research philosophy is guided by the research question and it is possible to work with both philosophies. This

is referred to as 'Pragmatism' research philosophy. This approach argues that the most important element of a research philosophy is the research question. Tashakkori and Teddlie (1998) suggested to think about the research philosophy as a continuum, '*at some points knower and the known must be interactive, while at others, one may more easily stand apart from what one is studying*' (as cited in Saunders Lewis and Thornhill 2007, p: 110). Saunders, Lewis and Thornhill (2003) also suggested that in reality research seldom falls into one particular philosophical position, the research approach to *business and management* is mostly a combination of positivism and interpretivism. Everything depends on the type of 'research questions' a researcher seeks to answer.

These philosophical dispositions provide us with different views of measuring and understanding social reality. This research has a subjectivist view and considers that realities are multiple and socially constructed. The focus of this study is on the nature and extent of service delivery reforms under decentralization; to find out how organizational arrangements under decentralization have been able to perform better and the contextual factors that affect their performance and how. Therefore, the focus is not only on the actor's perception but also on studying interactions and relationships between these structural arrangements and the actors, where multiple realities co-exist and where realities are socially constructed in interaction with external environmental factors. In order to understand the social construction of realities it is pertinent to understand the existing structural arrangements (decentralized service delivery arrangements) in order to understand how the social context affects human agency. As Lincoln and Guba (1985) assert: the phenomenon in question can only be understood within its environment or setting; both cannot be separated, the real world is too complex, diverse and interdependent. Remenyi (1998) also stressed the need to study the details of a situation in order to understand the reality or the working reality behind

it. Therefore, the research philosophy adopted for this research is an ‘interpretive or naturalistic inquiry’. The next section will highlight the design issues of this research and how the researcher intends to achieve the goals of objectivity and trustworthiness of the research process.

### **5.3 SIGNIFICANCE OF THE RESEARCH METHODS, APPROACH TO RESEARCH, STRUCTURED VS UNSTRUCTURED DESIGN OF RESEARCH**

Based on the subjective-objective divide the two dominant research designs employed are: the quantitative and qualitative research design (Gray 2009). Social science researchers (Denzin and Lincoln 1994) have advocated that it can be more appropriate to combine qualitative and quantitative methods which at times are referred to as a mixed methods approach in order to overcome the shortcomings of each method and to provide a more holistic picture of the phenomenon being studied. The idea of a mixed methods approach dates back to Campbell and Fiske’s (1959) concept of multiple operationalism. In this, more than one method is deployed to ensure that the explained variance is the result of the underlying phenomenon and not the result of the methods and to “*enhance our beliefs that results are valid and not a methodological artifact*” (Bouchard 1976, p: 268). Guba and Lincoln (1994) asserted that “*both qualitative and quantitative methods may be used appropriately with any research paradigm*” (Denzin and Lincoln 1994, p: 105) and further reiterated that “*within each paradigm, mixed methodologies may make perfectly good sense*” (2005, p: 200).

The combination of qualitative and quantitative data collection techniques, a mixed method approach, is suggested on the basis of three main rationales: to provide confirmation or corroboration via triangulation; to elaborate data analysis and provide a rich account of the context and to develop new lines of inquiry so ‘turning ideas around’

by providing a fresh insight (Rossman and Wilson as cited in Miles and Humberman 1994). Mixed method approaches enable us to achieve trustworthiness of a research study by enabling triangulation; synthesizing qualitative and quantitative research and providing multiple viewpoints and perspectives of the phenomenon being studied.

Denzin (1978) argues that triangulation has four different strategies: the use of multiple and different sources (data triangulation); methodological triangulation (use of different data collection techniques); investigators; and theories. He also distinguished between ‘within methods’ and ‘between methods’ triangulation. However, he contended that within methods (qualitative or quantitative methods) offered limited value and advocated to use between methods triangulation (qualitative and quantitative) as “*the bias inherent in any particular data source, investigators, and particularly methods will be canceled out when used in conjunction with other data sources, investigators and methods*” (p: 14). Considering all these design issues, the researcher intends to employ a mixed method approach to improve the trustworthiness of the research and to develop a synthesis of perspectives from different data sources. The researcher in this study will employ the use of multiple and different sources (different managerial levels of service delivery organizations, political representatives, NGOs representatives and community) and triangulation of methods (interviews, questionnaires, observations, and document analysis).

Another factor is the approach to research such as inductive vs. deductive. A deductive approach to science entails the construction of a conceptual framework prior to its testing through empirical observation-theory testing, whilst an inductive approach involves the construction of explanations of what has been observed- the theory is the outcome of induction (Gill and Johnson 2002). The deductive approach is close to the

objective paradigm; testing theory. It is the dominant research approach in the natural sciences; laws present the basis of explanation, allow the application of the phenomenon, predict their occurrence and permit them to be controlled (Collis et al. 2003). However, one constraint of adopting a deductive logic is that it is guided by theories which may lead to bias and consequently shape the results. To overcome this constraint, an alternate strategy is to employ an inductive approach; building theory. It is particularly concerned with the context within which events are happening. It requires the researcher to suspend belief and let the context emerge through the process. Therefore it allows the study of a small number of subjects as opposed to a deductive approach which requires a large sample in order to make generalizations. According to Stutely (2003 in Saunders, Lewis & Thornhill 2003) the minimum number of 30 is required for statistical analysis.

However, as Bryman (2012) has contended, both deductive and inductive strategies can be treated as tendencies rather than hard and fast distinctions and the two can be combined within an overall research project. Even, qualitative research applies deductive logic, at least as a background to qualitative research. Miles and Huberman (1994) and Yin (2009), both from a qualitative tradition, advocate the need for a conceptual framework, a set of propositions, research questions, defining the sample, instrumentation at the outset of research, in particular for multiple case studies. The researcher has employed both approaches in this study as research questions were produced based on a conceptual framework and this conceptual framework was developed combining perspectives on decentralization and then refining these perspectives by adopting an integrative approach to this study. The role of a conceptual framework and the research questions is also to set research boundaries, as data collection and the data analysis process will itself lead to emergent patterns from the in-

depth interviews.

In the conventional view of field work, researchers try to keep the pre-structured research design to a minimum with a ‘loosely structured, emergent, inductively ‘grounded’ approach to gather data: the conceptual framework should emerge from the field in the course of the study; the important research questions will become clear only gradually; meaningful settings and actors cannot be selected prior to field work (Miles and Huberman 1994). Glaser and Strauss (1970) emphasized an inductive approach - grounded theory. Therefore, one design issue of a qualitative research design is *to what extent the design should be pre-structured* [my emphasis added] at the outset. In this regard, Lincoln and Guba (1985) have suggested that it depends on the availability of 1) time, 2) how much the researcher knows about the phenomenon, 3) the availability of research instruments and 4) the data analysis methods. On the other hand, Miles and Huberman (1994) suggested that the research should be well structured, starting with a 1) conceptual framework, 2) a set of general questions, 3) sampling plans and 4) data collection techniques.

The researcher is of the opinion that starting with a conceptual framework and building up new patterns from the field work will both complement each other and provide a better explanation of the phenomenon being studied. It will also guide the research process by providing a focus for the research to be conducted; what to study, how and from whom to get information and why. Another factor is the time limitation of the study. This study has to be finished within a specified time limit. It is therefore appropriate to have a well-structured research design for the field work.

Another design issue is the unit of analysis. This study aims to assess the relationship between decentralization and the institutional performance of Local Government.

Considerable attention should therefore be given to the entire system involved in the provision of services. The analysis should not only be based on actors alone, but also to locate actors in the context within which they are acting. Therefore, this research is focused on assessment of decentralized service delivery arrangements in the context of the Pakistan Devolution Plan 2000. Multiple units of analysis need to be assessed to understand the service delivery reforms and their relationship with performance. So far this section has elaborated on the technical and methodological issues in the design of the research process.

There are however, other factors which influence the research process, such as political and practical issues, the student- supervisor relationship, and the researcher's preferences which may shape various choices of research methods (Saunders, Lewis and Thornhill 2003). First of all, there are political issues such as organizational managers obstructing access if they consider that the research may be harmful to their organization or may carry a negative image of the organization to outsiders. It raises ethical consideration for the researcher as well, for example, how to deal with this misperception of organizational respondents to gain access to organizational data. Secondly, there are practical considerations, such as the time scale of the study, the research has to be completed within three years as this was one of the limitations of the researcher's funding organization (University of Punjab, Lahore). This constrains the extent to which the researcher can investigate the phenomenon in depth. This is one of the reasons that the researcher has tried to use a very structured research design approach. Thirdly, the student - supervisor relationship plays a significant role in shaping the research design. The role of the supervisor becomes very important during the design of the methodology as he/she poses challenging questions, provides alternative viewpoints and tries to keep the research design relevant to all parts of the

PhD dissertation (Saunders, Lewis and Thornhill 2003).

Another important factor is the topic of the research itself. In this research, the researcher is studying the phenomenon of decentralization which according to the literature is hard to separate from its context. Therefore, an investigation of the contextual issues seems important to fully grasp the phenomenon of decentralization. This research aims to explore and explain how decentralized organizational forms can bring the fruit of improved service delivery, the factors that contribute to the enabling environment and to identify constraints on decentralized organizations. The level of analysis is not only individuals, but institutions, the institutional environment and the different players within this environment. Therefore, the focus is not only on the actor's perception but also on structural arrangements and the interaction between actors and those structural arrangements. Philosophical assumptions have guided the researcher to adopt a naturalistic inquiry, a range of other methodologies and other factors such as political and practical issues and the choice of the research topic played a significant role in the research design of this study.

#### **5.4 DESIGNING THE RESEARCH STRATEGY OF THE STUDY**

The choice of a research strategy is guided by philosophical assumptions, the research topic, research questions, and the amount of existing knowledge, time and other constraints. Some research strategies are based on a deductive logic such as surveys and experiments and others are based on an inductive approach, such as naturalistic inquiries, and grounded approach. For Yin (2009) the appropriateness of a research strategy depends on three conditions: a) the type of research question, b) the extent of control the investigator has over behavioral events and c) the degree of focus on contemporary rather than historical events. The most common research strategies in

management research are: experimental, survey, action research and case study (Saunders, Lewis and Thornhill 2003). These strategies are briefly discussed in this section and the selected research strategy of this research is discussed in more detail in Section 5.5. Experimental research is usually used to discover a causal link between dependent and independent variables to determine whether a change in independent variable can lead to a change in the dependent variables. These are mostly used for exploratory and explanatory research to answer the questions of ‘how’ and ‘why’. The case study research strategy is preferred when, *“A ‘how’ or ‘why’ question is being asked about a contemporary event over which the investigator has little or no control”* (Yin 2009, p: 13). According to Yin, the difference between experiment and case study research methods is that experiments are undertaken when the *“investigator can manipulate behavior directly, precisely and systematically”* (Yin 2009, p: 11).

Survey research, associated with a deductive approach, is used to answer questions like ‘who, what, where, how many, how much’, and is used for descriptive and exploratory research. It helps to collect a large amount of information in an economical manner. The data collection methods in a survey are not limited to questionnaires alone, it also includes structured interviews and observation techniques (Saunders, Lewis and Thornhill 2003). Action research differs from other research strategies as it starts with a clear focus and a specific context, and attempts to study the implication of changes in an organizational setting. Usually an academic and practitioner collaborate together to study a change process occurring in an organization: the research is part of the organization within which the change process is taking place (Coghlan and Brannick as cited In Saunders, Lewis and Thornhill 2003).

Considering all the theoretical perspectives and methodological issues related to the

design of the research process, and constraints on research strategy, the researcher considered it appropriate that a case study would provide a rich methodology to understand the in depth nature of the phenomenon under study. The choice of research strategy was based on firstly, the purpose of this research to explain the link between decentralization and institutional performance. Secondly, as the research questions of this study are focused on exploring and explaining the link between decentralization and institutional performance and are assumed to be far too complex for survey research. Finally, as it has been proposed that decentralization is a context specific phenomenon, therefore, the case study strategy will prove an in depth analysis of the context within which reforms are taking place and how contextual variables play a significant role in affecting the link between decentralization and institutional performance.

## **5.5 SELECTION OF A CASE STUDY AS RESEARCH STRATEGY**

A case study is not a data collection method, it is considered as a comprehensive research strategy in its own right (Yin 2009). Robson (In Saunders, Lewis and Thornhill 2003, p: 178) has defined the case study as *“a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence”*. Yin (2009, p: 18) defines case study as: *“An empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident.”*

Woodside (2003) provided a wider definition of the case study approach. For Woodside, the case study research strategy focuses on understanding the process within its context (this study has a similar purpose). A case study research methodology has also been adopted by various studies on decentralization and organizational

performance (Batley and Larbi 2004; Crook and Manor 1998; Pollitt, Birchall and Putman 1998). The case study strategy will enable the researcher to gain an understanding of the context within which service delivery organizations are operating and how it influences their performance.

Case studies, in particular, can combine data collection techniques of archives, interviews and questionnaires (Eisenhardt 1989). They also help in combining deductive and inductive logic. According to Yin (2009) the use of a case study emphasizes the importance of the context; he further argues that a case study is the most appropriate research strategy where it is difficult to draw the boundaries between the phenomenon being studied and the context within which it is being studied. Therefore, the researcher intends to use a mixed method approach for a more holistic view of the phenomenon under study, and a case study research strategy will let the researcher combine both deductive and inductive approaches and allow the triangulation of data collection methods and data collection sources to ensure the trustworthiness of the research process.

As referred earlier, the research will employ triangulation of methodologies (data collection techniques) and triangulation of data sources (multiple sources of evidence) in order to achieve the goals of objectivity and trustworthiness. The study intends to use a survey questionnaire in order to assess the impact of decentralization at two levels: the organizational level and the community level. The organizational survey will explore the perception of internal stakeholders (the managers) regarding the impact of decentralization reforms and the internal and external institutional factors affecting public sector performance. On the other hand, the community survey is aimed to assess the community perception of decentralization reforms and service delivery

improvements. This will help to establish the credibility of the information collected from all stakeholders. Another data collection technique that this study intends to employ is the use of semi-structured interviews with the organizational respondents (middle-senior management levels), political representatives, and NGOs representatives. Triangulation of multiple data sources and data collection techniques will help establish the objectivity and trustworthiness of the research process.

## **5.6 QUALITY IN CASE STUDY METHODS: SIGNIFICANCE OF VALIDITY AND RELIABILITY**

One of the main objectives of the research is to maintain the rigour, validity and reliability of the research process. To assess the quality of a research design, four main tests have been applied in the social sciences; construct validity, internal validity, external validity and reliability. *Construct validity* ensures that correct operational measures for the concepts are being studied; *internal validity* establishes a causal link between the variables under study to show that certain conditions lead to other conditions. It tends to be used more often in explanatory studies rather than exploratory studies; *external validity* establishes the domain to which the study's findings can be generalized; *reliability* is related to the operation of a study, such as the data collection procedures can be repeated with the same results (Kidder and Judd, 1986 as cited in Yin 2003). Yin (2009) discussed a number of tactics to improve the quality of case study research designs and these are summarized in Table 5-1. All these data collection techniques are complementary and are to be used in combination to improve case study research design.

**Table 5-1: Criteria for Judging the Research Design and Tactics used to Handle Validity and Reliability Issues**

Tests	Tactics	Phase of research in which tactics occur
<b>Construct validity</b>	<ul style="list-style-type: none"> <li>• Use multiple sources of evidence</li> <li>• Establish a chain of evidence</li> <li>• Have key informant review draft case study report</li> </ul>	Data collection Data collection Composition
<b>Internal validity</b>	<ul style="list-style-type: none"> <li>• Do pattern matching</li> <li>• Do explanation building</li> <li>• Address rival explanations</li> <li>• Use logic models</li> </ul>	Data analysis Data analysis Data analysis Data analysis
<b>External validity</b>	<ul style="list-style-type: none"> <li>• Use replication logic in multiple case studies</li> </ul>	Research Design
<b>Reliability</b>	<ul style="list-style-type: none"> <li>• Use case study protocol</li> <li>• Develop case study database</li> </ul>	Data collection Data collection

Source: Adapted from Yin (2009)

### 5.6.1 Construct Validity

Construct validity ensures that instruments measure what they are intended to measure and requires a definition with clearly outlined conceptual boundaries (Newman 1991). According to Yin (2009) the problems of construct validity can be ignored if the researcher:

1. Operationally defines the constructs at the outset,
2. Selects the appropriate data collection tools for the defined concept,
3. Uses multiple sources of data that encourage divergent lines of inquiry,
4. Establishes a chain of evidence during the data collection process, and
5. Evaluates the draft case study through feedback from key informers.

To ensure construct validity, this research has developed a conceptual framework which provides operational definitions of the construct and also the relationship between variables. Although, the conceptual framework is based on the literature review, the study also intends to conduct preliminary semi-structured interviews with the different stakeholders to ensure that the instrument developed for the case study measures what it intends to measure. As already mentioned, the case study will use a triangulation

strategy to further improve its internal validity. Another strategy is to employ multiple sources of information, such as collecting information from senior-middle management of service delivery organization, political representatives involved in service delivery, NGOs representatives and the community itself. This will validate the information sought from different sources and help improve the validity of the study.

### **5.6.2 Internal Validity**

The issue of internal validity becomes more significant when the researcher tries to explain a causal relationship between variables and tries to make inferences from the data when it is not possible to observe the event. Yin (2003) addressed this question in a number of ways; pattern matching, explanation building, and time series analysis in order to improve the confidence of making inferences. The question of internal validity becomes significant during the data analysis stage. To overcome this issue the study intends to use pattern matching, and explanation building (6.7.3). The study will use matrix analysis and NVivo software so that the analysis process is objective. These data analysis techniques are discussed in Chapter 6.

### **5.6.3 External Validity**

The most problematic issue is whether the research findings can be generalized beyond the study itself. In this regard, Gomm, Hammersley and Foster (2000) proposed that generalization can be improved by a systematic selection of cases for the case study to ensure that cases are typical of the population. Yin (2009) suggested that generalization can be improved by replicating the study three or four times in different circumstances. In survey research, researchers are more concerned with statistical generalization, whereas with a case study more focus is placed on analytical generalization as the researcher is trying to generalize a particular set of results to a broader theory. To

achieve external validity, this study intends to use replication logic as proposed by Yin (2009) by having a comparative case study approach and using two case study governments (Lahore and Faisalabad), and within those two governments focusing on two sectors (Education and Water and Sanitation) for in-depth analysis.

#### **5.6.4 Reliability**

The issue of reliability can only be addressed if the researcher conscientiously documents procedures. Lincoln and Guba (1985) also suggested that before doing the research, the researcher needs to ensure that he has: an overall plan of the research; a hypothesis to be investigated; variables to be studied, their interrelationships, the methods for data collection and data analysis, which Yin (2009) referred to as the case study protocol and case study database. A research protocol was developed for this study to provide an overview of the research which is attached in the appendix (Appendix 2). The case study protocol has the following main sections:

1. An overview of the case study project summarizing key research objectives.
2. A field procedure consisting of access to cases study sites, people, general sources of information and a contingency plan if interviewees decided not to cooperate or because of their personal engagements, the interview is cancelled, allowing respondents flexibility.
3. An interview schedule consisting of opening main questions along with probing questions to manage conversations with the respondents, research diary, table template for collecting data and the potential sources of information for answering each question.

### **5.7 COMPARATIVE CASE STUDY RESEARCH DESIGN**

The research design is the logical sequence, an action plan, connecting the empirical data to initial research questions and ultimately to its conclusion (Yin 2003). Nachmias and Nachmias (1992 as cited in Yin, 2003) have defined the research design as a plan that: *'guides the investigator in the process of collecting, analysing, and interpreting*

*observation. It is logical proof that allows the researcher to draw inferences concerning causal relations among the variables under investigation.* '(pp: 19-20)

The research design deals with the issues related to the research question, the type of data to be collected, the strategy to collect it, and how to analyse the results. Yin (2009) has distinguished four main case study research designs: single case (holistic); single case (embedded); multiple-case (holistic); multiple-case (embedded). The first distinction is based on single vs multiple-case study research design. The rationale for a single case study is based on the following situation; a single case represents a *critical* case for testing a well-defined theory; a single case is *unique* or rare; or a case is of *revelatory* nature. A multiple case study design uses a different methodology than a single case design. For Yin (2009) multiple case studies are selected to follow a replication logic: each case study should be selected to establish either similar results (literal prediction); or contrasting results (theoretical replication).

The second distinction is based on the unit of analysis: holistic vs. embedded case study designs. An embedded case study is the one in which attention is given to the sub-units and usually embedded units are selected on the basis of sampling or cluster sampling. On the other hand, holistic sub-units examine the holistic nature of the phenomenon. One of the disadvantages of using a holistic strategy is that the entire case study is conducted at an abstract level and operational details are not examined which further poses the problems of measuring data. Likewise, embedded research designs also have their associated advantages and disadvantages. For instance, if a researcher, while investigating the sub-units, fails to return to the larger unit of analysis, it will reduce a case study to an extensive detail of the subunits and will lose the holistic aspect of the phenomenon under study. Similarly, multiple cases can be holistic or embedded in

nature. Embedded case studies can conduct a survey at each case study site. However, the results of the survey will not be pooled across the cases, but will be part of the findings for each case study. However, in the case study at hand, the researcher is applying a multiple case study approach to the comparative case study design of this study and the results of these two case studies will be pooled across in order to contrast results (theoretical replication). This will also be helpful in achieving the goals of objectivity and rigor of the research design (Yin 2009).

Miles and Huberman (1994) further discussed the issues of *sampling strategies* and whether to use within case sampling or multiple case sampling. Sampling in qualitative research is mostly either ‘theory driven’ or ‘purposive’ (Miles and Huberman 1994) or it emerges from the data in a progressive manner (Glaser and Strauss 1967). In the case of theory driven sampling, the choices of cases are driven by the conceptual questions. In the case of multiple cases sampling the replication logic is proposed by Yin (2009). Using this logic, if we get the same findings from multiple cases or other settings, then these findings are more robust, valid and improve the overall quality and reliability of the case study research. Whether an individual case or multiple cases are used, sampling decisions are led by the conceptual framework and research questions. Moreover, during the fieldwork new patterns and information, gained from the initial samples will help to find more interesting cases to study whether similar or contrasting ones. Denzin and Lincoln (1985) suggested that *“many qualitative researchers employ purposive and not random sampling methods. They seek out groups, settings, and individuals where the processes being studied are most likely to occur.”* (p: 370)

The logic for purposive sampling is to select information rich cases; samples are selected on the bases of the researcher’s judgement that they can provide an

understanding of the key themes of the research (Saunders, Lewis and Thornhill 2003). It is argued that theoretical sampling and purposive sampling work together, as the former leads to the latter (Bryman 2012). Therefore, this research has adopted a purposive sampling approach to have an “information rich” sample. The purpose of this research is to study decentralized local authorities, with a particular focus on the education and water and sanitation sectors, which were devolved to the City District Governments (CDGs) in Pakistan. To achieve this objective, the researcher has purposively sampled the key stakeholders at senior to middle management level to understand the institutional context of local government and service delivery organizations. Political representatives were also sampled to understand the extent to which policy makers were able to influence the policy process at the local level. NGOs representatives were also sampled to understand their role in their collaboration with the public sector. The community was also surveyed in order to assess their perception of the decentralization reforms.

Another issue is related to the number of responders to be sampled for qualitative interviews. Lincoln and Guba (1985) recommended that interviews should be conducted till the researcher reaches the point of data saturation in the sense that collecting further data would add no new insights from the interviews. Others have argued that it depends on the objectives of the research, the availability of time and resources on the part of the researcher (Saunders, Lewis and Thornhill 2003). Based on these arguments, the researcher conducted 45 interviews from the two case study districts with diverse numbers of stakeholders in order to have an in depth insight related to their experiences, perceptions and understanding of the decentralization reforms and how it has been able to improve service delivery performance of the local government as a whole.

### 5.7.1 Overview of the Research Design of the study

The research design provides a general orientation to conduct research. The research design of this study comprised of 4 interlinked stages: 1) Development of a conceptual framework, 2) Designing the research strategy of the study, 3) Designing case study research strategy of the study, and 5) Conducting the research. These stages are summarized in Figure 5-2. These stages were not in a sequential form, but rather these were iterative in nature.

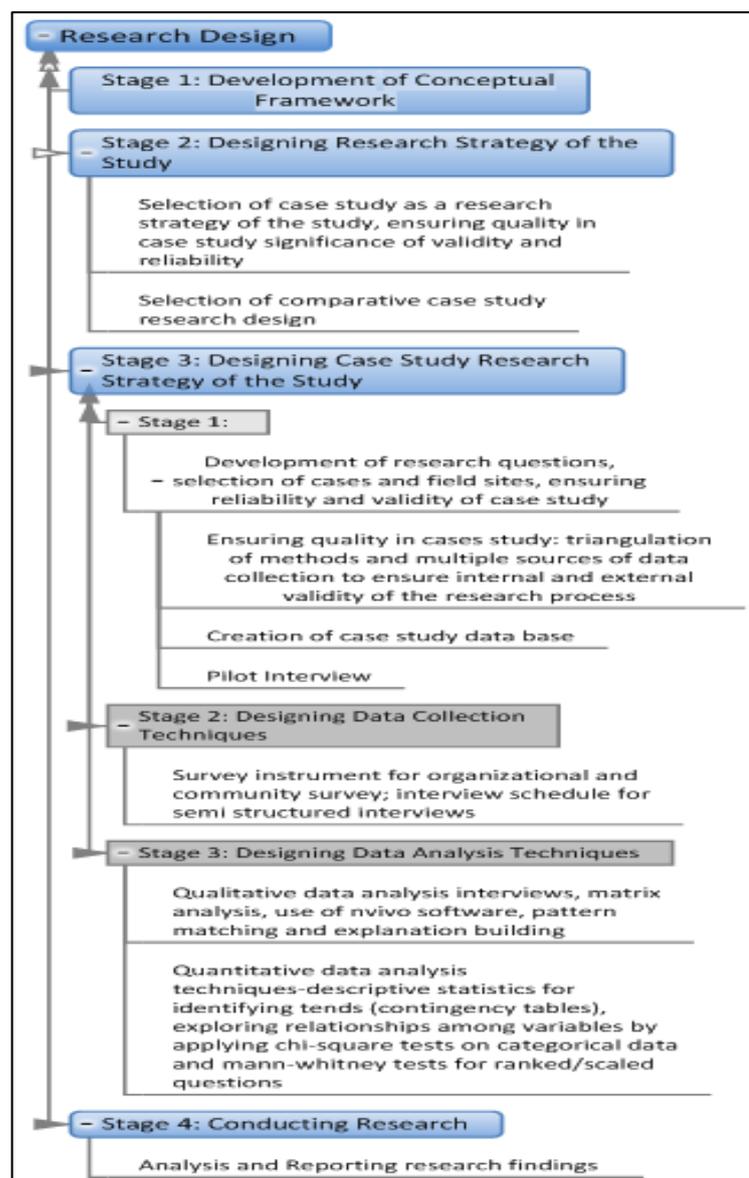


Figure 5-2: Overview of the Research Design

## **5.8 IDENTIFYING CASES AND FIELD SITES**

After the research questions the next important step was to identify the units of analysis. The basic units of analysis were the legally constituted decentralized authorities in Pakistan. The two field sites chosen for the case study were: City District Government Lahore (CDGL) and City District Government Faisalabad (CDGF). The choice of these City District Government (CDGs) was based on establishing a comparison between two local government systems. Two sectors were selected for in-depth study of service delivery arrangements: Education and Water and Sanitation Sector (WSS). The reasons for selecting these two sectors were:

- Firstly, the sectors presented different institutional and decentralized arrangements; education is a devolved department under the CDGs and the WSS is under the control of Water and Sanitation Agency (WASA) which is a semi-autonomous organization under the control of CDG. This will help to identify any coordination problems and performance differences across sectors and identify the issues related to their manageability. It will also help to indirectly assess the performance of these two CDGs in their respective domains of responsibilities.
- Secondly, the use of multiple cases will improve the external validity of the case study research through replication logic. In this case, the use of two different field sites and the selection of two sectors will improve the external validity of the research. It will also identify the role of the context in affecting organizational performance.

## **5.9 OTHER CONSIDERATIONS IN THE CHOICE OF CASE STUDIES AND SAMPLE**

The choice of CDGs and sub sectors for the case study were also influenced by various other factors; such as how to access field sites for the research which are safe under the current political situation in Pakistan. The current situation of political unrest in Pakistan, strikes and various suicide bombing attacks restricted the researcher to select

CDGs sites which were easy and safe to access. In addition, the researcher had personal contacts in these two CDGs to facilitate access to the case study organizations.

### 5.9.1 Ensuring Quality in Case Study Research

In order to meet the criteria of construct validity, attempts were made to triangulate methods and data sources. Firstly, as already discussed, the level of analysis considered is not only the actors but also the different institutional levels. Triangulation occurs by using multiple sources of data. Therefore case study respondents consisted of:

- **Policy makers:** These respondents provided an overview of the macro environment of policy making at Local Government (LG) level and their perception of how decentralization has altered the service delivery of LG. They identified various constraints that limited the autonomy of local government to achieve significant outcomes. Local government respondents consisted of locally elected representatives from the three tiers of LG; Union Council, Tehsil Council, and District Council.
- **Organizational respondents:** The managers of service delivery organizations provided information about the difficulties faced during the implementation of decentralization reforms. They provided their perception of how far decentralization had been able to improve the service delivery framework and pointed out significant internal and external institutional factors that affected performance. Data were collected from middle to senior management levels of service delivery organizations (Education Departments and Water and Sanitation Agencies)
- **Third sector** or NGOs involved in service delivery: the third sector was actively engaged at local government level in the selected sector acting in collaboration with the LG to improve service delivery in the selected sector. Therefore, their perceptions contributed to the understanding of how CDGs were engaging with them and the impact it had on improving performance in the education and water and sanitation sectors.
- **Community:** the end users of services. The perception of the community was very significant in evaluating the overall service delivery improvement. A comparison of before and after the Devolution plan contributed to understanding the change in

performance outcomes as a result of decentralization reforms.

A triangulation strategy for data collection will provide not only a holistic picture of the social phenomenon but also increases the construct validity, as multiple sources of evidence provide multiple measures of the same phenomenon. As referred earlier, according to Yin (2009) the strength of using multiple sources of data or a triangulation strategy is the development of convergent lines of inquiry. Secondly, for the triangulation of methods, qualitative and quantitative data collection techniques were applied as follows:

- Qualitative data collection techniques included document analysis; archival records, and semi structured interview with the elites (politicians, bureaucrats and other actors directly involved in service delivery).
- For the quantitative data collection technique, a survey questionnaire was used.

The research questions of the study were a combination of what, how and why. Some of the questions were answered by looking at archival records, document analysis. Document analysis such as policy documents issued by central or provincial government, letters, memorandum, internal administrative documents, formal studies or evaluation of the phenomenon under study helped the researcher to answer questions like the nature of the extent of service delivery reforms, the mix of different organizational arrangement under decentralization at the sub national level (delegation, devolution, contracting out and user fees charges), and formal organizational structures and processes before and after reforms. For instance, the legal environment of the decentralization reforms can be analysed by looking at various policy documents, and legal framework order 2000. This identified the resource availability, clarity of roles and responsibilities, accountability arrangements and the incentive structure under decentralization. However, relying on document analysis alone does not give the in-depth insight of the phenomenon in question. Semi structured interviews with senior to

middle managers of service delivery organizations (Education Departments and WASAs) were conducted to assess their perception regarding managerial autonomy being decentralized down the hierarchy; their external institutional environment and service delivery improvements. Based on the information provided by the initial respondents, semi structured interviews were also conducted with actors at the political level, actively engaged in service delivery, NGO representatives involved in the service provision to assess the institutional constraints and service delivery improvement. A community survey questionnaire was designed to assess the perception of direct consumers with respect to service delivery improvements. The focus was on assessing the improvements in terms of participation level, accountability of personnel, and quality improvement in service provision. A second survey questionnaire was designed for the managers of service delivery organizations to get their perception of the internal organizational factors, external environmental factors and performance improvements. The issues of reliability of the research were addressed by using a comparative case study approach, a structured case study research design, and having a case study protocol to document the data collection process.

## **5.10 CONCLUSION**

This chapter has outlined the research methodology of this thesis. The chapter began by considering philosophical assumptions and methodological issues and their role in shaping the design of this research. The research design developed for this thesis and adopted a comparative case study approach and incorporated a mix of methods to improve the quality and rigour of the research. The next chapter will demonstrate how the actual field work was carried out.

## CHAPTER 6

### CONDUCTING RESEARCH

#### 6.1 SELECTION OF LOCAL AUTHORITIES

##### 6.1.1 Case Study 1- City District Government Faisalabad (CDGF)

City District Government Faisalabad (CDGF) is in the province of Punjab, previously known as Lyallpur. It is the third largest city of Pakistan and the second largest city in the Province Punjab. CDGF is comprised of 6 towns: Faisalabad (city) Town; Faisalabda (Sadar) Town; Samundri Town; Tandianwala Town; Jaranwala Town; Chak Jhumra Town. The total population of the district is 5,429,547 according to the 1998 census<sup>4</sup>. The membership of the district council consists of 412 members, of which 95 are reserved for females, 14 seats for peasants and workers, and 14 seats for minorities (Table 6-1). In the 2005 elections, the number of returning candidates for the reserved seats was 123 out of 124. District Nazim was also re-elected. It also demonstrates the confidence of people in their elected representatives. However separate data were not available for the rest of the 289 seats<sup>5</sup>.

**Table 6-1: Membership of District Council Faisalabad**

Tehsil/Town	Membership				
	Union Councils	Reserved Seats			Total
		W	P&W	M	
Town Chak Jhumra	15	5	1	1	22
Town Jaranwala	57	19	3	3	82
Town Tandianwala	28	9	1	1	39
Town Samundri	28	9	1	1	39
Town Faisalabad [Saddar]	48	16	2	2	68
Town Faisalabad [City]	113	37	6	6	162
<b>Total</b>	<b>289</b>	<b>95</b>	<b>14</b>	<b>14</b>	<b>412</b>

Source: Adopted from Election Commission of Pakistan (2006)

<sup>4</sup> In 1998, the last census was carried out in Pakistan.

<sup>5</sup> see Election Commission of Pakistan: [www.ecp.gov.pk](http://www.ecp.gov.pk)

### 6.1.2 Case Study 2: City District Government Lahore (CDGL)

The City District Government Lahore is the second largest city of Pakistan and the 30th largest city of the world. It is also the capital of Punjab province. It is comprised of nine towns: Ravi Town, Wahga Town, Shalimar Town, Datagunj Bux Town, Aziz Bhatti Town, Gulberg Town, Iqbal Town, Samanabad Town, Nishtar Town. The City District Council had a total of 216 seats consisting of 50 seats reserved for women, 8 for peasants and workers, and 8 for minorities (Table 6-2). The total number of returning candidates was 59 out of 66 reserved seats. According to the Election Commission of Pakistan Report (2005) District Nazim was also re-elected in the election of 2005.

**Table 6-2: Membership of the City District Council Lahore**

Tehsil/Town	Membership				Total
	Union Councils	Reserved Seats			
		W	P&W	M	
Ravi Town	30	10	2	2	44
Shalimar Town	23	8	1	1	33
Aziz Bhatti Town	13	4	1	1	19
Data Ganj Bux.Town	33	11	2	2	48
Iqbal Town	26	9	1	1	37
Nishtar Town	25	8	1	1	35
<b>Total</b>	<b>150</b>	<b>50</b>	<b>8</b>	<b>8</b>	<b>216</b>

Source: Adopted from Election Commission of Pakistan (2006)

## 6.2 THE DEVELOPMENT OF A CASE STUDY PROTOCOL

Before entering the field work, the researcher developed a case study protocol to set research objectives and a comprehensive record of research procedures. The case study protocol consisted of the following 3 main sections:

- An overview of research activities,
- An overview of the field procedures (credentials, how to gain access, the name of the sites to be visited, respondents to be interviewed, contact sheet summary, keeping a research diary etc.)
- Interview schedule (list of questions to be asked and probing questions) (Appendix 2)

### **6.3 PRELIMINARY RESEARCH**

The background research activities other than a relevant literature review on decentralization and organizational performance consisted of preliminary visits to the field sites, conducting unstructured interviews with respondents in order to further refine the survey questionnaire and the semi structured interview schedule. After refining the instruments, a pilot case study was conducted to further ensure the reliability and validity of the instruments used for the study.

#### **6.3.1 Documents Reviewed for Background Research**

The researcher collected a range of policy documents issued by the National Reconstruction Bureau on the Devolution Plan and Local Governments (LGs). Policy documents related to the decentralization in education such as National Education Policies (1956-2009) from the Education Ministry of Pakistan; and national and provincial policies regarding the water and sanitation sector such as National Water and Sanitation policies (2007-2010), Provincial Water and Sanitation policies (2007- 2009), policy documents regarding the partnership in service provision (PDSSP 2008). A number of documents were issued by the LGs such as CDGF policy initiative on PPP; Terms of Reference (TOR) for establishing a PPP cell at the Education Department; a project report on Strengthening Decentralized Local Government (DFID 2005); a performance report of Local Governments (DFID 2008). Additionally, a range of documents were collected from selected organizations regarding their organizational restructuring, devolution of powers, performance data. A complete list of all the documents is provided in Appendix 2.

#### **6.3.2 Initial Visits to the Field Sites and Unstructured Interviews**

The researcher visited the field sites; the Education Department (EDs) and Water and

Sanitation Agency (WASA), and the Town Halls in both CDGs. During these visits the researcher discussed the topics of research with practitioners (managers of the service delivery organizations), and policy makers (local politicians). In these interviews, the researcher assured respondents that these interviews were part of her PhD dissertation and that confidentiality would be maintained. During the visits to the town halls of CDGs, a brief presentation was provided by the Tehsil Municipal Officers (TMO), Executive District officers (EDO Finance) who highlighted the local government performance in the WSS and Education sector and provided their perception of decentralization, various decentralized strategies such as school management councils and their effectiveness, Citizen Community Boards (CCBs), the relationship between politicians and bureaucrats. These interviews were unstructured, and written notes were taken. Then unstructured interviews were conducted with respondents from the education and water and sanitation sectors.

During the initial visits to the Education Department, the researcher interviewed District Education Officers, and Head of institutions who were present and willing to talk about decentralization. Field notes were taken during these interviews. During the initial visits to the WASAs, a brief presentation was provided by the WASA (Lahore and Faisalabad). During these presentations a group of directors, and managing directors were present and provided the researcher with an unstructured focus group interview. These initial discussions were helpful in clarifying the research issues, the relevance of the research topic, procedural issues such as identifying the issues of access to the respondents, sampling strategies, targeting the most appropriate person, and how to administer the instruments. It also sensitized the researcher to various socio-cultural issues that may be faced by the researcher while administering the instruments. This process provided insight to further refine the survey instruments for the organizations

and the community.

#### **6.4 CONSTRUCTING SURVEY QUESTIONNAIRES**

Social science researchers (De Vaus 1996; Saunders, Lewis and Thornhill 2003) have suggested several methods to choose for survey research but the most commonly used are: mail / internet questionnaires, personal interviews and telephonic interviews. The choice of method depends on various considerations, such as budget constraints, availability of staff, and response rate. Based on these considerations, the researchers needed to identify the techniques which best elicit responses from the sample of respondents who have experienced the phenomenon of interest (Frankfort-Nachmias and Nachmias 2007). The selection of survey methods ranges from self-administered questionnaire (postal survey and delivery and collection of the questionnaire, online questionnaire) to interview administered questionnaire (structured interview, telephone questionnaire and focus group). Every survey method has its own advantages and disadvantages. For instance, postal surveys are considered best when the sample is geographically dispersed and questions are relatively close ended; however, it can have a low return rate and therefore is advised to be used with other techniques. Delivery and collection questionnaires are usually delivered by hand and collected later. However, it suffers from the time and effort involved in delivering and collecting the survey. Online questionnaires are relatively new, however the main sampling error is that some of the respondents may not have access to internet facilities. The interview administered questionnaire has a high response rate compared to self-administered questionnaires and can permit a long questionnaire (De Vaus 1996; Frankfort-Nachmias and Nachmias 2007; Saunders, Lewis and Thornhill 2003).

The 'Interview structured questionnaire' can be a 'Face To Face' structured interview which is very time consuming and is only effective with an open ended questionnaire. Focus group interviews allow varieties to emerge and allow group dynamics to provide another explanation of the phenomenon. Telephone surveys have high response rates in contrast to postal surveys. However, the questions need to be short and simple (Frankfort-Nachmias and Nachmias 2007; Gray 2009). The methods of administering the questionnaire also affect the length of the questionnaire. In face to face interviews; questionnaire can be much longer depending on the nature of the topic under investigation and type of sample. Usually the more specialized the population is and the more relevant the topic, the longer the questionnaire can be (Dillman 2000).

Considering all these options and based on the relative advantages and disadvantages of each method, the researcher chose to adopt a survey interview questionnaire to improve the response rate though it proved costly and time consuming. However, where possible, it was intended that the survey interview questionnaire would be delivered and collected later if respondents agreed to this. In addition to the above considerations, the initial visits to the field and pilot testing of the survey instrument revealed that if the researcher left questionnaire to be collected later, the probability that these questionnaires were filled in by subordinates of the senior level management was high. Therefore, it was decided that in order to be certain that questionnaires were completed by the respective respondents, they needed to be administered in an interview format, particularly at senior management level. The reasons for adopting an interview questionnaire for the general community were the geographical dispersion and the high security risks of visiting these communities. In addition, considering the literacy level of the respondents, it seemed more appropriate that the community questionnaire should be administered in interview format.

The main considerations involved while designing the questionnaire were to develop questions which could yield meaningful and accurate information, and to identify themes for further in-depth investigation. Other considerations included the overall layout of the questionnaire, including the sequence of the questionnaire, the mix of open-ended and closed-ended questions and the wording of the questions, their drafting, clear instructions, and coding. In general, the questionnaire had some factual questions followed by detailed questions asking about opinions and perceptions. Another consideration was the length of the entire questionnaire so as to improve the response rate. Generally it is advisable that the length of the questionnaire should be 4-8 pages of A4 size (Saunders, Lewis and Thornhill 2003). The organizational survey questionnaire was divided into 5 main sections and each section had no more than 12 questions. It was designed to be completed within 15 minutes. The final questionnaire covered six sides of the A4 paper (see Appendix 1). The community survey questionnaire was also divided into three parts and was designed to be completed within 15 minutes. The final version of the questionnaire is in the Appendix (1).

#### **6.4.1 Developing the Survey Questionnaire**

The questionnaire was designed following a thorough review of the literature, followed by developing the analytical framework of the study. In addition to this, the researcher also conducted several unstructured interviews with the respondents ranging from middle to senior level management, political representatives, and council officers. During the initial visits to the WASAs (Lahore and Faisalabad), the researcher was given a brief presentation about the organization which helped her to amend the questionnaire and improve its content validity. In the Education Departments (Lahore and Faisalabad), the researcher conducted unstructured interviews with middle and senior management, head teachers, and members of school management committees.

Initial visits to the town hall also helped the researcher to refine the community and organizational survey questionnaires.

After the preliminary analysis of those interviews, the questionnaire was revised. In this way a first draft of the questionnaire was developed, which was reviewed by academics from the Institute of Administrative Sciences, University of the Punjab, and further tested in the field. In the pilot testing of the questionnaire, the researcher sought help from the same respondents who were included in the unstructured interviews. This ensured that respondents understood the questions and that there were no problem with respect to the wording, clarity and layout. After the second draft of the questionnaire was developed, it was tested again using a pilot. During this pre-testing, the method of administration was also reviewed. In the design phase, the researcher considered various survey methods ranging from self-administration, focus group, structured interviews and postal survey. During the field visits and interviews it became evident that structured interviews and a postal survey would be better strategies to ensure a high response rate and establish a rapport with the respondents which could be helpful for the further in-depth investigation particularly the semi-structured interviews. Structured interviews with key respondents also provided the researcher with the opportunity to probe into issues of significance and provide a better understanding of the phenomenon by eliciting more in-depth information on key issues. Another advantage was to explore the field notes in detailed semi-structured interviews while being unbiased at the same time. The final draft of the questionnaire included a cover letter explaining to the respondents the overall objectives of the study; seeking their cooperation and ensuring them that the information collected will be used for the academic purposes alone. In the case of the postal survey, the questionnaire also included the pre-paid postal envelope with the mailing address attached to it. A list of respondents was generated during field

visits who were willing to participate in structured interviews and those who wished to have a postal survey instead.

#### **6.4.2 Pilot Testing and Assessing the Validity of the Questionnaire**

According to Saunders, Lewis and Thornhill (2003) pilot testing not only refines the questionnaire by letting the researcher know that respondents do not have a problem in understanding the questionnaire, it also enables the researcher to overcome the problem of validity and reliability. This can be achieved in a number of ways. One is through a thorough review of the literature. Another is by asking a group of colleagues and experts to comment on the representativeness and the suitability of the questions and making necessary adjustment accordingly. It helps to improve the content validity of the questionnaire. The survey instruments of this study were developed after a thorough review of the literature, operationally defining each variable by looking at the relevant measures used in other studies, asking colleagues and practitioners involved in LGs for their input on the relevance of the questions, and by conducting pilot tests.

One main consideration in the community survey was to translate the questionnaire into the national language, Urdu. Initially an English draft was developed, which was translated into Urdu. Considering the literacy rate of Pakistan (159<sup>th</sup> among the developing countries), the researcher considered it significant not to take it for granted that respondents would be able to understand the entire questionnaire in English. Therefore, an Urdu version was developed for the community survey. However, it also raised the question of validity and consistency in both versions of the questionnaire. In order to improve the consistency of both languages, it was first given for review to colleagues in the Punjab University, Lahore, Pakistan, and then discussed with community representatives who were fluent in both languages to check their

understanding of the questionnaire.

Furthermore, the Urdu version of the questionnaire was pilot tested in order to ensure that the questions were measuring the exact same contents that they were measuring in the English version. This procedure was undertaken with the help of a group of experts from Academia, local councillors and key informants of the community who were able to provide feedback on the comprehensiveness and appropriateness of the questions comparing both versions. Then the final draft was amended accordingly. After making the necessary amendments (such as reorganizing the questionnaire into parts - 1, 2, 3, 4 and creating a coding structure, see for example pilot survey questionnaire and final versions attached in Appendix 1), it was further pilot tested in order to ensure that respondents were able to comprehend the questionnaire and if needed questions could be rephrased to improve the validity of the instrument. The respondents were given a brief introduction of the research background, and were requested to provide their input on the nature of the questions, the layout, and content and suggestions or recommendations for the researcher's guidance. The feedback was processed and some adjustments in the layout of the questionnaire were made accordingly. However, interestingly it was revealed that respondents were more willing to give their input when it was carried out in the form of a structured interview. It was also identified during the pilot testing that it was very costly to go back to the community for the collection of questionnaires. Though it was a time consuming process, it saved the cost of going back into those communities which were not easy to approach due to the political unrest of the country.

### **6.4.3 Administering the Organizational Survey**

The questionnaire was organized according to the themes informed by the conceptual framework. The objectives of the organizational survey were to assess the perception of managers regarding the impact of decentralization reforms on public sector organizations by assessing five key themes: 1) managerial autonomy, 2) community participation, 3) internal and external institutional environment, 4) performance management model, 5) and accountability arrangements. The main variables of the management reforms and their measurement are provided in Table 6-3. The purpose of the first part was to establish the extent of managerial autonomy after decentralization reforms over personnel and financial management dimensions. The purpose of part 2 was to identify the level of user/community involvement in service provision and if it has improved organizational performance. Part 3 measured the institutional environment of public sector organization both in terms of the internal institutional environment (personnel management, financial management systems and resource adequacy) and external institutional environment (policy coordination, political and bureaucratic commitment, and other institutional factors). Part 4 was to assess the performance model of service delivery organizations. Part 5 of the survey measured the manager's perception regarding accountability mechanisms (accountability in record management, grievance procedures, reporting system etc.). The survey concluded by asking respondents to compare their organizational performance before and after decentralization and to suggest the main weaknesses of their organizations and what should be done to address these weaknesses. The key features of the survey were:

- The survey instrument was constructed between September - October 2009, and pre-tested in November 2009. A total of 20 questionnaires were pilot tested.
- The survey was administered in the form of structured interviews and postal survey.

- The researcher identified respondents (respective managerial levels) through organizational charts, and contacted them prior to administer the questionnaire to ensure their willingness to participate in the study.
- The survey was administered at senior and middle management level. As the number of managers was small, therefore, the sample consisted of the total census.
- During the field visits, it was decided that the questionnaire would be administered to the respondents in the form of structured interviews. However, it could also be administered as a postal survey in the case where respondents preferred to send it through the post. In the case of a structured interview, prior appointments were sought by approaching first the head of the selected organizations and then by meeting the individuals concerned.
- Before each visit, the meeting was confirmed and in case of cancellation another appointment was sought. This process also helped to establish a rapport with the respondents for further detailed semi-structured interviews.
- In the case of the Education Departments, all of the respondents showed their willingness to take part in the structured interview form of the survey. The total number of respondents was 32. Only in the case of WASAs, a postal survey was done at the middle management level (39 Directors/Deputy Directors) by getting assurance from their respective heads that it would be completed in an unbiased way and only by the respondents. Furthermore, the researcher followed up the questionnaire through telephone reminders.
- A purposive sampling technique (as explained earlier in Section 5.7) targeted the managerial levels directly involved in service provision as they were more 'information rich' sources.
- A precise questionnaire covering 6 sides of A4 paper, with cover letter, instructions, and self-return envelope, which was pre-coded, pilot tested and telephonic follow up were made (Appendix 1).

**TABLE 6-3: OVERVIEW OF ORGANIZATIONAL SURVEY QUESTIONNAIRE DESIGN**

<b>Reform themes and measures (internal assessment of public sector through survey instrument)</b>
<p><b>Decentralized authority</b></p> <p>The extent managers were free to manage assessed by measuring their autonomy along 10 items related to the personnel management and financial management</p>
<p><b>Community participation</b></p> <p>Organizations view of the role of users in service delivery, how closely they work together and how far it has been instrumental in improving performance.</p> <ol style="list-style-type: none"> <li>1. The extent of community involvement in service delivery (very significant, significant, not significant, no change)</li> <li>2. Any example of user involvement</li> <li>3. Impact on organizational performance (very significant, significant, not significant, no change)</li> </ol>
<p><b>Performance Model:</b></p> <p><b>a) Performance targets:</b></p> <ol style="list-style-type: none"> <li>1. Organizations have documented performance standards (yes/no)</li> <li>2. Setting of performance targets: are performance targets agreed to between employees and supervisors at the beginning of each year (yes/no)</li> <li>3. Performance standards are communicated to all across the organization (Yes/No/Partially)</li> <li>4. The extent performance standards are generally achieved (yes/no/partially)</li> <li>5. The importance placed on the achievement of organizational objectives (very significant/significant/somewhat significant/not significant at all)</li> <li>6. The extent organizational mission and objectives are achieved (0-25%/26-50%/51-75%/76-100%)</li> </ol> <p><b>b) Incentive structure</b></p> <ol style="list-style-type: none"> <li>1. Does organization has a performance based appraisal system (yes/no)</li> <li>2. Are individuals in your organizations rewarded on the basis of performance (yes/no)</li> <li>3. Sanctions or penalties based on poor performance (dismissal/demotion/salary decrease/suspension/warnings)</li> <li>4. Rewards for performance based on (outstanding services/improved qualification/excellent attendance record/no recognition)</li> </ol>
<p><b>Institutional environment</b></p> <p><b>Internal organizational processes:</b></p> <p><b>a) Personnel management system</b></p> <ol style="list-style-type: none"> <li>1. Merit based recruitment</li> <li>2. Do organizations have Human Resource Information Management System (yes/no)</li> <li>3. Personnel management rules are (four point likert scale from strongly disagree to strongly agree):             <ol style="list-style-type: none"> <li>a) Simple to implement</li> <li>b) Flexible in implementation</li> <li>c) Effective in managing personnel</li> </ol> </li> </ol> <p><b>b) Financial management system</b></p> <ol style="list-style-type: none"> <li>1. Organizations have a system of evaluating projects of programs (yes/no)</li> <li>2. Organizations perform internal audit system (yes/no)</li> <li>3. To what extent financial management function (budget preparation, procurement, Budget execution, internal audit, preparation of end of year accounts)</li> </ol>

<p>are performed by organizations (not all/partially/fully)</p> <p>4. Factors related to resource leakage (unclear rules for financial accounting, lack of capacity to account for budgeting resources, weak auditing practices, and weak sanctions against corrupt practices) measured in 5-point Likert scale ranging from not at all significant to highly significant</p>
<p><b>External institutional factors</b></p> <p><b>a) Policy coordination</b></p> <p>1. How far policies are consistent (very consistent/more consistent/ more inconsistent/very inconsistent)</p> <p>2. Does lack of consistency in policies affect organizational performance (not at all/not significant/to some extent significant/very significant?)</p> <p>3. The extent lack of coordination among tiers of government affects organizational performance (to a great extent/to some extent/ not at all)</p> <p><b>b) Political and bureaucratic interference</b></p> <p>1. How would you rate the incidence of political interference in your organizations (very frequent/frequent/infrequent/almost never)</p> <p>2. How would you rate the incidence of bureaucratic interference in your organizations (very frequent/frequent/infrequent/almost never)</p>
<p><b>c) Other institutional factors</b></p> <p>1. To what extent factors like political instability, regime legitimacy, economic instability, lack of political support, lack of bureaucratic support, lack of supportive local context affect organizational performance (assessed on 5-point likert scale ranging from not at all significant to highly significant)</p> <p>2. Resource adequacy in terms of financial, human, technical, and infrastructure (assessed on 4-point likert scale ranging from completely inadequate to fully adequate)</p>
<p><b>Accountability</b></p> <p>3. Reporting of corruption incidence to public authorities</p> <p>4. Clear guidelines regarding budget preparation exist in organizations (yes/no)</p> <p>5. Are these generally followed?</p> <p>6. Access to information (extremely difficult/difficult/easy/very easy)</p> <p>7. Provision of information to end users (yes/no)</p> <p>8. Efficient customer complaint or grievance procedures (yes/no)</p> <p>9. Information management system for budget preparation (yes/no)</p> <p>10. How reliable is the information in your information management system (Highly Reliable/moderately reliable/partially reliable/not reliable)</p> <p>11. Is the audit report presented to the local council (yes/no)</p> <p>12. How effective is the internal audit system (ineffective/partially effective/effective very effective)</p> <p>13. The extent monitoring committees are playing an effective role in improving performance (very significant/significant/not significant at all)</p>
<p><b>Pre-post performance comparison</b></p> <p>How would you compare performance improvements before and after decentralization reforms (much better/a little better/no change/a little worse/much worse)</p>

### 6.4.3.1 Total Response Rate

The survey was administered in City District Governments - CDGL and CDGF - across two sectors: Education and WSS. Data was collected from the Education Department of the CDGL, and CDGF. Likewise, the survey was administered in Water and Sanitation Agencies (WASAs) of both CGDs. Of the total 105 questionnaires, the researcher received 91 replies (questionnaires), a response rate of 86.66%. The total response rate was estimated by applying the formula as given by Saunders, Lewis and Thornhill (2003), De Vaus (1996) and Newman (2000b) to calculate the response rate:

$$\text{Total response rate} = \frac{\text{Total number of responses}}{\text{Total number in sample- (ineligible + unreachable)}}$$

Respondents who do not meet the research requirements are known as ‘ineligible’ and those who despite the researcher’s repeated attempts remained unreachable are known as ‘unreachable’. Of the total sample size (129), 22 respondents were unreachable in CDGL and only 2 respondents were unreachable in CDGF, leaving a total sample size of 105. Overall, a response rate of 86.66% is exceptionally high for a survey. Looking at the returns in more detail, as depicted in Table 6-5, also highlights that both survey delivery organizations’ middle (Pay scale Grade 18) to senior managerial levels (Pay scale Grade 19) were well represented in the sample.

**Table 6-4: Response Rate by City District Government**

City District Governments (CDGs)	Total surveyed (N=105)	Response rate (N=91)
LAHORE(CDGL)	78	66
FAISALABAD (CDGF)	27	25

#### **6.4.3.2 *How Representative is the Response Rate***

The survey was administered at the managerial level (middle to senior management level) directly responsible for service delivery. The distribution of response rate by managerial level is presented in Table 6-5. The Education Department was mainly organized according to: (1) Elementary Education (Grades 1-8), (2) Secondary Education (Grades 9-12). Furthermore, girls' and boys' schools were managed separately by male and female managers respectively as shown in Table 6-5. The Education sector had three managerial levels: (1) Executive District Officer (EDO) - Head of the Education Department, (2) District Education Officers (DEOs) - Heads of their respective town schools and, (3) Deputy District Education Officers (DDEOs) - Deputy Heads of Town schools.

On the other hand, in the Water and Sanitation Agencies (WASAs), there were no female managers and all the managerial levels had an engineering background. At the top of the organizational hierarchy of WASA, was: (1) Managing Director (MD), followed by (2) Deputy Managing Directors (DMDs) responsible for different functions of WASA and (3) Directors. The entire population was sampled for the survey firstly because of the small sample size and secondly, to ensure that statistically significant generalization can be drawn for further investigations. The distribution of sample is provided in Table 6-5.

**Table 6-5: Distribution of Returns**

No.	Type of Service Delivery Organization			Total Sample & Returns			
	Education			Lahore		Faisalabad	
	Designation/Responsibility	Managerial level	Grade	Sample	Returns	Sample	Returns
1.	Executive district officer	Top management/	19	5	4	4	3
2.	District education officer(Male/Elementary education)	Senior Management	19				
3	District education officer(Female/Elementary education)		19				
4	District education officer(Male/Secondary education)		19				
5	District education officer(female/Secondary education)		19				
1	Deputy District Education Officer (male/elementary)	Middle Management	18	18	17	8	8
2	Deputy District Education Officer (female/elementary)		18				
3	Deputy District Education Officer (male/secondary)		18				
4	Deputy District Education Officer (female /Secondary)		18				
<b>Water and sanitation agency (WASA)</b>							
1	Deputy managing director	Senior Management	19	40	30	9	9
2	Director	Middle management	18				
3	Deputy director		18				
<b>Total Sample= (78 WASA +27 EDUCATION)= 105,</b>				T=78	R=66	T=27	R=25
<b>Return = (66 WASA+25 EDUCATION)=91</b>							

#### 6.4.4 Construction of the Community Survey

In order to assess the improvements in service delivery performance of LGs after the Devolution Plan 2000, a community survey was conducted. The word community is adopted here as the basic unit of analysis were two communities (referred as Union Councils which was the lowest tier of LG) from each district selected on the basis of rural urban divide. The focus of the community survey was to assess the effectiveness and responsiveness of the LG system in service delivery from the viewpoint of local communities. This survey at ‘grassroots level’ was an effort to supplement and provide additional insight to the perception of public and political officials of the LG regarding decentralization and service delivery outcomes. The key features of the community

survey were:

- The questionnaire was targeted at the user level - community and administered in the form of structured interviews between November 2009 - January 2010.
- The sampling strategy utilized was purposive sampling techniques for both surveys; organizational and community. The selection of this sampling technique was based on the assumption that it will enable the researcher to select cases which will best answer the research questions and will capture the maximum variation surrounding the key themes of research. Patton (2002) has emphasized that a researcher using purposive sampling should select information rich cases. Therefore, in the case of the community survey, the researcher selected communities on the basis of two considerations: urban and rural union councils; and ease of access. Another consideration was the time limitation and cost involved. Two towns were selected from each district government, and then one community was selected in each town for the survey. The selection of towns and union councils was based on ease of access and the rural urban divide as discussed before in the methodology section of the selection of cases.
- The sample size consisted of 50 households in each community.
- The questionnaire consisted of 7-8 sides of A4 with a cover letter.
- The questionnaire was translated into the national Urdu language.
- The questionnaire was pre-coded using SPSS software.
- The questionnaire was pilot tested (30 questionnaires administered at the community level, 4 were administered at the political representatives).
- During the design process of the research, the researcher considered the self-administration of the questionnaire as a data collection technique. However, during the pilot testing of the community questionnaire it was found that many respondents were illiterate and that it was better to deliver the questionnaire in the form of structured interviews. It was also helpful in improving the response rate. The structured interview duration was 15 minutes. Field notes were taken in cases where respondents were willing to share detailed responses to the open ended questions. Another constraint was that it was not feasible to collect the self-administered questionnaires later as accessibility to the communities was not easy. The overview of the community survey is provided in Table 6-6.

**Table 6-6: Overview of Community Survey Questionnaire Design**

<b>Variables</b>	<b>Dimensions measured</b>
<b>Participation</b>	<ol style="list-style-type: none"> <li>1. Indirect participation: Knowledge of the different committees (citizen community Board, school management committee, water and sewerage committee);</li> <li>2. Direct participation: For instance direct participation in any of the monitoring committees; participation in development projects; and</li> <li>3. Contact with the councillors: Community relationships with the public representatives by assessing how frequently councillors meet them in any local meeting, take their input in the development project; whether community contact the public and political representatives for bringing any community issue in their knowledge.</li> </ol>
<b>Accountability</b>	<ol style="list-style-type: none"> <li>1. Change in the attitude of the public and political representatives towards community issues by measuring the satisfaction level of the respondents of their meeting with the councillors and government officials;</li> <li>2. Dissemination of information by the council and councillors relating to the development projects, and access to information published by city district government,</li> <li>3. Reporting of corruption and whether the complaints are heard or not</li> <li>4. Change in government employee's attendance and the reasons behind this change</li> </ol>
<b>Performance</b>	
<b>1. Sewerage System</b>	<ol style="list-style-type: none"> <li>2. To what extent the community has a sewerage system, the nature of the sewerage system, and community involvement in service provision,</li> <li>3. To what extent the local government system has been able to improve access to the sewerage facilities, improvement in the attendance of government employees, the quality of the sewerage system, satisfaction with the complaint procedure, reasons for satisfaction and dissatisfaction with the service provision; comparison before and after the local government system in the system provision, presences of any monitoring committee and its effectiveness.</li> </ol>
<b>2. Water supply System</b>	<ol style="list-style-type: none"> <li>1. To what extent the community has a water supply system, the nature of the sewerage system, any development project, community involvement in service provision, charges for the service provision</li> <li>2. To what extent the local government system has been able to improve access to the water, improvement in the attendance of government employees, the quality of the water supply system, satisfaction with the complaint procedure, reasons for satisfaction and dissatisfaction with the service provision; comparison before and after the local government system in the system provision, and the presences of any monitoring committee and its effectiveness.</li> </ol>
<b>3. Education Provision</b>	<ol style="list-style-type: none"> <li>1. To what extent the community has access to schools, type of schools attended by their kids, reasons for attending, role of NGO/CCB/CBO, tuition fees</li> <li>2. Change in the attendance of teachers, improvement in the access to education after local government system, satisfaction with the complaint procedure, reasons for satisfaction or dissatisfaction with the government schools, comparison before and after the local government system in the education system, knowledge of school management committee and its role.</li> </ol>
<b>3. Overall performance of LGs</b>	<ol style="list-style-type: none"> <li>1. To what extent the local government system has been able to mobilize community participation, asking respondents to provide an example of community participation.</li> <li>2. Then to measure the responsiveness of the local government system we asked respondents to indicate the most important issue of the community and has the local government system been able to solve these issues; has local government been able to improve service delivery compared to the previous system and how it has improved service delivery.</li> <li>3. The researcher also tried to assess to what extent local government system been able to improve the accountability by asking respondents is there any change in the attendance of the government employees, has the local government system been able to improve complaint procedure, reduce corruption, and whether the new local government system is more transparent than the previous system.</li> </ol>

#### 6.4.4.1 *Distribution of Sample*

The sample for the community survey was collected from two union councils of LGs: City District Government Lahore (CDGL) and City District Government Faisalabad (CDGF) as depicted in Table 6-7. As explained in the research methodology chapter, the researcher adopted a purposive sampling technique and the selection of these communities was based on the rural/urban divide. Though in each CDG, all union councils were characterized as urban, however, communities like the Union Council (UC): UC-74 of CDGL and UC-165 of CDGF were located at the outward regions and prior to LG reforms were considered rural union councils and only after the demarcation of local government became part of the CDGL and CDGF respectively. It was done to ensure the variation of demographics of local government communities.

**Table 6-7: Distribution of the Sample**

Local Government (LG)	Union Council (UC)	Total Structured Interviews
City District Government Lahore (CDGL)	• UC – 74	50
	• UC- 53	50
City District Government Faisalabad(CDGL)	• UC- 216	50
	• UC 165	50
Total		200

#### 6.4.4.2 *Profile of the Respondents*

Table 6-8 depicts the demographic profile of the respondents. From each CDG, 100 respondents were surveyed. From the CDGL, the sample consisted of 60% male and 40% female compared to 54% male and 46% female from CDGF. Of the total respondents surveyed from CDGL, 7% were illiterate, 32% had an academic background of only primary to 8<sup>th</sup> grade; 38% had a high school qualification and the rest of the respondents had a Bachelor or higher degree. Likewise, from CDGF, 13% of the respondents were illiterate, 40% had primary to 8<sup>th</sup> grade education, 38% had high school qualification, and 9% had a Bachelor or higher degree. In the CDGL sample all

the age groups were well represented whereas in the case of CDGF, 50% were below 30 and 38% were from the middle age group (31-39). As depicted in the table, the majority of the respondents only had a high school degree which is an indication that they could not well understand the English version of the questionnaire and it was very significant to have the Urdu version for data collection. However, there is some variation regarding the age group of Faisalabad district. The reasons for this variation might be due to the fact that the researcher was commuting daily to Faisalabad to do the community survey between 11am till 7pm. As the researcher was residing in the city of Lahore, therefore, it was possible for her to visit the community at late hours.

**Table 6-8: Demographic Profile of the Respondents**

<b>DEMOGRAPHIC PROFILE:</b>		<b>CDGL (N)</b>	<b>CDGF (N)</b>
<b>1</b>	<b>Gender:</b>		
	1) Male	60	54
	2) Female	40	46
<b>2</b>	<b>Age</b>		
	1) Below 30	24	50
	2) 30-39	37	38
	3) 40-49	24	6
	4) 50 and above	25	6
<b>3</b>	<b>Academic qualification</b>		
	1) Illiterate	7	13
	3) Primary-middle (5 <sup>th</sup> -8 <sup>th</sup> grade)	32	40
	5) Matric-FA (high Scholl)	38	38
	7) Bachelor and others	23	9

## **6.5 DIFFICULTIES ENCOUNTERED WHILE CONDUCTING THE SURVEYS**

The researcher encountered various issues during the process of data collection. First of all, the main difficulty encountered was little information about the target population. The researcher could not get access to contact details as this information was not updated in organizational records. This issue was resolved through site visits and unstructured interviews. The researcher tried to get the organizational charts from the service delivery organizations to narrow down the respondents who had managerial

autonomy and were the key respondents in managing service delivery organizations. Field visits and unstructured interviews also helped to identify the managerial level with considerable autonomy in service delivery organizations.

### **6.5.1 Gaining Access to the Field Work**

The second issue was gaining access to respondents. This was achieved through getting a personal reference for the top management level and subsequently the researcher negotiated access with the top management level and was able to access other respondents. Another factor that the researcher encountered was that in WASA, Lahore, a joint development project was under-development and most of the key respondents were not available as they were busy in meetings with foreign delegates. This process was time consuming and difficult. Thirdly, the political unrest and suicide bombings in Pakistan put limitations on the researcher's decisions regarding the selection of the field sites and accessing the respondents. Because of these situations, the researcher was often denied access to the field sites without having proof of prior meetings or proper credentials in the initial field visits. Subsequently, the researcher, during data collection, always ensured that meetings were confirmed before the interview and that she had personal identifications (National and Organizational IDs) with her.

The main problem during fieldwork for the community survey was how to access the respondents considering the geographic dispersion, security issues and the community's lack of trust to give any information to a stranger. To overcome the problem of access, the researcher contacted the Union councillor/Town Nazim of the respective UC/town. These were the respondents who participated in the semi-structured interviews and the researcher had already sought their willingness to help with the fieldwork. They identified the key persons of the community who further identified the households for

further interviews and introduced the researcher to those households. This may lead to a certain bias as the selection of household was based on the key individual choice, however, to reduce this bias, the researcher tried (1) to approach not more than 5 houses from one street so that more variations can be reflected in the survey, (2) during the survey administration process, it was ensured that the key individual was not present in order to reduce his/her influence on survey responses. There was another cultural barrier. When the researcher interviewed men, the cultural context required the presence of a male assistant in the field. Therefore, throughout the process of interviewing males, the researcher had the help of an assistant to accompany her during the field visits and particularly to approach male respondents. However, male assistant had no role or influence in the conduct of the survey administration process.

## **6.6 ANALYSIS OF THE QUESTIONNAIRE**

Quantitative data analysis techniques were used to explore, present and examine the relationships among variables and identify trends within the data. For instance, frequency tables were used to explore and present data in a summarized way. Contingency table or cross tabulation compared variables and examined any interdependence among them. Then significance tests were performed to assess any significant association between the variables. The significance tests ruled out the possibility that the results could be due to any random variation in the sample. It is essential to establish the level of statistical significance acceptable for the research. The standard in social science research is that the maximum level of significance that is acceptable is;  $p < .05$ . It implies that the results are unlikely to have occurred by chance (Bryman 2012). The two main categories of statistical significance tests were: non-parametric and parametric. Non parametric tests are employed when the data are not

normally distributed and this is more often the case when categorical variables are used. On the other hand, parametric tests are used with numerical data (Saunders, Lewis and Thornhill 2003). The main tests applied were descriptive statistics (Contingency tables); the tests of significance including Mann-Whitney U test for scaled/ranked variables and the Chi-square tests for categorical variables (both nominal and ordinal) in order to identify significant differences across types of LGs (also referred to as CDGs) and types of service delivery organizations (referred to as Sectors in the analysis section).

### **6.6.1 Descriptive Statistics**

Descriptive statistics analyse trends using cross tabulation and percentages. For this purpose contingency tables were prepared to show trend across LGs and service delivery organizations.

### **6.6.2 Exploring Relationships by Comparing Groups**

#### **6.6.2.1 *Mann-Whitney U***

The Mann-Whitney U test compares differences among groups on a continuous measure such as; do respondents from CDGL and CDGF differ in terms of the managerial autonomy they can exercise over administrative and financial management decisions? Mainly, the researcher compared differences across type of LG and type of service delivery organization. It is a non-parametric statistics and is an alternative to *t*-test for independent samples. It compares medians and converts the scores on a continuous scale into ranks. Then it evaluates ranks for measuring how significant the differences across two independent groups are. The main value which needs to be examined in the SPSS output is: the value of *Z* and the significance level *p*. Then the Mean Rank table is examined in order to determine the direction of the difference to see which group has scored higher. However, it is advised to report median values, therefore median values

for each test were calculated and reported in the Mann-Whitney summary test tables for comparison (Pallant 2010).

#### **6.6.2.2 Chi-square tests**

A Chi-square test for independence was applied to explore the relationship between two categorical variables. The Chi-square test evaluates the extent to which the difference between observed frequencies and expected frequencies under a set of theoretical assumptions is statistically significant. Mainly, Chi-square tests are applied to categorical variables (Frankfort-Nachmias and Nachmias 2007). This test compared the proportion of cases that occurred in each category. The two grouping variables were type of service delivery organizations (Sectors) and type of LG (CDGs) as used in the Mann-Whitney U test. The output is presented in a cross tabulation table and the main value which needed to be considered in Chi-square tests was the *Yates' correction for continuity* value. This value corrects the overestimation of the Chi-square value (Pallant 2010). The maximum level of significance ( $p$ ) should be less than or equal to .05 in order to be significant- this value is present in the column labelled Asymp. sig. (2-tailed). The summary statistics of the Chi-square tests are presented in the statistical analysis section, and the detailed tables are attached in the appendix (Appendix 3 & 4). This is a standard approach for data presentation and analysis.

### **6.7 INTERVIEWS**

Interviews are a way of providing empirical data about the social world around us by asking people about their life experience. The interviewer's main aim is to generate data which provide deep insight into people's experiences (Silverman 2009). According to Lincoln and Guba (1985) interviews can be classified as structured or unstructured based on their degree of structure. In the structured interviews, the researcher *knows*

*what he or she does not know* and therefore tries to find out through appropriate questions. On the other hand, unstructured interviews are used when the interviewer *does not know what he or she wants to know* and therefore both questions and answers are given by the respondents. The researcher preferred the semi structured approach as it offered a structured approach while at the same time being flexible and more adaptable to investigate the phenomenon under study. The most important aspect of an interview is how it is planned and managed. Generally, before interviews the researcher needs to address the following issues:

- The respondents to be interviewed.
- Interview preparation (research questions, their appropriate sequence, the level of formality, appointment confirmation from the respondents).
- Managing the interview conversation (presenting the overview of the study, ensuring the confidentiality of the respondents, seeking permission to record the interview, warm up questions/general questions and then leading to more specific questions maintaining flexibility and keeping probing questions to follow up for clarification or more in depth information, closure or termination of the interview by briefly summarizing the key points asking for suggestions and appreciating their help and time).

In order to develop an interview guide, a list of topics was identified before entering the field. Then the guide was further refined after preliminary visits to the field sites. The preliminary visits to field sites also helped in exploring the relevance of the research questions and identified the respondents who were more knowledgeable and informed. The interview schedule consisted of general questions to have a more relaxed interview environment, followed by more specific questions along with a list of probing issues to explore the in depth knowledge of the phenomenon. The detailed interview schedule is attached in the Appendix (2). Before interviewing the respondents, the researcher tried to be clear of the general responsibilities of that particular designation in order to

generate a more in depth conversation with the respondent and check the meeting time before the time of the interview, as most of the respondents were at times in the field to deal with some emergent issues, the interviewer had to be flexible in adjusting to these contingencies.

The other issues related to the interviews were: interviewer bias, the way the questions were asked, the rapport between the interviewer and interviewee, the place where the interview was carried out and ethical considerations such as confidentiality of the respondents (Silverman 2009). The use of the interview guide helped the researcher to deal with the issues of the use of appropriate language for the questions being posed, and the way each question was approached. The semi structured interviews helped the researcher to achieve flexibility and investigate the topic of study. Initial questions were of a general type such as asking respondents some background information in order to establish rapport and help ease the tension during the conversation. At this time the researcher assured respondents that their confidentiality would be maintained and sought their permission to record the interviews and if they considered anything uncomfortable, the researcher ensured the recording would be stopped. The interview was closed by summarizing the key points, asking for further suggestion and appreciating their help and time for the research. The researcher also sought their permission for any follow up interview in case further clarification was needed before the closure of the interview. This proved helpful as the researcher conducted 5 follow up interviews [with MD (WASA, CDGF), Director WASA (CDGL), Head of ITA, Head of ASB, and another interviewee<sup>6</sup> from an NGO].

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<sup>6</sup> On the request of the interview, designation and affiliation is kept confidential and in the analysis section the Interviewee is referred to (Interviewee NGO [A])-Anonymous.

### **6.7.1 The Profile of Respondents / Interviewees**

A purposive sampling approach was adopted as the research topic required the researcher to interview those respondents who were directly involved in service provision ranging from managers of public organization, political heads of local government, to NGO representatives who were working as partners of service delivery organizations. The researcher tried to include all the stakeholders from the public sector, private sector and political representatives who were directly responsible for service delivery. The purpose was to assess the perception of multiple sources of data to validate how far decentralization was able to improve the service delivery framework and what were the internal and external institutional factors that affected their performance.

#### **6.7.1.1 Political Elites**

The profile of respondents interviewed is presented in Table 6-9. The researcher tried to ensure that the political heads of the three tiers of local governments - Union Administration, Town Administration and CDGs were interviewed. In addition to this, the researcher was also able to interview two female councillors belonging to the City District Council and Town Council respectively. The inclusion of women participants was based on two rationales: firstly, women were given a 33% representation in local councils under the Devolution Plan 2000 and the researcher intended to know how far their inclusion in local councils has given them an effective role in local policy making. Secondly, the Political perspective literature suggested that giving minorities such as women, representation in local councils fails to give them empowerment. Therefore, the researcher tried to interview female councillors to gain their perception of the LG and the nature of their participation in the decision making process.

Again, while selecting from among them, the researcher tried to get access to those respondents who were also members of the local council committees. One of the female politicians was directly elected on general seats and was the Head of the District Education Monitoring Committee and the other politician was indirectly elected on seats reserved for women in Tehsil Council and was also a member of the School Council (SC). Besides this, both of these female councillors - District and Tehsil councillor - were also part of the District Education Monitoring Committee and School council respectively. However, the researcher was unable to gain access to any female councillors from the CDGF, though the researcher tried to seek a prior appointment with them and had secured their commitment.

**Table 6-9: Profile of the Political Elites Interviewed for the Study**

S.NO	Political Elites	CDGF	CDGL
1.	District Nazim (Head of the City District Government)	1	x
2.	Town Nazim	1	2
3.	Union Nazim	1	1
4.	District councillor	x	1
5.	Tehsil Councillor	x	1
6.	Teshil Municipal officer (assisting town Nazim and District Nazim in coordination of towns)	1	1
<b>Total</b>		4	6

X=No

## 6.7.2 Service Delivery Organizations

### 6.7.2.1 Education Department

In the education sector, the researcher interviewed the Executive District Officers (EDO), the heads of the Education Department, the District Education Officers (DEOs) and the Deputy District Education Officers (DDEOs). The education sector was managed according to:

- 1 Elementary Education (Primary Education)
- 2 Secondary Education (High Schools from grade 6 to 10)
- 3 Higher Secondary Schools as they were having classes up to 12<sup>th</sup> grade.

Further, institutions were managed as girls and boys schools by male and female officers of the Education Department as presented in Table 6-10. Overall, the researcher interviewed 19 respondents from the Education Departments. The detail of their designation is presented in Table 6-10.

**Table 6-10: Profile of the Respondents of Education sector**

Designation	Managerial level	Grade	Responsibilities	City District Governments	
				CDGL (N)	CDGF (N)
1 Executive District Officer (EDO)	Top Management	19	Head of the Education Department	1	1
2 District Education Officer (DEO)	Senior Management	19	Female Elementary Education	1	x
3 District Education Officer (DEO)	Senior Management	19	Female Secondary Education	1	x
4 District Education Officer (DEO)	Senior Management	19	Male Elementary Education	1	1
5 District Education Officer (DEO)	Senior Management	19	Male Secondary Education	1	1
6 Deputy District Education Officer (DYDEO)	Middle Management	18	Male Elementary Education	4	1
7 Deputy District Education Officer (DYDEO)	Middle Management	18	Female Elementary Education	2	3
8 Deputy District Education Officer (DYDEO)	Middle Management	18	Female Secondary Education	1	x
<b>Total</b>				<b>12</b>	<b>7</b>

### **6.7.2.2 Water and Sanitation Agency (WASA)**

From the WSS, the researcher was able to interview the Managing Directors (MD), the Deputy Managing Directors (DMDs) and the Directors of the agency (total 8 interviews were conducted, distribution of these is provided in Table 6-11). The basic logic in the selection of respondents was to target the most respondents with ‘formal authority’. For this purpose, as explained in the methodology section, first of all, the researcher interviewed heads of the agency then asked them to be referred to the Deputy Managing Directors (DMDs). The Managing Directors (MDs) were asked to refer the researcher to individuals who were more involved in the planning and research side of the agency. The researcher interviewed ‘Directors’ directly involved in projects such as Public Private Partnerships. Table 6-11 depicts the overall respondents being interviewed.

**Table 6-11: Profile of the Respondents from Water and Sanitation Agency**

CDGs	DESIGNATION	Managerial Level	Grade	Responsibilities
CDGL	Managing Director (MD)	Top management	19	Head of the Water and Sanitation agency
	Deputy Managing Director (DMD)	Senior management	19	Finance
	Deputy Managing Director (DMD)	Senior management	19	Operation and Maintenance
	Director	Middle management	19	Planning and evaluation
CDGF	Chairman FDA/Managing Director (MD)	Top management	19	Head of Faisalabad Development Authority and head of Water and Sanitation agency
	Deputy Managing Director (DMD)	Senior management	19	Finance and operations
	Director	Middle management	18	Water and distribution
	Director	Middle management	18	Administration

### 6.7.2.3 Respondents from the Third Sector/Non-governmental Organization (NGOs)

The researcher interviewed representatives of NGOs who were directly involved in Education and WSS provision. Once again the criterion for selection was based on selecting those NGOs who were the major partners in both City District Governments (CDGs). The researcher was able to interview the two most actively involved NGOs in Education and WSS delivery: Idara-e-Taleem-o-Aghai (ITA) actively engaged in education service delivery and Anjuman Samaji Bebhobood (ASB) engaged in WSS provision. The researcher interviewed the heads of ITA and ASB. In addition to this, the researcher also interviewed two other respondents from NGOs which were actively involved in the education sector however for the purpose of anonymity their details such as designation and affiliations are not disclosed here. Overall, the researcher interviewed four representatives from NGOs.

### 6.7.2.4 Managing Access

In order to manage access to the respondents, the researcher interviewed the head of the Education Department (Executive District Officer), and subsequently contacted the middle management level based on the recommendations suggested by the head of the

organization and others in this process. Likewise the researcher approached the Managing Director of WASA who recommended that the researcher interview the Deputy Managing Director and the Director.

### **6.7.3 Qualitative Data Analysis**

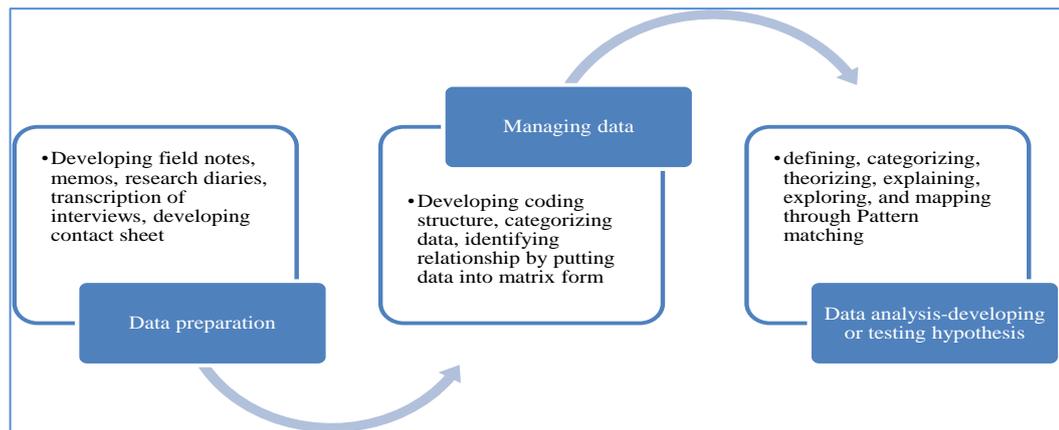
The key features of qualitative data analysis are: “*defining, categorizing, theorizing, explaining, exploring, and mapping*” the nature of phenomena, finding associations, seeking explanations and developing new theories or strategies (Ritchie and Spencer 2002: p. 176). Ritchie (2002) provided a general ‘Framework’ for analysing qualitative data. The Framework approach, also referred to as thematic analysis, is a matrix-based method for arranging and synthesizing data (Bryman 2012). It consists of six key stages:

1. Familiarization
2. Identifying a thematic framework,
3. Indexing,
4. Charting,
5. Mapping and
6. Interpretation.

The process of familiarization actually involves immersion into data, listening to the audio tapes and reading field notes. During this process the researcher reads through the transcripts, and field notes to identify recurrent themes, issues and concepts. The next step is to identify a thematic framework within which issues can be organized. It provides a mechanism for organizing data into manageable units. Indexing involves making judgements as to the meaning and significance of data. By annotating the textual data, the process is made accessible to others and they can see how data are sifted and organized. It also helps the researcher to “check out” the basis of his or her assumptions. The next step is to develop a chart. Data are lifted from the transcripts and are rearranged according to different themes, a process very similar to ‘Matrix Analysis’

developed by Miles and Huberman (1994). The charts may be drawn from the thematic framework, research questions or according to the consideration of how the researcher wants to write up his or her study. Mainly, charts can be thematic (for each theme across all respondents) or by case basis (for each respondent across all themes). Then analysis returns to mapping and interpretation of data, which brings the researcher back to the key features of qualitative data analysis mentioned earlier. The researcher reviews the charts and research notes, compares and contrasts the perceptions, accounts, or experiences; searches for patterns and connections and seeks explanations for these within the data.

The researcher in this study adopted this general 'Framework' for analysing data. However, in addition to the Framework approach, the researcher developed a contact sheet summary to capture and reflect on each contact immediately after each interview. This approach is recommended by Miles and Huberman for a rapid retrieval and synthesis of what the contact was all about. This also helped in planning the next field interview by suggesting new themes or new points to be covered in subsequent analysis. During the field work, the researcher sought permission from the interviewees to audio record the interviews which were further transcribed. The data analysis process consisted of three main stages: data preparation, data management and data analysis as presented in Figure 6-1. During the data preparation stage, the researcher familiarized herself with the field notes, memos, interview transcriptions, and contact sheet summaries. The next stage was data management which mainly consisted of reducing data to meaningful categories, identifying relationships between categories and putting them into matrix forms. The main coding strategy adopted was pattern coding, also known as thematic coding (Miles and Huberman 1994).



**Figure 6-1: General Process of Data Analysis**

The researcher developed a conceptually constructed matrix which had rows and columns arranged according to the concepts developed in the conceptual chapter (Part 2) in order to bring together relevant themes under their construct (see Appendix 6). According to Miles and Huberman (1994) such a conceptually constructed matrix helps in clustering the questions belonging to one central theme or construct. First of all, a matrix was generated for all the respondents separately, and then the results of one managerial level were cross tabulated to identify similar or divergent trends. One of the limitations of applying a Framework method on its own is the inability to provide a more specific procedure for analysis (Bryman 2012). To overcome this deficiency, the researcher applied analytical technique pattern matching for further analysis.

Pattern matching is one of the most commonly used strategies for qualitative data analysis (Yin 2009). This compares an “*empirically based pattern with a predicted one*” (p: 136). If the patterns are similar then the results will help a case study to strengthen its internal validity as well. For this purpose, a conceptual framework (Part 2) was constructed and used to develop the thematic analysis and pattern matching. The development of a conceptual framework and the research questions guided the

researcher throughout the data analysis process. The analytical approach of cross case synthesis was adopted to report research findings. Yin (2009) has recommended to adopt this approach, particularly in case of multiple case study design. Additionally, the researcher used qualitative data analysis software, NVivo, to analyse the qualitative data. With this software, the researcher brought together all the transcripts, created coding strategies, memos generated during the research process, created a research diary, and conducted document analysis (please see Appendix 7 for detail). All the documents were coded and linked together with the transcript coding. This entire process helped to improve the rigour of the data analysis.

## **6.8 DOCUMENTS**

Documents and records are considered to be a low cost, stable, non-reactive and rich source of information (Lincoln and Guba 1985). Archival records provided the researcher with both qualitative and quantitative information. Budget records for example, revealed the spending patterns of CDGs including the breakdown of development and non-developmental expenditure (a significant variable to assess the impact of fiscal decentralization) and helped to understand the real amount of autonomy being decentralized. A complete breakdown of documents is provided in appendix (Appendix 2). From the town hall, the researcher collected information on the numbers of Tehsil Councils and Union Councils, contact details of the councillors, maps, mission and action plans of local governments to see the priorities placed on different sectors such as education, water and sanitation and health etc. Their annual development plans further revealed the spending patterns covering the period of 2005/6-2008/9.

From the Education Departments, information about the delegation of powers, organizational charts, incentive structure, and structure of School Councils was also

collected. During the interviews with the NGOs, information about the PPP projects in the Education and WSS was collected as well. From the water and sanitation sector, the researcher was able to get a copy of the organizational chart, the structure of the Board of Governors, the delegation of powers, WASA Finances and operations and management details. These documents were collected and a preliminary analysis was carried out prior to the finalization of the interview and survey construction in order to develop the data collection instruments in a more meaningful way. It also maintained the objectivity and rigor of the research process. Performance data (discussed in Part 5) for example revealed the performance level of service delivery. The performance data were collected internally by service delivery organizations against benchmark standards used by the World Bank. A brief summary of these indicators is provided in Table 6-12. The performance data covered two tenures of the CDGs (1<sup>st</sup> tenure ending 2005 - 2<sup>nd</sup> tenure ending 2009).

**Table 6-12: Performance Indicators**

Types of Service Delivery Organization	Effectiveness Indicators	Efficiency Indicators
Water and Sanitation Agency (WASA)	<p><b>Water Coverage</b></p> <ul style="list-style-type: none"> <li>• % of population with domestic piped water connection</li> <li>• The existence or non-existence of water rationing/continuity of service</li> <li>• Filtration plant</li> </ul> <p><b>Sanitation Coverage</b></p> <ul style="list-style-type: none"> <li>• % of population with piped sewerage</li> <li>• Quality of sewerage treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Water connection per/000 staff</li> <li>• The % of billed water which is paid for by the consumer</li> <li>• Unaccounted for water</li> <li>• Non-Revenue Water (NRW)</li> <li>• Working ratio</li> </ul>
Education Department	<ul style="list-style-type: none"> <li>• Teacher qualification</li> <li>• No. of institutions to improve access to education</li> </ul>	<ul style="list-style-type: none"> <li>• Pupil/teacher ratio</li> <li>• Student enrolment</li> </ul>

Source: Adapted from Batley (1996)

### 6.8.1 Documents Analysis

All the documents were coded into NVivo software after the initial preliminary analysis. For instance, a matrix analysis was carried out on the policy documents (see Appendix

6). Overall, the triangulation of methods helped the researcher to validate information collected from different sources. For instance, the gap between the delegation of power under the Devolution Plan 2000 and the actual implementation or the authority exercised by service delivery organizations, and institutional constraints was identified by comparing data obtained from different sources such as documents, surveys and interviews. Likewise, the community survey helped to identify the level of community satisfaction with the decentralized service delivery arrangements and identified the reasons for their dissatisfaction through an open ended questionnaire.

## **6.9 ATTENDING CONFERENCES AND SEMINARS FOR THE REVIEW OF RESEARCH**

The researcher also took the opportunity to get critical feedback from peers, practitioners and academics through presenting the research topic in various seminars and conferences. The researcher presented her work at the internal departmental seminars at Stirling University and Stirling Graduate Research Conferences (SGRS) to get feedback from academics. The researcher also had the opportunity to present her papers at Scottish Doctoral conferences, and International Research Symposium for Public Management (IRSPM conferences 2011, 2012). These seminars, particularly the question and answer sessions were helpful to get feedback from academics and other research students. The researcher also benefited from the Stirling University's research seminars on Research Skills and the training provided by the supervisors. All these post graduate seminars, conferences, and supervision were a great source of insight for every stage of the research particularly the methodological issues of research.

## **Conclusion**

Chapter 5 and 6 provided an overview of how the researcher ensured the rigour and robustness of the research process during the design of the research and putting the

research process into practice. It discussed the research philosophy, and methodological issues (Section 5.2) while designing a case study research strategy (Section 5.4), and construction of the case study research strategy (Section 5.7), sampling decisions, interviews and survey instruments, together with qualitative and quantitative analysis decisions (Section 5.7.1) in order to ensure that during the administration of the research every step has taken to maintain the objectivity of the research process. The next part will now present empirical findings from organizational and community surveys.

**PART 4**

**QUANTITATIVE ANALYSIS**

## **CHAPTER 7**

### **ORGANIZATIONAL SURVEY: THE EVIDENCE FROM ORGANIZATIONAL SURVEY FINDINGS**

#### **7.1 INTRODUCTION**

Decentralization reforms under the Devolution Plan 2000 aimed to decentralize managerial, financial, and political authority from the regional to local government, known as City District Governments in five big cities of Pakistan. However, to date little empirical evidence is found to capture the impact of these wide range decentralization reforms on service delivery organizations, and whether it is able to improve the service delivery outcomes of efficiency and responsiveness as stated in the Devolution Plan 2000. This part of the research presents the organizational survey findings from both Education and Water and Sanitation sectors. This chapter has two main sections. Section 7.2 presents survey findings in the form of contingency tables. These contingency tables present data according to the Sector and Local Government (referred to as LG). Section 7.3 presents statistical analysis. The main purpose of Section 7.2 is to identify the extent managers can exercise their autonomy (Section 7.2.1.1), the level of user involvement in service provision and its impact of organizational performance (Section 7.2.2), accountability arrangements (Section 7.2.6) and institutional factors (Sections 7.2.3 & 7.2.5) that may affect performance of service delivery organizations. Statistical analysis attempts to highlight how significantly the variables are associated together and the amount of confidence one can have in the research findings. The last section (Section 7.4) concludes this chapter.

## 7.2 SURVEY FINDINGS

### 7.2.1 The Extent of Managerial Autonomy / Discretion Over Personnel Management and Financial Management

Survey findings regarding the extent of managerial discretion over personnel and financial management are derived from Part 1 of the survey questionnaire (Appendix 1). Respondents were asked to specify the extent they could exercise managerial autonomy over personnel and financial decision making after decentralization reforms. To measure the managerial autonomy, a 5-point Likert scale of 10 items was developed which is presented in Table 7-2, and discussed in the methodology chapter (Section 6.4). This section intends to capture how far decentralized organizational structures such as Education Department and WASA are more autonomous than before.

#### Reliability of Scale

The reliability of the Likert scale was calculated by the Reliability Scale Analysis and using the value of Cronbach alpha. According to Pallant (2007), if the value of Cronbach alpha is 0.7, it is considered acceptable and a value of 0.8 is considered preferable. According to the reliability statistics presented in Table 7-1, the value of Cronbach alpha was very strong, indicating high internal consistency of the scale of managerial autonomy.

**Table 7-1: Reliability Statistics**

Cronbach alpha	Items
.891	10

#### 7.2.1.1 Extent of Managerial Autonomy

The survey findings regarding the extent of managerial autonomy over personnel and financial management are presented in Table 7-2.

**Table 7-2: Managerial Autonomy**

Managerial Autonomy	Education Departments (EDs)						Water & Sanitation Agencies (WASAs)					
	CDGL		CDGF		Total (N+32) CDGL & CDGF		CDGL		CDGF		Total (N+59) CDGL & CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>Personnel Management</b>												
<b>1. Hiring of personnel</b>												
No/not significant	12	57.14	7	63.64	19	59.38	25	55.55	4	28.57	29	49.15
Significant	4	19.95	1	9.06	5	15.63	9	20.00	1	7.14	10	16.94
Very significant/full	5	23.81	3	27.27	8	25	11	24.44	9	64.29	20	33.89
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>2. Firing of personnel</b>												
No/not significant	12	57.14	8	72.73	20	62.5	15	33.33	5	35.71	20	33.9
Significant	5	23.81	2	18.18	7	21.88	20	44.44	0	0.00	20	33.9
Very significant/full	4	19.05	1	9.09	5	15.63	10	22.22	9	64.29	19	32.2
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>3. Promotion of personnel</b>												
No/not significant	12	57.14	9	81.82	21	65.63	28	62.22	4	28.57	32	54.24
Significant	3	14.29	1	9.09	4	12.5	7	15.56	2	14.29	9	15.25
Very significant/full	6	28.57	1	9.09	7	21.88	10	22.22	8	57.14	18	30.51
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>4. Transfer of personnel</b>												
No/not significant	16	76.19	10	90.91	26	81.3	13	28.89	4	28.57	17	28.81
Significant	2	9.52	0	0.00	2	6.25	21	46.67	3	21.43	24	40.68
Very significant/full	3	14.29	1	9.09	4	12.5	11	24.44	7	50.00	18	30.51
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>5. Setting compensation</b>												
No/not significant	14	66.67	10	90.91	24	75.00	39	86.67	7	50.00	46	77.97
Significant	2	9.52	0	0.00	2	6.25	4	8.89	4	28.57	8	13.56
Very significant/full	5	23.81	1	9.09	6	18.8	2	4.44	3	21.43	5	8.47
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>6. Career development</b>												
No/not significant	9	42.86	6	54.55	15	46.88	32	71.11	4	28.57	36	61.02
Significant	9	42.86	3	27.27	12	37.5	8	17.78	2	14.29	10	16.95
Very significant/full	3	14.29	2	18.18	5	15.63	5	11.11	8	57.14	13	22.03
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>Financial Management</b>												
<b>7. Resource allocation</b>												
No/not significant	12	57.14	6	54.55	18	56.3	25	55.56	4	28.57	29	49.15
Significant	2	9.52	2	18.18	4	12.5	9	20.00	2	14.29	11	18.64
Very significant/full	7	33.33	3	27.27	10	31.3	11	24.44	8	57.14	19	32.2
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>7. Procurement</b>												
No/not significant	7	33.33	5	45.45	12	37.5	21	46.67	4	28.57	25	42.37
Significant	8	38.1	5	45.45	13	40.6	15	33.33	5	35.71	20	33.9
Very significant/full	6	28.57	1	9.09	7	21.9	9	20	5	35.71	14	23.73
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>8. Budget execution</b>												
No/not significant	6	28.57	6	54.55	12	37.5	28	62.22	3	21.43	31	52.54
Significant	4	19.05	2	18.18	6	18.8	7	15.56	0	0.00	7	11.86
Very significant/full	11	52.38	3	27.27	14	43.8	10	22.22	11	78.57	21	35.59
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>9. Resource mobilization</b>												
No/not significant	7	33.33	5	45.45	12	37.5	27	60	3	21.43	30	50.85
Significant	4	19.05	3	27.27	7	21.9	9	20	5	35.71	14	23.73
Very significant/full	10	47.62	3	27.27	13	40.6	9	20	6	42.86	15	25.42
Total	21	100	11	100	32	100	45	100	14	100	59	100

According to the distribution of percentages, the results indicated that the Education Departments had less administrative autonomy compared to WASA. Water And

Sanitation Agencies (WASAs) reported 'significant' to 'very significant/full' autonomy over hiring of personnel (50.8%), firing of personnel (66.1%), and transfer of personnel (71.2%). On the other hand, Education Department (ED) reported more autonomy over career development of teachers (53.1%). The EDs reported more autonomy over financial management compared to the respondents from WASAs decision such as procurement (62.5%) budget execution (65.6%), and resource mobilization (62.5%). Respondents from WASA reported 'not at all/not significant' autonomy over resource allocation (55.9%), budget execution (66.1%), and resource mobilization (64.4%).

The results were compared within service delivery organizations - within the Education Departments (EDs) and within Water and Sanitation Agencies (WASAs) across City District Governments (CDGs) to discern the differences in the exercise of managerial autonomy within type of service delivery organization. The results indicated that 71.4% respondents from WASA (CDGF) indicated 'significant' to 'very significant/full' autonomy over hiring and promotion of personnel. On the contrary, the 75.5% of respondents from WASA (CDGL) reported 'no/not significant' autonomy over this aspect. For the firing of personnel, more than 60% respondents from WASAs of both CDGs reported significant to 'very significant/full autonomy'. With respect to career development, 71.42% of the respondents from WASA (CDGF) reported 'significant' to 'very significant/full autonomy' over promotion and career development of staff, while 71.1% of the respondents from CDGL reported 'No/Not significant' autonomy over career development and 62.2% indicated 'no/not significant' autonomy over promotion of staff. A similar pattern was found when comparing results of financial autonomy of WASAs across CDGs. Respondents from CDGF reported 'significant to very/full autonomy' over resource allocation (71.4%), procurement (71.4%), and budget execution (78.6%). Whereas, respondents from CDGL reported 'no/not significant'

autonomy over resource allocation (71.1%), budget execution (62.2%), and resource mobilization (60.0%). Respondents from CDGL only indicated autonomy over procurement decisions.

A comparison of the Education Departments (EDs) across CDGs revealed that although the overall EDs had less autonomy over personnel management decision, the percentages of respondents indicating ‘no/not significant’ were higher in the Education Department of CDGF compared to the CDGL. However, the Education Department (CDGL) enjoyed considerable autonomy over career development decisions of teachers. 57.1% respondents from the Education Department (CDGL) indicated ‘significant’ to ‘very significant/full’ autonomy over career management decisions. Once assessed against financial management autonomy, the survey results indicated that 71.4% of respondents from the Education Department (CDGL) indicated ‘significant’ to ‘very significant/full’ autonomy, while 54.5% of the respondents from CDGF indicated ‘no/not significant’ autonomy over budget execution. However, the majority of respondents from both EDs indicated financial autonomy over resource mobilization (62.5%) and procurement decision (62.5%). These percentages were higher for CDGL.

### **7.2.2 Participation and Organization Performance**

The evidence regarding significance of community participation in improving organizational performance is derived from Part 2 of the survey questionnaire. Respondents were asked to indicate the extent decentralization has been able to improve the community or user involvement in service provision and provide any example of user involvement in service provision. The respondents were also asked to indicate the impact of community involvement on organizational performance. Table 7-3 presents the results of survey findings regarding community participation.

**Table 7-3: Community Participation in Service Provision and Organizational Performance**

Participation	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		TOTAL (N=32) CDGL & CDGF		CDGL		CDGF		Total (N=59) CDGL & CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>Increase in level of participation</b>												
1. No change	3	14.29	0	0.00	3	9.38	0	0.00	2	14.29	2	3.39
2. Not significant	2	9.52	0	0.00	2	6.25	0	0.00	5	35.71	5	8.47
3. Significant	13	61.90	8	72.73	21	65.63	44	97.78	6	42.86	50	84.75
4. Very significant	3	14.29	3	27.27	6	18.75	1	2.22	1	7.14	2	3.39
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>Example of user involvement</b>												
1. Service provision	1	4.76	2	18.18	3	9.38	16	35.56	4	28.57	20	33.90
2. Monitoring	8	38.10	1	9.09	9	28.13	15	33.33	3	21.43	18	30.51
3. Financing	1	4.76	4	36.36	5	15.63	12	26.67	3	21.43	15	25.42
4. All of the above	11	52.38	4	36.36	15	46.88	2	4.44	4	28.57	6	10.17
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>Impact on performance</b>												
1. No change	3	14.29	0	0.00	3	9.38	0	0.00	1	7.14	1	1.69
2. Not significant	4	19.05	1	9.09	5	15.63	1	2.22	7	50.00	8	13.56
3. Significant	14	66.67	6	54.55	20	62.50	40	88.89	4	28.57	44	74.58
4. Very significant	0	0.00	4	36.36	4	12.50	4	8.89	2	14.29	6	10.17
Total	21	100	11	100	32	100	45	100	14	100	59	100

### 7.2.2.1 User Involvement / Participation

The majority of respondents from both CDGs indicated that the user involvement/community participation in service provision has significantly increased after decentralization reforms. However, community involvement in water and sanitation sector was more significant than the Education Departments (EDs). Overall, 65.6% respondents from EDs of both districts and 84.7% respondents from WASAs reported ‘significant’ increase in the community involvement after decentralization reforms.

### 7.2.2.2 Examples of User Involvement in Service Delivery

It was also revealed that the community was involved in financing, monitoring, and service provision. This was an open-ended question. For the purpose of analysis, main themes, as reported by the respondents, were coded in SPSS around three categories –

financing, monitoring, service provision or all the above. The results indicated that in the EDs, the community was actively participating in school council affairs, helping in resource mobilization, and NGOs were involved in service provision. 36.36% of the respondents from the Education Department of CDGF indicated that community is providing financial assistance, while 38.10% of the respondents from CDGL indicated that the community was actively involved in monitoring of education quality in their communities. 46.88% of the total respondents from the EDs of both CDGs indicated that the community was involved in ‘above all’ forms of participation (service provision, monitoring, financing). On the other hand, respondents from WASA indicated that the community was involved in service provision (33.90%), monitoring (30.51%), and financing (25.42%) respectively. Organizational respondents from both service delivery organizations emphasized the role of NGOs in service provision and monitoring government sector in their open-ended responses.

### ***7.2.2.3 Impact of Community Participation on Organizational Performance***

Respondents from both service delivery organizations indicated that community participation in service provision has ‘significantly’ improved their organizational performance. 62.5% of the respondents from EDs and 74.6% from WASAs were of the view that it has been ‘very significant’ in improving organizational performance. However, these percentages remained higher for CDGL. 66.67% of the respondents from the ED (CDGL), and 88.89% of WASA (CDGL) indicated ‘significant’ impact on performance than CDGF.

### **7.2.3 Institutional Environment: Internal Factors**

Part 3 of the organizational survey questionnaire assessed the institutional environment which was further categorized into: 1) Internal organizational factors (Part 3, Sections

A &B), and 2) External Institutional factors (Part 3, Section C). This section presents findings related to the internal organizational factors such as human/personnel management system, and performance management systems. It was intended to provide an insight into the internal organizational environment of service delivery organizations and indicate the constraints that may affect their organizational performance.

### **7.2.3.1 Human Resource/Personnel Management System**

#### **Personnel Management Rule**

This part also assessed the overall effectiveness of personnel management rules: rules simplicity, rules flexibility, and effectiveness in administration.

#### **Reliability of the Scale**

A 4-point Likert scale was used for measuring personnel or human resource management system along three dimensions: rules simplicity, flexibility, and effectiveness in human resource management. Reliability statistics Table 7-4 indicate that the value of Cronbach alpha is in the acceptable range of 0.65.

**Table 7-4: Reliability Statistics**

<b>Reliability Statistics</b>	
<b>Cronbach's Alpha</b>	<b>Items</b>
<b>0.658</b>	<b>3</b>

Research findings are presented in Table 7-5. According to the results of the survey presented in Table 7-5, the majority of the respondents from EDs of both CDGs 'agreed/strongly agreed' that personnel management rules were simple in implementation (62.5%), provided them flexibility (56.2%), and let them manage the personnel effectively (68.7%). On the other hand, WASAs respondents indicated that they 'disagree/strongly disagree' with the statements that personnel management rules were simple in implementation (64.4%), however they 'agree/strongly agree' that those

rules provided them flexibility (74.5%) and were effective in managing personnel (54.2%).

**Table 7-5: Personnel/Human Resource Management System**

Personnel Management System	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		TOTAL (N=32) CDGL & CDGF		CDGL		CDGF		TOTAL (N=59) CDGL & CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>Recruitment process</b>												
1. Merit based	14	66.67	7	63.64	21	65.63	36	80.00	7	50.00	43	72.88
2. Personal connection	2	27.27	3	27.27	5	15.63	2	4.44	3	21.43	5	8.47
3. Political patronage	5	9.09	1	9.09	6	18.75	7	15.56	4	28.57	11	18.64
4. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>Existence of HRMIS (Human Resource Information Management System)</b>												
1. Yes	17	80.95	8	72.73	25	78.13	37	82.22	5	35.71	42	71.19
2. No	4	19.05	3	27.27	7	21.88	8	17.78	9	64.29	17	28.81
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>To what extent personnel management rules are:</b>												
<b>Simple in implementation</b>												
1. Strongly disagree	5	23.81	2	18.18	7	21.88	5	11.11	4	28.57	9	15.25
2. Disagree	3	14.29	2	18.18	5	15.63	27	60.00	2	14.29	29	49.15
3. Agree	5	23.81	2	18.18	7	21.88	9	20.00	4	28.57	13	22.03
4. Strongly agree	8	38.10	5	45.45	13	40.63	4	8.89	4	28.57	8	13.56
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>Provide flexibility in implementation</b>												
1. Strongly disagree	4	19.05	2	18.18	6	18.75	5	11.11	2	14.29	7	11.86
2. Disagree	6	28.57	2	18.18	8	25.00	6	13.33	2	14.29	8	13.56
3. Agree	6	28.57	5	45.45	11	34.37	27	60.00	5	35.71	32	54.24
4. Strongly agree	5	23.81	2	18.18	7	21.88	7	15.56	5	35.71	13	20.34
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>Effective in managing personnel</b>												
1. Strongly disagree	3	14.29	0	0.00	3	9.38	6	13.33	2	14.29	8	13.56
2. Disagree	3	14.29	4	36.36	7	21.88	16	35.56	3	21.43	19	32.20
3. Agree	8	38.10	4	36.36	12	37.50	17	37.50	4	28.57	21	35.59
4. Strongly agree	7	33.33	3	27.27	10	31.25	6	31.25	5	35.71	11	18.64
Total	21	100	11	100	32	100	45	100	14	100	59	100

### Merit based recruitment

Respondents were asked to identify whether the recruitment process is a “merit based” or based on ‘political patronage’ or ‘personal connection’. The results in Table 7-5 indicated that more than 65% respondents from the EDs and 72% from WASAs were of the view that recruitment was based on merit. It was also found that organizations were having Human Resource Information Management System (HRMIS) for personnel planning and management.

#### **7.2.4 Performance Management System**

This part of the survey findings are derived from Part 3 (B) of the survey questionnaire. The purpose was to assess the overall performance model that exists in service delivery organizations. The results of the survey are presented in Table 7-6. The focus was on assessing the existence of performance standards, reward/incentive structure, and the importance placed on achievement of performance targets in service delivery organizations.

##### **7.2.4.1 Performance Standards/Indicators (PIs)**

According to the results presented in Table 7-6, it was found that the majority of respondents (81.8%) from the EDs (CDGL & CDGF) indicated that they had documented work performance standards in their organization compared to WASAs of both CDGs (71.2%). However, within the service delivery organization it was found that respondents from the Education Department (CDGL) were of the view that they had documented work performance standards compared to CDGF. Quite contrary to this, 71.4% of the respondents from WASA (CDGF) indicated that they did not have documented work performance standards while 71.2% of the respondents from WASA (CDGL) indicated the presence of documented work performance standards. Once respondents were asked to indicate whether the ‘performance standards are agreed upon by the supervisors and the employees at the start of every year’, a majority of the respondents (63.6%) from the EDs indicated ‘partially’, while a majority of the respondents (54.2%) of WASAs reported ‘no’.

**Table 7-6: Performance Management System**

Performance Management System	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		Total (N=32) CDGL&CDGF		CDGL		CDGF		Total (N=59) CDGL&CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>Do you have documented work performance standards?</b>												
1. Yes	19	90.48	9	81.82	28	87.0	38	84.4	4	28.7	42	71.19
2. No	2	9.52	2	18.18	4	12.50	7	15.6	10	71.43	17	28.81
3. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>Performance targets are et between supervisor and employees at the start of every year:</b>												
1. Yes	10	47.62	4	36.36	14	43.75	8	17.8	1	7.14	9	15.25
2. No	4	19.05	0	0.00	4	12.50	25	55.56	7	50.00	32	54.24
3. Partially	7	33.33	7	63.64	14	43.75	12	26.67	6	42.86	18	30.51
4. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>Are the objectives of performance clearly communicated to you?</b>												
1. Yes	7	33.33	4	36.36	11	34.8	7	15.56	3	21.43	10	16.95
2. No	2	9.52	1	9.09	3	9.38	2	4.4	3	21.43	5	8.47
3. Partially	12	57.14	6	54.55	18	56.25	36	80.00	8	57.14	44	74.58
4. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>How much importance is placed on achievement of performance objectives?</b>												
1. Not at all	1	4.76	0	0.00	1	3.13	0	0.00	1	7.14	1	1.69
2. Somewhat significant	7	33.33	2	18.18	9	28.13	9	20.00	8	57.14	17	28.81
3. Significant	7	33.33	9	81.82	16	50.00	33	73.33	4	28.57	37	62.71
4. Very significant	6	28.57	0	0.00	6	18.75	3	6.67	1	7.14	4	6.78
5. Toal	21	100	11	100	32	100	45	100	14	100	59	100
<b>Are performance standards achieved as (achievement of performance targets A)</b>												
1. Fully	9	42.86	2	18.18	11	34.38	25	55.56	2	14.29	27	45.76
2. Partially	11	52.38	9	81.82	20	62.50	18	40.00	5	35.71	23	38.9
3. Not at all	1	4.76	0	0.00	1	3.13	2	4.44	7	50.00	9	15.25
4. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>To what extent your organization has achieved its mission or objectives?</b>												
1. Less than 25%	1	4.76	2	18.28	3	9.38	0	0.00	1	7.14	1	1.69
2. 25-50%	8	38.10	3	27.27	11	34.38	8	17.78	8	57.24	16	27.12
3. 51-75%	12	57.14	5	45.45	17	53.13	34	75.56	4	28.57	38	64.41
4. 76-100%	0	0.00	1	9.09	1	3.13	3	6.67	14	7.14	4	6.78
5. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>Do you have a performance based reward system?</b>												
1. Yes	14	66.67	4	36.36	18	56.3	13	28.89	3	21.43	16	27.12
2. No	7	33.33	7	63.64	14	43.8	32	71.11	11	78.57	43	72.88
3. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>In your opinion, are individuals across all departments rewarded on the basis of performance?</b>												
1. Yes	15	71.43	7	63.64	22	68.75	7	15.56	2	14.29	9	15.25
2. No	6	28.57	4	36.36	10	31.25	38	84.44	12	85.71	50	84.75
3. Total	21	100	11	100	32	100	45	100	14	100	59	100

Regarding communication of performance targets, it was found that 74.6% of the respondents from WASAs reported that these standards were ‘partially’ communicated to them. While 63.6% of the respondents from the EDs of both CDGs indicated that, these standards were ‘partially’ communicated to them. Overall, WASA (CDGL) had

higher percentages (80.0%) for indicating 'partial' communication of performance standards across departments.

Regarding the achievement of PIs, firstly respondents were asked to indicate the importance placed on the achievement of PIs. It was found that 61.9% of the respondents from the Education Department (CDGL) reported 'significant' to 'very significant', while 81.8% respondents from the Education Department (CDGF) indicated 'significant' to 'very significant'. Quite opposite to this, WASA (CDGL) indicated higher percentages (80.0%) compared to the WASA (CDGF) (35.7%). The second part of this assessment was asking respondents to indicate the extent their organizations were able to achieve their objectives. 55.6% of the respondents from WASA (CDGL) indicated that they had 'fully' achieved their objectives, while 50% of the respondents from WASA (CDGF) indicated they had 'not at all' achieved their objectives and 35.7% of them indicated their organization had 'partially' achieved their objectives.

However, for the EDs of both CDGs more than 50% of the respondents were of the view that their organizations had 'partially' achieved their objectives, though these percentages were slightly better in CDGL. As besides 52.4% of the respondents from CDGL indicating partial achievement of targets, 42.9% also reported that these were 'fully' achieved. Once respondents were asked to identify the extent of achievement in terms of 'less than 50%' or 'above 50%', it was found that the majority of the respondents from the Education Department, CDGL (61.9%) and CDGF (63.6%) indicated less than 50% achievement of targets. On the other hand, 64.3% of the respondents from WASA (CDGF) indicated 'above 50%', while 75.3% from WASA (CDGL) indicated 'less than 50%' achievement of targets.

#### **7.2.4.2 Incentive Structure**

The next questions were related to the incentive structure in order to determine whether reward is linked with performance or not in both sectors (performance based incentive structure). The results indicated interesting differences across organizational respondents as only 66.7% of the respondents from the Education Department (CDGL) indicated that they had a performance based reward structure, and individuals across all departments were rewarded based on performance. Another variation was that, although the majority of respondents (63.6%) from the Education Department (CDGF) indicated the lack of a performance based reward system, the majority of them also indicated that individuals were rewarded on the basis of performance. This will be further explored in the qualitative data analysis section.

Overall, the analysis suggested that although organizations had documented work PIs, which were partially communicated across the organizational members, and less attention was paid to get the input from the organizational members in the setting of performance standards. However, CDGL presented slightly better percentages in this regard. Even the Education Department (CDGL) was an exception in this scenario.

#### **7.2.4.3 Factors Responsible for Resource Leakage**

This section was also part of the internal organizational issues and was designed to assess the factors which might be responsible for resource leakage and was related to the Financial Management System. For this purpose, a 5- point Likert scale was developed in Part 3 (A) of the survey questionnaire, and respondents were asked to rank factors which they perceive responsible for resource leakage such as ‘unclear financial accounting rules’, ‘lack of capacity to account for resources’, ‘weak auditing practices’, and ‘weak sanctions’. The results are presented in Table 7-7.

**Table 7-7: Factors Responsible For Resource Leakage**

Factors responsible for resource leakage	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		Total (N=32) CDGL & CDGF		CDGL		CDGF		Total (N=59) CDGL & CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>To what extent following Factors are responsible for resource leakage?</b>												
<b>1. Unclear rules or financial accounting</b>												
1. Not at all	4	19.05	4	36.36	8	25.00	10	22.22	4	28.57	14	23.73
2. Not significant	5	23.81	2	18.18	7	21.88	22	48.89	2	14.2	24	40.68
3. Significant	4	19.05	1	9.09	5	15.63	9	20.00	3	21.43	12	20.34
4. Very significant	4	19.05	6	54.55	10	31.25	2	4.44	3	21.43	5	8.47
5. Highly significant	4	19.05	0	0.00	4	12.50	2	4.44	2	14.29	4	6.78
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>2. Lack of capacity to account for resources</b>												
1. Not at all	5	9.52	2	18.18	7	21.88	14	31.11	2	14.29	16	27.12
2. Not significant	1	4.76	4	36.36	5	15.63	8	7.78	3	21.43	11	18.64
3. Significant	10	42.86	3	27.27	13	40.63	18	40.00	0	0.00	18	30.51
4. Very significant	4	23.81	0	0.00	4	12.50	2	4.44	6	49.99	8	13.55
5. Highly significant	1	19.05	2	18.18	3	9.38	3	6.67	3	21.43	6	10.17
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>3. Weak auditing practices</b>												
1. Not at all	2	9.52	3	27.27	5	15.63	10	22.22	4	28.57	14	23.73
2. Not significant	1	4.76	0	0.00	1	3.13	15	33.33	1	7.14	16	27.12
3. Significant	9	42.76	3	27.27	12	37.50	13	28.89	4	28.57	17	28.81
4. Very significant	5	23.81	1	9.09	6	18.75	2	4.44	3	21.43	5	8.47
5. Highly significant	4	19.05	4	36.36	8	25.00	5	11.11	2	14.29	7	11.86
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>4. Weak sanctions against corrupt practices</b>												
1. Not at all	4	19.05	3	27.27	7	21.88	17	37.78	1	7.14	18	30.51
2. Not significant	2	9.52	1	9.09	3	9.38	13	28.89	1	7.14	14	23.73
3. Significant	7	33.33	2	18.18	9	28.13	4	8.89	6	42.86	10	16.95
4. Very significant	6	28.57	2	18.18	8	25.00	7	15.56	3	21.43	10	16.95
5. Highly significant	2	9.52	3	27.27	5	15.63	4	8.89	3	21.43	7	11.86
Total	21	100	11	100	32	100	45	100	14	100	59	100

**Reliability Test**

The reliability statistics as presented in Table 7-8 indicated that the value of alpha was more than the acceptable level of 0.65 indicating that the scale measuring factors for resource leakage were internally consistent.

**Table 7-8: Reliability Statistics**

Reliability Statistics	
Cronbach's Alpha	Items
.797	4

According to the contingency Table 7-7, the respondents from the EDs ranked weak auditing practices as the major issue responsible for resource leakage. 81.3% of the total respondents from the EDs indicated weak auditing practices as ‘significant’ to

‘very/highly significant factor’, followed by weak sanctions against practices (68.7%), lack of capacity to account for resources (65.6%) and the last priority was given to the rule clarity of financial management (59.3%). These findings were in contradiction to the findings from WASA. 54.2% of respondents from WASAs indicated that auditing practices were ‘not a significant’ factor, and 64.4% of respondents indicated that financial management rules were very clear to them. However, the majority of the respondents from both WASAs (54.2%) reported a lack of capacity as a ‘significant’ to ‘very/highly significant’ factor responsible for resource leakage.

#### **7.2.4.4 Resource Adequacy**

Part 3 (D) of the survey questionnaire was related to identify the adequacy of resources regarding financial, human, and technical and infrastructure as presented in Table 7-10.

#### **Reliability Test**

For this purpose, a 4 point Likert scale was developed with categories ranging from ‘completely inadequate’ to ‘fully adequate’ resources. The reliability statistics, as presented in Table 7-9, indicated a value of Cronbach alpha more than the acceptable range of 0.65.

**Table 7-9: Reliability Statistics**

Reliability Statistics	
Cronbach's Alpha	Items
.775	4

According to the results presented in Table 7-10, the EDs of both districts indicated that they had ‘adequate/fully adequate’ financial (87.5%), human (75%), infrastructure (71.8%), and technical resources (68.7%). On the other hand, respondents (54.2%) from WASAs of both CDGs indicated lack of financial resources as their major constraint.

**Table 7-10: Resource Adequacy**

Adequacy of resources	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		Total (N=32) CDGL & CDGF		CDGL		CDGF		Total (N=59) CDGL & CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>To what extent resources your organization has adequate resources?</b>												
<b>1. Adequacy of financial resources</b>												
1. Completely inadequate	1	4.76	1	9.09	2	6.25	7	15.56	5	37.51	12	20.34
2. Inadequate	2	9.52	0	0.00	2	6.25	28	62.22	4	28.57	32	54.24
3. Adequate	7	33.33	6	54.5	13	40.63	7	5.56	3	21.43	10	16.95
4. Fully adequate	11	52.38	4	36.36	15	46.88	3	6.67	2	14.29	5	8.47
5. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>2. Adequacy of human resources</b>												
1. Completely inadequate	1	4.76	1	9.09	2	6.25	1	2.22	6	42.86	7	11.86
2. Inadequate	6	28.57	0	0.00	6	18.75	10	22.22	2	14.29	12	20.34
3. Adequate	8	38.10	6	54.55	14	43.75	22	48.89	5	35.7	27	45.76
4. Fully adequate	6	28.57	4	36.36	10	31.25	12	26.67	1	7.14	13	22.03
5. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>3. Adequacy of technical resources</b>												
1. Completely inadequate	0	0.00	3	27.27	3	9.38	2	4.44	4	28.57	6	10.17
2. Inadequate	7	33.33	0	0.00	7	21.88	0	0.00	4	28.57	4	6.78
3. Adequate	8	38.10	5	45.45	13	40.63	6	13.33	2	14.29	8	13.56
4. Fully adequate	6	28.57	3	27.27	9	28.13	37	82.22	4	28.57	41	69.49
5. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>4. Weak sanctions against corrupt practices</b>												
1. Completely inadequate	0	0.00	2	18.18	2	6.25	3	6.67	7	50.00	10	16.95
2. Inadequate	5	23.81	2	18.18	7	21.88	1	2.22	1	7.14	2	3.39
3. Adequate	8	38.10	5	45.45	13	40.63	7	15.56	3	21.43	10	16.95
4. Fully adequate	8	38.10	2	18.18	10	31.25	34	75.56	3	21.43	37	62.71
5. Total	21	100	11	100	32	100	45	100	14	100	59	100

### 7.2.5 External Institutional Factors

Part 3 (C) of the survey questionnaire intended to assess the external institutional factors, which may affect organizational performance. These factors were categorized as: policy coordination, policy consistency in implementation, coordination among tiers of government, political and bureaucratic interference (C1 & C2 of the questionnaire). Then a matrix was used to assess the issues such as political instability, economic instability, regime legitimacy, political and bureaucratic support, local context (C3).

### 7.2.5.1 Policy Coordination

Policy coordination was assessed by focusing on how consistent are policies in formulation, implementation and coordination among tiers of government. Table 7-11 highlights these factors. According to the results (Table 7-11), it was found that policies were consistent across all service delivery organizations and CDGs, however, policies lacked consistency in implementation and it significantly affected organizational performance. 71.8% of the total respondents from EDs and 83.0% of respondents from WASAs indicated that policies were ‘very/more inconsistent’ in implementation and it had a ‘significant/very significant’ effect on their organizational performance. Likewise, respondents were of the view that lack of coordination among tiers affected their performance ‘to some extent’.

**Table 7-11: Policy Coordination**

External Institutional factors	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		Total (N=32) CDGL & CDGF		CDGL		CDGF		Total (N=59) CDGL & CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>To what extent policies are consistent?</b>												
1. Very inconsistent	1	4.76	1	9.09	2	6.25	7	15.56	5	37.51	12	20.34
2. More inconsistent	2	9.52	0	0.00	2	6.25	28	62.22	4	28.57	32	54.24
3. More consistent	7	33.33	6	54.5	13	40.63	7	5.56	3	21.43	10	16.95
4. Very consistent	11	52.38	4	36.36	15	46.88	3	6.67	2	14.29	5	8.47
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>5. In your opinion, are policies consistent in implementation?</b>												
5. Very inconsistent	1	4.76	1	9.09	2	6.25	1	2.22	6	42.86	7	11.86
6. More inconsistent	6	28.57	0	0.00	6	18.75	10	22.22	2	14.29	12	20.34
7. More consistent	8	38.10	6	54.55	14	43.75	22	48.89	5	35.7	27	45.76
8. Very consistent	6	28.57	4	36.36	10	31.25	12	26.67	1	7.14	13	22.03
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>6. To what extent lack of consistency in policy implementation affect your organizational performance?</b>												
6. Not at all	0	0.00	3	27.27	3	9.38	2	4.44	4	28.57	6	10.17
7. Not significant	7	33.33	0	0.00	7	21.88	0	0.00	4	28.57	4	6.78
8. Significant	8	38.10	5	45.45	13	40.63	6	13.33	2	14.29	8	13.56
9. Very significant	6	28.57	3	27.27	9	28.13	37	82.22	4	28.57	41	69.49
10. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>7. To what extent lack of coordination among different tiers of government affects your organizational performance?</b>												
6. Not at all	2	9.52	1	9.09	3	9.38	1	2.22	0	0.00	1	1.69
7. To some extent	13	61.90	10	90.91	23	71.8	38	84.44	9	62.29	47	79.66
8. To a great extent	6	28.57	0	0.00	6	18.75	6	13.33	5	35.71	11	18.64
9. Total	21	100	11	100	32	100	45	100	14	100	59	100

### 7.2.5.2 Political and Bureaucratic Interference

The respondents were also asked to rate the political and bureaucratic interference. The survey results found that although political interference was significant across both sectors and CDGs, the respondents from WASAs encountered less bureaucratic interference (Table 7-12). While the majority (59.3%) of respondents from EDs indicated ‘frequent/very frequent’ bureaucratic interference, 30.5% of the respondents from WASAs reported that bureaucratic interference was ‘frequent/very frequent’. However, a majority of the respondents (76.2%) from WASAs and EDs (75.0%) indicated political interference as ‘significant/very significant’ factor in affecting their organizational performance.

**Table 7-12: Political and Bureaucratic Interference**

External Institutional factors	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		Total (N=32) CDGL & CDGF		CDGL		CDGF		Total (N=59) CDGL & CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>How do you rate the incidence of:</b>												
<b>Political interference</b>												
1. Almost never	0	0.00	1	9.09	1	3.13	2	4.44	0	0.00	2	3.39
2. Infrequent	2	9.52	5	45.45	7	21.88	11	24.4	1	7.14	12	20.34
3. Frequent	8	38.10	4	36.36	12	37.50	30	66.67	5	35.71	35	59.32
4. Very frequent	11	52.38	1	9.09	12	37.50	2	4.44	8	57.14	10	16.95
Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>8. Bureaucratic interference</b>												
1. Almost never	2	9.52	2	18.18	4	12.50	10	22.22	3	21.43	13	22.03
2. Infrequent	4	19.05	5	45.45	9	28.13	25	55.6	3	21.43	28	47.46
3. Frequent	9	42.86	4	36.36	13	40.63	8	17.78	7	50.00	15	25.42
4. Very frequent	6	28.57	0	0.00	6	18.75	2	4.44	1	7.14	3	5.08
Total	21	100	11	100	32	100	45	100	14	100	59	100

### 7.2.5.3 Other Institutional Factors and Organizational Performance

In this part of the external institutional factors, respondents were asked to indicate the potential impact of the governance issues, which might affect the organizational performance of service delivery organizations. For this purpose, a 5 point-Likert scale was developed to assess 6 factors; political instability, regime legitimacy, economic instability, political and bureaucratic support, local context, presented in Table 7-13.

**Table 7-13: Other Institutional Factors and Organizational Performance**

Governance issues	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)						
	CDGL		CDGF		Total (N=32) CDGL & CDGF		CDGL		CDGF		Total (N=59) CDGL & CDGF		
	N	%	N	%	N	%	N	%	N	%	N	%	
<b>Please rank to what extent following factors are critical for your organizational performance:</b>													
<b>1. Political instability</b>													
1.	Not at all/ Not significant	3	14.29	2	18.18	5	15.63	30	66.67	1	7.14	31	52.54
2.	Very significant/ Highly significant	18	85.71	9	81.82	27	84.38	15	33.33	13	92.86	28	7.46
	Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>2. Regime legitimacy</b>													
1.	Not at all/ Not significant	3	14.29	2	18.18	5	15.63	25	55.56	3	21.43	28	47.46
2.	Very significant/ Highly significant	18	85.71	9	81.82	27	84.38	20	44.44	11	78.57	31	52.54
	Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>3. Economic instability</b>													
1.	Not at all/ Not significant	3	14.29	0	0.00	3	9.38	20	44.44	2	14.29	22	37.29
2.	Very significant/ Highly significant	18	85.71	11	100.0	29	90.63	25	55.56	12	85.71	37	62.71
	Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>4. Lack of political support</b>													
1.	Not at all/ Not significant	6	28.57	3	27.27	9	28.13	21	46.67	2	14.29	23	38.98
2.	Very significant/ Highly significant	15	71.43	8	72.73	23	71.88	24	53.33	12	85.71	36	61.02
	Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>5. Lack of bureaucratic support</b>													
1.	Not at all/ Not significant	3	14.29	2	18.18	5	15.63	12	26.67	3	21.43	15	25.42
2.	Very significant/ Highly significant	18	85.71	9	81.8	27	84.38	33	73.33	11	78.57	44	74.58
	Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>3. Lack of supportive local context</b>													
1.	Not at all/ Not significant	4	19.05		0.00	4	12.50	32	71.11	1	7.14	33	55.93
2.	Very significant/ Highly significant	17	80.95		100.0	28	87.50	13	28.89	13	92.86	26	44.07
	Total	21	100	11	100	32	100	45	100	14	100	59	100

### Reliability Test

The overall reliability statistics of this part are presented in Table 7-14. The value of Cronbach alpha is .88, the preferable range.

**Table 7-14: Reliability Statistics**

Reliability Statistics	
Cronbach's Alpha	Items
.883	6

According to the result presented in Table 7-13, respondents from the EDs ranked all these factors as ‘significant’ to ‘highly significant’ compared to the WASAs. It was also found that although these factors were significant in both CDGs and affect organizational performance, yet they remained more crucial in CDGL than CDGF. Overall, the EDs of both CDGs ranked economic instability (90.6%) as ‘significant’ to ‘very/highly significant’ factors followed by local context (87.5%), political instability (84.4%), regime legitimacy (84.4%), and bureaucratic support (84.4%). Compared to this, WASAs of both CDGs ranked bureaucratic support (74.6%) as ‘significant’ to ‘very/highly significant’ factors followed by economic instability (62.7%), political support (61.0%), and regime legitimacy (52.2%). For factors like political instability (52.5%) and local context (55.9%), respondents from WASA ranked them as ‘not at all/not significant’. On comparing across CDGs, it was found that respondents from WASA (CDGL) ranked all these governance issues as ‘significant’ to ‘very/highly significant’, for WASA (CDGF), more than 90% of the respondents ranked local context and political instability as ‘significant’ to ‘very/highly significant’ followed by economic instability (85.7%), political support (85.7%), regime legitimacy (78.6%), bureaucratic support (78.6%). While, respondents from WASA (CDGL) ranked local context (71.1%), political instability (66.7%), and regime legitimacy (55.6%) as ‘not at all/not significant’ factors and bureaucratic support more significant (73.3%) followed by economic instability (55.6%) and political support (53.3%).

### **7.2.6 Accountability**

This part of the survey findings were derived from Part 4 (A) of the organizational survey questionnaire. The results of this part are presented in four tables (Table 7-15 to 7-18) in order to present data in a more meaningful way. For instance, Part 4-A of the survey questionnaire starts with some general questions regarding perceptions of public

officials, whether they considered corruption as a serious problem of the public sector or of their organization and whether incidents of corruption are reported to the service delivery organizations, which is an indication of the grievance procedures of the service delivery organization. The results of these survey findings are presented in Table 7-15. The later part of this section assessed the traditional accountability arrangements such as financial management reporting system (Table 7-16), and record/information management system (Table 7-17). Then the results of survey findings with respect to other accountability channels such as internal auditing system, the effectiveness of the grievance procedures and monitoring committees (as formulated under decentralization reforms) are presented in Table 7-18. The last part of this section particularly asked the respondents if they considered that the accountability arrangements were overlapping, and if it affected their organizational performance.

#### ***7.2.6.1 Incidence of Corruption and its Reporting to Public Officials***

Overall the patterns as discernible from the Table 7-15 suggested that although 65.6% of the respondents from the EDs of both CDGs and 71.2 % of the respondents from WASAs of both CDGs indicated that corruption was a serious problem of the public sector as a whole and perceived that it was ‘to some extent’ a serious problem of their organization (53.1% of EDs and 72.9% of WASAs). However, reporting of corruption incidents to the public officials was not very frequent. 75% of the respondents from the EDs and 84.7% of the WASAs indicated that the incidences of corruption were ‘occasionally’ reported to the public sector organizations. The extent to which communities reported incidents of corruption to the public officials or some other channels such as local councillors, media, courts etc. will be further explored through the community survey.

**Table 7-15: Accountability-Corruption Incidence and their Reporting (A)**

Corruption and its reporting	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		Total (N=32) CDGL&CDGF		CDGL		CDGF		Total (N=59) CDGL&CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>To what extent corruption is:</b>												
<b>1. A serious problem of the public sector as a whole?</b>												
1. Not significant	2	9.52	0	0.00	2	6.25	0	0.00	0	0.00	0	0.00
2. Somewhat significant	4	19.05	5	45.45	9	28.13	13	28.89	4	28.57	17	28.81
3. Significant	4	19.05	4	36.36	8	25.00	28	62.22	4	28.57	32	54.24
4. Very significant	11	52.38	2	18.18	13	40.63	4	8.89	6	42.86	10	16.9
5. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>1. Corruption is a problem of your organization?</b>												
1. Not significant	3	14.29	3	27.27	6	18.75	3	6.67	1	7.14	4	6.78
2. Somewhat significant	8	38.10	3	27.27	11	34.38	33	73.33	6	42.86	39	66.10
3. Significant	5	23.81	3	27.27	8	25.00	6	13.33	4	28.57	10	16.95
4. Very significant	5	23.81	2	18.18	7	21.88	3	6.67	3	21.43	6	10.17
5. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>Are incidents of corruption reported to the public authorities?</b>												
1. Almost never	2	9.52	1	9.09	3	9.38	0	0.00	0	0.00	0	0.00
2. Occasionally	16	76.19	8	72.73	24	75.00	38	84.44	12	85.71	50	84.75
3. Frequently	2	9.52	2	18.18	4	12.50	5	11.11	1	7.14	6	10.17
4. Almost always	1	4.76	0	0.00	1	3.13	2	4.44	1	7.14	3	5.08
5. Total	21	100	11	100	32	100	45	100	14	100	59	100

### 7.2.6.2 Guidelines for Budget Preparation

The accountability of the organization also lies in the extent to which financial management rules are fully observed by the organizations in budget preparation, and it is clear from the Table 7-16 that besides a majority of the respondents were of the view that they had clear guidelines for budget preparation, 65.6% of the respondents from the EDs indicated that they followed these rules ‘fully’, compared to this majority of the respondents from WASAs (54.2%) indicating that these guidelines were ‘partially’ followed.

**Table 7-16: Accountability - Guidelines for Budget Preparation (B)**

Financial Management Reporting System	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		Total (N=32) CDGL&CDGF		CDGL		CDGF		Total (N=59) CDGL&CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>Guidelines for budget preparation</b>												
<b>1. Do you have clear guidelines for budget preparation</b>												
1. Yes	18	85.7	10	90.91	28	87.50	38	84.44	4	28.57	42	71.19
2. Not at all/not significant	3	14.29	1	9.09	4	12.50	7	15.56	10	71.43	17	28.81
3. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>2. Are these guidelines followed?</b>												
6. Not at all	2	9.52	0	0.00	2	6.25	4	8.89	7	50.00	11	18.64
7. Partially	5	23.81	4	36.36	9	28.13	29	64.44	3	21.43	32	54.24
8. Fully	14	66.67	7	63.64	21	65.63	12	26.67	4	28.57	16	27.12
9. Total	21	100	11	100	32	100	45	100	14	100	59	100

### **7.2.6.3 Maintenance of Records / Information Management**

This comprised of the existence of information management system, reliability of information in the organization, access to records, and provision of information to the end users (Table 7-17). The majority of the respondents from both sectors indicated that they had an information management system and it was ‘moderately’ reliable. They also reported that information was disseminated to the public. As far as the dissemination of information to the public is concerned, the community was also asked to indicate ease of access to information from the service delivery organizations. Therefore, in the discussion chapter information provided by the organizational respondents and community can be triangulated to better understand the availability of information to the public.

**Table 7-17: Accountability - Record Management (C)**

Record Management	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		Total (N=32) CDGL&CDGF		CDGL		CDGF		Total (N=59) CDGL&CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>Record management:</b>												
<b>1. Existence of a Management Information System (MS/HRMMIS)</b>												
1. Yes	17	80.95	11	100.00	28	87.50	39	86.67	5	35.71	44	74.5
2. No	4	19.05	0	0.00	4	12.50	6	13.33	9	64.29	15	25.42
3. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>2. How reliable is the information?</b>												
1. Not reliable at all	1	4.76	0	0.00	1	3.13	0	0.00	1	7.14	1	1.69
2. Partially reliable	4	19.05	5	45.45	9	28.13	11	24.44	5	35.71	16	27.12
3. Moderately reliable	13	61.90	4	36.36	17	53.13	31	68.89	7	50.00	38	64.41
4. Fully reliable	3	14.29	2	18.18	5	15.63	3	6.67	1	7.14	4	6.78
5. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>3. How easy is to access records?</b>												
1. Extremely difficult	1	4.76	0	0.00	1	3.13	0	0.00	1	7.14	1	1.69
2. Difficult	9	42.86	3	27.27	12	37.57	5	11.11	4	28.57	9	15.25
3. Easy	10	47.62	8	72.73	18	56.25	40	88.89	7	50.00	47	79.66
4. Very easy	1	4.76	0	0.00	1	3.13	0	0.00	2	14.29	2	3.39
5. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>4. Dissemination of information to the public</b>												
1. Yes	19	90.48	11	100.00	30	93.75	44	97.78	10	71.43	54	91.53
2. No	2	9.52	0	0.00	2	6.25	1	2.22	4	28.57	5	8.47
3. Total	21	100	11	100	32	100	45	100	14	100	59	100

#### 7.2.6.4 Other Accountability Channels

The results of these survey findings are presented in Table 7-18 . This part presents findings related to the effectiveness of grievance procedures, internal audit system, and impact of monitoring committees on organization performance. It was found that the majority of respondents of both CDGs considered that grievance procedures were very efficient except for WASA (CDGL) as 50% of the respondents from WASA (CDGL) indicated their grievance procedure as ‘inefficient’, and 50% as ‘efficient’. With respect to the internal audit system, the majority of respondents were of the opinion that it was ‘effective’ in ensuring compliance to procedures, and monitoring committees were playing an effective role in improving organizational performance. Comparing sectors

across CDGs, it was found that more than 70% of the respondents from the EDs of both CDGs indicated that internal audit was ‘effective/very effective’. From WASA (CDGF), 81.8% of the respondents indicated these procedures as ‘effective/very effective’, while only 42.9% of the respondents from WASA (CDGL) indicated internal audit as ‘effective /very effective’.

**Table 7-18: Accountability (D)**

Accountability	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		Total (N=32) CDGL&CDGF		CDGL		CDGF		Total (N=59) CDGL&CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>1. Do you have efficient grievance/complaint procedures?</b>												
4. Yes	18	85.71	9	81.82	27	84.38	41	91.11	7	50.00	48	81.36
5. No	3	14.29	2	18.18	5	15.63	4	8.89	7	50.00	11	18.64
6. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>2. How effective is the internal audit in ensuring compliance to internal control system?</b>												
6. Ineffective	4	19.05	0	0.00	4	12.50	2	4.44	1	7.14	3	5.08
7. Partially effective	6	28.57	5	45.45	11	34.38	2	4.44	8	57.1	10	16.95
8. Effective	9	42.86	5	45.45	14	43.75	34	75.56	5	35.71	39	66.10
9. Very effective	3	14.29	1	9.09	4	12.50	7	15.56	0	0.00	7	11.86
10. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>3. To what extent monitoring committees are playing an effective role in improving organizational performance?</b>												
11. Ineffective	4	19.05	0	0.00	4	12.50	2	4.44	1	7.14	0	5.08
12. Partially effective	5	23.81	5	45.45	10	31.25	2	4.44	8	57.14	10	16.95
13. Effective	9	42.86	5	45.45	14	43.75	34	75.56	5	35.71	39	66.10
14. Very effective	3	14.29	1	9.09	4	12.50	7	15.56	0	0.00	7	11.86
6. Total	21	100	11	100	32	100	45	100	14	100	59	100
<b>4. To what extent multiple accountability arrangements affect your performance?</b>												
4. Not significant at all	2	9.52	0	0.00	2	6.25	2	4.44	3	21.43	5	8.47
5. Significant	17	80.95	10	90.91	27	84.38	40	88.89	8	57.14	48	81.36
6. Very significant	2	9.52	1	9.09	3	9.38	3	6.67	3	21.43	6	10.17
7. Total	21	100	11	100	32	100	45	100	14	100	59	100

In sum, findings related to the accountability arrangements reflected that CDGs had better accountability channels such as efficient complaints cell/grievance procedures, internal audit system, and effective monitoring committees.

### 7.2.7 Comparison of Organizational Performance Before and After Decentralization

At the end of the questionnaire, respondents were asked to compare performance improvement before and after decentralization (Table 7-19). The overall percentages remained higher for CDGL than CDGF with the exception of the Education Department (CDGF). 90.9% of the respondents from CDGF indicated that organizational performance was ‘a little better/ much better’ than before compared to the Education Department (71.4%), CDGL.

**Table 7-19: Comparison of Organizational Performance Pre and Post Devolution**

Pre-post performance	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		Total (N=32) CDGL&CDGF		CDGL		CDGF		Total (N=59) CDGL&CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>How would you compare your organizational performance before and after decentralization?</b>												
1. Much worse	2	9.52	1	9.09	3	9.38	0	0.00	0	0.00	0	0.00
2. No change	4	19.05	0	0.00	4	12.50	4	42.86	6	42.86	10	16.95
3. A little better/much better	15	71.43	10	90.91	25	78.13	41	57.14	8	57.14	49	83.05
4. Total	21	100	11	100	32	100	45	100	14	100	59	100

#### 7.2.7.1 Main Issues of Service Delivery Organization

At the end of the survey questionnaire, respondents were asked an open-ended question to rank their main organizational issues. These were coded for SPSS analysis and detailed themes are presented in Tables 7-21 & 7-22. According to Table 7-20, the Education Department, CDGL (47.6%) indicated political interference as their main concern. While Education Department, CDGF, (54.5%) reported insufficient resources as their main issue. WASA, CDGL (55.5%) indicated poor incentive structure as their main issues, while WASA, CDGF (64.2%) reported that their main issue was insufficient resources.

**Table 7-20: Main Issues of Service Delivery Organizations**

Main issues	Education Departments (EDs)						Water and Sanitation Agencies (WASAs)					
	CDGL		CDGF		Total (N=32) CDGL&CDGF		CDGL		CDGF		Total (N=59) CDGL&CDGF	
	N	%	N	%	N	%	N	%	N	%	N	%
<b>What are the main issues of your organization?</b>												
1. Information management	1	4.76	0	0.00	1	3.13	0	0.00	0	0.00	0	0.00
2. Less autonomy	1	4.76	1	9.09	2	6.25	2	4.44	0	0.00	2	3.39
3. Insufficient resources	4	19.05	6	54.55	10	31.25	7	15.56	9	64.29	16	27.12
4. Political interference	10	47.62	0	0.00	10	31.25	7	15.56	1	7.14	8	13.56
5. Lack of implementation of policies	2	9.52	1	9.09	3	9.38	0	0.00	0	0.00	0	0.00
6. Lack of professional training	2	9.52	1	9.09	3	9.38	0	0.00	0	0.00	0	0.00
7. Incentive structure	0	0.00	1	9.09	1	3.13	25	55.6	2	14.29	27	45.76
8. Illiterate community	1	4.76	0	0.00	1	3.13	1	2.22	1	7.14	2	3.39
9. Lack of coordination	0	0.00	1	9.09	1	3.13	1	2.22	1	7.14	2	3.39
10. Employees union	0	0.00	0	0.00	0	0.00	2	4.44	0	0.00	2	3.39
11. None	0	0.00	0	0.00	0	0.00	1	2.22	0	0.00	1	1.69
12. Total	21	100	11	100	32	100	45	100	14	100	59	100

### **7.2.7.2 Key Themes from Open-Ended Questions**

Some of the key themes and quotations of the respondent in response to the open-ended question (Part 3-E) are presented in Table 7-21.

**Table 7-21: Key Themes from the Managers of Education Departments**

<b>Education Departments (EDs)</b>	
<b>City District Government Lahore (CDGL)</b>	<b>City District Government Faisalabad (CDGF)</b>
<ul style="list-style-type: none"> <li>➤ "...the main issue is that maximum time is spent on collecting information from schools and the original work which is monitoring of schools performance is ignored. If we want to improve the system, we should concentrate on inspection of the service delivery". DEO, SE</li> <li>➤ "DEOs should be fully empowered to exercise their powers of transfers, making budgets, empowered to facilitate their supervisory staff and monitoring the building and construction projects of schools under supervision"</li> <li>➤ "We have issues like compromising behaviour on critical issues, corruption, unprofessional attitude, lack of professional training in main dimensions. Pre service and in-service training can play an important role to minimize the above issues"</li> <li>➤ "...Corruption, following superior's orders is the most important requirement of this job. This post is assumed to be a corrupt post".</li> <li>➤ "The main issues are political interference, lack of uniformity in education system, lack of basic facilities in rural areas".</li> <li>➤ "Political interference should be eliminated from educational institutions, performance should be linked with merit and political patronage in employment should be eradicated".</li> <li>➤ "We do not have vehicle to monitor schools, I can not monitor all the schools as I do not have transportation facility and have to use a public transport. Monitoring teams from the provincial government also interfere in our work".</li> <li>➤ "Political pressures, lack of enough funds. More finances should be provided to improve the situation"</li> <li>➤ "Political involvement at the upper level</li> <li>➤ We need to eradicate the misuse of resources for the betterment of national interest".</li> <li>➤ The reforms are made but the way of implementation is not proper.</li> </ul>	<ul style="list-style-type: none"> <li>➤ "Faulty implementation of policies, capacity building efforts is needed. We need to have a proper system of check and balance and every person should be accountable".</li> <li>➤ "Performance should not be related to seniority of a person, it should be linked with how well a person is performing".</li> <li>➤ "Political pressures, missing facilities"</li> <li>➤ "Adequate resources should be provided"</li> <li>➤ "Missing facilities in rural areas, teacher attendance in rural areas is poor".</li> <li>➤ "Lack of coordination among staff and higher authorities"</li> </ul>

Some of the quotations from the Water and Sanitation Agency of CDGL and CDGF are illustrated in Table 7-22.

**Table 7-22: Key Themes from the Managers of WASAs**

<b>Water And Sanitation Agecnies (WASAs)</b>	
<b>City District Government Lahore (CDGL)</b>	<b>City District Government Faisalabad (CDGF)</b>
<ul style="list-style-type: none"> <li>➤ Political interference, labour union, financial instability”.</li> <li>➤ “Shortage of training staff, lack of training. Performance of staff can be improved by providing training to the staff”.</li> <li>➤ “Performance of our organization is highly affected due to centralized powers, unrealistic salary structure, political interference and economic instability. Powers should be decentralized and service rules should be improved, political interference should be minimized”.</li> <li>➤ “Political interference and economic instability</li> <li>➤ Merit based system, no favouritism”.</li> <li>➤ “Lack of key performance indicators, reward must be linked with performance of the officers”.</li> <li>➤ “Poor incentive structure, reward and promotions should be linked with performance. Powers are centralized. We need a market based salary to improve employee’s motivation and performance”.</li> <li>➤ “Rationalization of tariff to make WASA as a sustainable organization. “</li> <li>➤ “Shortage of workers, slow promotions of staff, hindrance of staff transfers due to internal and external sectors, no staff training opportunities.</li> <li>➤ We need fresh induction of qualified staff, promotion of deserving staff, and resolution of financial crises by revising tariff structure as a long term policy”.</li> <li>➤ “Lack of autonomy. The organization should have its independent board of directors, a regulatory framework, and tariff revision mechanisms and avoid multi-layering reporting lines and decision making process”.</li> <li>➤ “Lack of coordination between different agencies responsible for city development,--- proper coordination mechanisms should be devised to avoid duplication of work and improve the process of problem solving”.</li> <li>➤ “Public awareness campaigns regarding usage of water supply, sewage and drainage system in Lahore”.</li> <li>➤ “Financial sustainability is the main issue of WASA which has immense effects on WAS’s capabilities to manage its system and liquidate liabilities of electricity bills. We need to have 100% metering, tariff revision to avoid adverse financial crises of WASA on urgent basis.”</li> <li>➤</li> </ul>	<ul style="list-style-type: none"> <li>➤ “Interference of elected representatives, lack of capacity building measure, adhocism, dual charge arrangements (one person performing the role of two jobs), computer illiteracy.</li> <li>➤ Poor promotion structure”.</li> <li>➤ “Lack of public awareness”</li> <li>➤ “Financial constraints, lack of promotions opportunities, we need to have performance based promotions system”</li> <li>➤ “we are facing issues like lack of technical staff, lack of resources, undue delay in promotions, no autonomy in tariff revision, political interference in postings and transfers. And no recovery of service charges”</li> <li>➤ “we lack performance based incentive structure, frequent political interference in development schemes, lack of technical staff on key posts, delay in promotions, unwillingness of staff to work in field as there are no bonuses attached to it, low recovery of WASA charges. We should hire technical staff on merit based competitive salaries, outsourcing of revenue recovery of service charges, incentives for operation and maintenance and recovery staff, salaries of staff should be increased”.</li> <li>➤ “Scarcity of resources, low pay scale, procedural complications, non coordination of community, shortage of staff and transportation for field officials. We need to provide training of employees of most advanced techniques, human and financial resources”.</li> <li>➤ “Illiterate community, no training of the employees”.</li> <li>➤ Inadequate human and financial resources, complicated procedures, less community assistance, lack of training. We need to initiate community awareness campaigns and improve financial and human resources”.</li> <li>➤ We do not have merit, accountability of staff, and discipline. Influence of corrupt practices. We need to make rules, policy procedures to perform different functions and ensure simple implementation, initiatives to start accountability process”.</li> <li>➤ “Third validation is not available, rewards and punishment system is not in place, contractual and temporary assignments. Performance based rewards system should be introduced”.</li> <li>➤ “Obsolete machinery and defective sewerage lines”.</li> </ul>

### **7.3 STATISTICAL ANALYSIS**

Statistical tests were performed in order to rule out the possibility that test results were due to random variation in the study sample. For this purpose, as explained in the methodology chapter, non-parametric tests – Mann-Whitney U tests and Chi-square tests for independence were performed. In this section, the results of significance tests are presented in the form of ‘Summary Statistics Table’ format, providing the value  $p$ , and detailed tables are attached in the appendix (Appendix 3). However, while interpreting the results of this section, one needs to be cautious as the total sample size consisted of only 105 managers, which in turn may have some impact on the statistical analysis performed. According to Bryman (2012) the maximum level of significance ( $p$ ) should be less than or equal to .05 in order to be significant. Therefore, the researcher has used  $p$  value equal to or less than .05 in order to report more robust findings, and in the case of Chi-square tests, the researcher has reported ‘Yates continuity correction value’ as this value corrects the overestimation of the Chi-square value (Pallant 2010).

#### **7.3.1 Extent of Managerial Autonomy**

The researcher’s main interest was to determine ‘are the differences in the exercise of managerial autonomy statistically significant?’, therefore based on the researchers’ interest, a Mann-Whitney U test was performed. The main sample variable was type of Local Government (referred to as LGs or CDGs) and type of service delivery organizations (referred to as Sectors in this section). Therefore, indicators of managerial autonomy are compared across these two variables and are discussed in the next section.

## Comparing managerial autonomy across sectors and local governments

Table 7-2 has highlighted some significant trends in the previous sections. However, to find out whether these differences in managerial autonomy were statistically significant across Sectors or Local Government (LG), a non-parametric test - Mann-Whitney U test was employed. This will determine if there is any statistical significant variation regarding managerial autonomy or discretion across CDGL or Sectors. In order to have a meaningful presentation of Mann-Whitney U tests, the results of these tests are presented in a summarized form in Table 7-23 & Table 7-24. Analysis of the data, applying the Mann-Whitney test, revealed that there were no statistically significant differences across type of CDG regarding the exercise of managerial autonomy as indicated by the summary Table 7-23 and Mean Rank table (Appendix 3, Table 3-1). The test statistics Table 7-23 also indicated that the value of ‘Z’ and significance level ‘p’ is not significant for all the variables of managerial autonomy across CDGs.

**Table 7-23: Mann-Whitney U Test Statistics Summary for Managerial Autonomy<sup>a</sup>**

Managerial autonomy over:	Median (CDGL)	Median (CDGF)	Z	Mann Whitney p value
1 Hiring of personnel	2	3	-0.48	0.62
2 Firing of personnel	3	2	-0.02	0.97
3 Promotion	2	2	-0.41	0.68
4 Transfers	3	1	-0.89	0.37
5 Setting compensation	2	1	-0.33	0.73
6 Career development	2	3	-1.59	0.11
7 Resource allocation	2	3	-1.25	0.20
8 Procurement	3	3	-0.069	0.94
9 Budget execution	2	4	-1.28	0.20
10 Resource mobilization	2	3	-1.45	0.14

a. Grouping variable: city district government; 2=not significant; 3=significant; F=Faisalabad; L=Lahore

A Mann-Whitney U test (Table 7-23) revealed no significant differences in the level of financial autonomy across Sectors as the significance level ‘p’ is not less than or equal to 5% level of significance. The results of Mann-Whitney tests comparing sectors are presented in table 7-24.

**Table 7-24: Mann-Whitney U Test Summary Statistics for Managerial Autonomy<sup>a</sup>**

Managerial autonomy over:	Median (EDs)	Median(WASAs)	Z	Mann Whitney <i>p</i> value
Hiring of personnel	2	3	-1.54	0.12
Firing of personnel	2	3	-2.47	<b>0.01*</b>
Promotion	2	2	-2.17	<b>0.03*</b>
Transfers	1	3	-4.57	<b>0.00**</b>
Setting compensation	1	2	-1.61	0.10
Career development	3	2	-0.15	0.88
Resource allocation	2	3	-0.16	0.87
Procurement	3	3	-0.21	0.83
Budget execution	3	2	-1.12	0.25
Resource mobilization	3	2	-1.45	0.14

a. Grouping variable: service delivery organizations; 1=not at all 2=not significant; 3=significant  
*p*\*\* 1% significance level; *p*\* 5% significance level

According to the Mann Whitney U test (Table 7-24) there were significant differences across sectors with respect to the managerial autonomy over firing of personnel ( $p = .01$ ), promotion ( $p = .03$ ), and transfers of personnel ( $p = .00$ ). For these variables, WASA had a median ‘3’ (indicating ‘significant’) for managerial autonomy over firing, promotion and transfer. The Mean Ranks table (Appendix 3, Table 3-3) also indicated that Mean Ranks values were higher for WASA compared to EDs.

### **7.3.2 Chi-square Test for Independence to Explore the Association Between Participation and Type of City District Governments (CDGs) or Sectors**

In order to explore the association between participation and CDGs/Sectors, a Chi-square test was performed. For the statistical analysis, the response categories were recoded by reducing their four categorical responses into two. The categories ‘no change’ and ‘not significant’ were reduced and recoded to category ‘1’. And likewise, categories ‘significant’ and ‘very significant’ were reduced and recoded as ‘2’. The results of Chi-square tests for independence are displayed in Table 7-25.

**Table 7-25: Summary statistics of Chi-Square test for independence**

Indicators of participation comparing groups	N	Yates continuity correction value	Significance value <i>p</i>
Comparing CDGs and level of participation	91	4.94	=.01*
Comparing Sectors and level of participation	91		=0.74 <sup>1</sup>
Comparing CDGs and the impact of participation on performance improvements	91	5.32	=.02*
Comparing Sectors and the impact of participation on performance improvements	91	0.73	=.39

<sup>1</sup>As the chi square assumption is violated, therefore, a Fisher Exact Probability Test is used (Pallant, 2007).

*p*\* 5% significance level

### **Level of Participation**

According to the summary statistics Table 7-25 (for detail see Appendix 3, Table 3-5 & 3-6), no significant differences were found across Sectors with respect to the level of participation. The value of the Fisher exact test was higher than .05 indicating no association between the level of participation and type of service delivery organizations. Overall, cross tabulation (Appendix 3, Table 3-5) also revealed that both organizations indicated ‘significant/very significant’ level of community participation, however, WASAs (88.1%) had a slightly higher percentage compared to the Education Departments (84.4%). This suggested that both Sectors had significant participation of the community in service provision. However, the Chi-square test results revealed that there was an association between level of participation and type of CDG at 5% significance level. According to the cross tabulation (Appendix 3, Table 3-7), the CDGL had a significantly higher proportion of respondents (92.4%) than CDGF (72.0%) indicating a ‘significant/very significant’ level of participation.

### **Impact of Community Participation on Organizational Performance**

According to Table 7-25, the Chi-square value (with Yates Continuity Correction) indicated that there was a statistically significant association between type of CDGs and impact of participation on organizational performance at 5% significance level.

According to the cross tabulation, (Appendix- Table 3-9), a significantly higher proportion of respondents (87.9%) from CDGL indicated ‘significant/very significant’ impact on performance compared to the respondents from CDGF (64%). While, the Chi-square test (for detail see appendix 3, Table 3-12) was not significant between ‘Impact on the performance’ and ‘Sectors’, as the significance level was not less than or equal to .05. This section has indicated that there was a statistically significant association between ‘participation’ and ‘type of CDG’, which seems higher for CDGL compared to CDGF. Therefore, it indicates that community is more actively engaged in service delivery in CDGL.

### 7.3.3 Exploring the Association Between Performance Management System and Type of City District Governments (CDGs) or Sectors

In order to investigate the association between variables of performance management system and the type of CDGs/Sectors, the Chi-square tests for independence were employed. Table 7-26 presents the summarized overview of the test statistics (for detail see Appendix 3, Table 3-17- Table 3-34).

**Table 7-26: Summary Statistics of Chi-square Test for Independence**

Indicators for performance management system	N	Yates continuity correction value	Significance value p
Comparing CDGs and documented work performance standards	91	10.20	=.001**
Comparing sectors and documented work performance standards	91	2.25	=.13
Comparing CDGs and setting of performance targets	91	1.31	=.25
Comparing sectors and setting of performance targets	91	13.42	=.000**
Comparing CDGs and the importance placed on achievement of performance standards (a)	91	7.94	=.005**
Comparing sectors and achievement of performance standards (a)	91		=.09 <sup>1</sup>
Comparing CDGs and achievement of performance standards(b)	91	3.32	= .06
Comparing sectors and achievement of performance standards (b)	91	0.01	=.90
Comparing CDGs and presence of performance based incentive structure	91	0.79	= .37
Comparing sectors and presence of performance based incentive structure	91	6.33	=.01*
Comparing CDGs and are individuals rewarded on performance	91	0.00	=1.00
Comparing sectors and are individuals rewarded on performance	91	24.10	=.000**

<sup>1</sup>As the chi square assumption is violated, therefore, a Fisher Exact Probability Test is used instead.  
P\*\* 1% significance level; p\* 5% significance level

### **Documented Work Performance Standards**

A Chi-square test (with Yates continuity correction), as presented in Table 7-26, indicated a statistically significant association between type of CDGs and document work performance standards at 1% significance level. Table 7-6 indicated that 86.4% of respondents from CDGL reported that they had clear documented work performance standards compared to 52% of CDGF. A Chi-square test to identify an association between documented work performance standards and Sectors did not find any statistical significant association between the two categorical variables.

### **Setting of Performance Targets**

For the statistical analysis categories ‘fully’ to ‘partially’ (3 & 1) were re-coded into ‘1-(fully/partially)’. A Chi-square test (with Yeats continuity correction) as indicated in Table 7-26 found a strong statistical association between Sectors and the setting of performance at 1% significance level. This means that the proportion of respondents indicating the setting of performance standards at the start of every year as either ‘fully’ or ‘partially’ is significantly different across Sectors. The cross tabulation (see Appendix 3, Table 3-20) indicated that 87.5% respondents from the Education Departments said that they had a system where performance standards were set between supervisors and employees at the start of every year compared to 45.8% from WASAs. Whereas only 12.5% respondents from the Education Departments said that, they did not have such a system in place for the setting of performance standards compared to 54.2% from WASA. However, a Chi-square test for independence comparing CDG and the setting of performance standards showed no significant association between the two variables.

### **The Importance Placed on the Achievement of Performance Standards (a)**

For the statistical purpose, the researcher reduced the categories 1 & 2<sup>7</sup> to 1 (fully/partially). According to Table 7-26, a Chi-square test (with Yates Continuity Correction) comparing CDGs and achievement of performance standards showed significant association between the two variables at 1% significance level. According to the cross tabulation (see Appendix 3, Table 3-26) 95.5% of respondents from CDGL district indicated ‘full/partial’ achievement of targets and 72.0% of the respondents from CDGF indicated that targets were “fully/partially” achieved. However, there were no significant differences across Sectors as the value of Fisher Exact Test was not less than .05.

### **Achievement of Performance Standards (b)**

For the statistical purpose, the researcher reduced the categories from 4 to 2<sup>8</sup>. However, a Chi-square test (with Yates Continuity Correction) examining the potential significant differences in the proportion of respondents across CDGs and Sectors regarding the achievement of performance standards (Table 7-26), indicated no significant association between the two variables (for detail see Appendix 3, Table 3-24 & Table 3-25). However, according to the cross tabulation (Appendix 3, Table 3-23) there were differences in respondents (52.0% of CDGF) indicating achievement of standards ‘above 50%’ to those indicating ‘less than 50.0%’ (71.2% of CDGL).

### **Incentive Structure**

A Chi-square test (with Yates Continuity Correction) examined the likelihood of the existence of a performance based reward system across Sectors/CDGs. The Chi-square

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<sup>7</sup> 1=fully, 2= partially to 1 (fully/partially)

<sup>8</sup> Categories ; less than 25% -25%-50%=1 & 51%-75%- 76%-100%=2

test (Table 7-26) indicated a significant association between the two variables at 1% significance level (for details see Appendix 3, Table 3-33). The cross tabulation (Appendix 3, Table 3-29) indicated the Education Departments (56.3%) had performance based incentive structure, while 72.9% of the total respondents from WASAs indicated the lack of performance based incentive structure. While the Chi-square test (with Yates Continuity Correction) between CDGs and existence of performance based reward systems as shown in Table 7-26 showed no significant association between the two variables (for details see Appendix 3, Table 3-31).

The association between the ‘individuals are rewarded on the basis of performance’ and ‘Sectors’ was also investigated through a Chi-square test for independence (Table 7-26). Chi-square test for independence (with Yates Continuity Correction) comparing ‘Sectors’ and ‘performance based incentive’ indicated a significant association between the two variables at 1% significance level as indicated in Table 7-26. A cross tabulation (Appendix 3, Table 3-32) also showed significant differences across sectors. A significant majority of respondents from the Education Departments (68.8%) indicated that individuals were rewarded based on performance, while 84.7% of the total respondents from WASAs indicated that individuals were not rewarded on performance. However, there was no statistical significant association between CDG and rewarding individuals on performance (Appendix 3, Table 3-34).

### **Comparing factors of Resource Leakage across City District Governments and Sectors**

A Mann-Whitney test was employed to assess differences across CDGs and Sectors. According to the test results Table 7-27, a Mann-Whitney U test revealed significant differences with respect to weak sanctions against corrupt practices and resource leakage at 5% significance level across CDGs. The summary of the Mean Ranks (see

for detail Appendix 3, 3-38) indicated that this factor was more significant in CDGF compared to CDGL. Across Sectors, significant differences were revealed with respect to unclear rules for financial accounting and weak internal and external practices of auditing at 5% and 1% significance level respectively. The Mean Ranks (Appendix 3, Table 3-40) and Median values in Table 7-27 indicated that these factors were more significant in the Education Departments compared to WASAs.

**Table 7-27: Summary Statistics for Mann-Whitney Test<sup>a</sup>**

<b>FACTORS FOR RESOURCE LEAKAGE</b>	<b>Median (EDs)</b>	<b>Median (WASAs)</b>	<b>Z</b>	<b>Mann-Whitney p value</b>
1. Unclear rules for financial accounting are a significant factor for resource leakage	3	2	-2.00	0.04*
2. Lack of capacity to account for budgeting resources for resource leakage	3	3	-.44	0.65
3. Weak internal and external auditing practices are a significant factor for resource leakage	3	2	-2.70	0.00*
4. Weak sanctions against corrupt practices are significant factors for resource leakage	3	2	-1.53	0.12

a. Grouping variable type of city district governments; 3=significant; 2=not significant  
*p*\*\* 1% significance level; *p*\* 5% significance level

#### **7.3.4 Comparing Differences Across CDGs and Sectors Regarding Adequacy of Resources**

To find out the differences, a Mann-Whitney test was performed across CDGs and Sectors. According to the test results, a Mann-Whitney U test (Table 7-28) revealed there were significant differences with respect to the adequacy of ‘technical resources’ and ‘infrastructure’ across CDGs at 1% significance level. The summary of the Mean Ranks (Appendix 3, Table 3-41) and Median values in Table 7-28 indicated that these factors were more significant in CDGL compared to CDGF.

**Table 7-28: Mann Whitney Test Statistics for Adequacy of Resources<sup>a</sup>**

RESOURCE ADEQUACY	Median (CDGL)	Median (CDGF)	Z	Mann Whitney <i>p</i> value
Financial Resources	3	2	-.46	0.64
Human Resources	3	3	-1.41	0.15
Technical Resources	3	4	-3.65	0.00**
Infrastructure	3	4	-4.22	0.00**

a. Grouping variable: type of City District governments  
*p*\*\* 1% significance level; *p*\* 5% significance level

Across Sectors, significant differences were revealed with respect to the adequacy of ‘financial resources’, ‘technical resources’ and ‘infrastructure’ at 1%, 1%, and 5% significance level respectively. The Mean Ranks (Appendix 3, Table 3-43) indicated that Mean ranks for adequacy of financial resources was higher in Education Departments while WASAs had higher Mean Ranks for technical and infrastructure. This is also shown by the Median values as displayed in Table 7-29 .

**Table 7-29: Mann-Whitney Test Statistics Summary<sup>a</sup>**

RESOURCE ADEQUACY	Median (EDs)	Median (WASAs)	Z	Mann Whitney <i>p</i> value
1. To what extent your organization have adequate financial resources	2	3	-5.28	0.00**
2. To what extent your organization has adequate human resources	3	3	-1.07	0.28
3. To what extent your organization has adequate technical resources	4	3	-3.21	0.00**
4. To what extent your organization has adequate infrastructure	4	3	-2.09	0.03*

a. Grouping variable: type of service delivery organizations; 2=inadequate; 3=adequate; 4=completely adequate  
*p*\*\* 1% significance level; *p*\* 5% significance level

### 7.3.5 Chi- square Test for Independence for Policy Consistency and Political and Bureaucratic Interference

#### Consistency in Policy Formulation and Implementation and Coordination among Tiers of Government

In order to explore differences across CDGs and Sectors, Chi-square tests were performed (Appendix 3, Tables 3-48, 3-49, 3-50). However, the Chi-square results indicated no statistical difference regarding policy consistency, policy implementation, and coordination among tiers.

### **Political and Bureaucratic Interference**

The association between the ‘Political and bureaucratic interference’ and CDGs/ Sectors was investigated through the Chi-square test for independence. A Chi-square test (with Yates Continuity Correction) comparing CDGs and political interference found no statistically significant association between the two variables (Appendix 3, 3-47). However, there was a significant association between ‘bureaucratic interference’ and ‘Sectors’ at the 1% significance level (Appendix 3, Table 3-46). The cross tabulation (Appendix 3, Table 3-45) also highlighted that 59.4% of respondents from the Education Department indicated ‘frequent/very frequent’ bureaucratic interference, while 76.3% of the total respondents from WASAs indicated that there was ‘infrequent/not at all’ bureaucratic interference.

#### **7.3.6 Comparing Differences Across City District Governments (CDGs) and Sectors regarding Institutional Factors**

In order to examine the potential differences regarding institutional factors CDGs and Sectors, Mann-Whitney U tests were performed. A Mann-Whitney U test (Table 7-30) revealed that there were no significant differences across Sectors regarding lack of political support and local context. However, test statistics revealed that there were significant differences regarding political instability (1% significance level), regime legitimacy (1% significance level), and economic instability (5% significance level) across Sectors. Mean Rank Table (Appendix 3, Table 3-51) and Median values, as displayed in Table 7-30, revealed that Mean rank values were higher for the Education Departments than WASA.

**Table 7-30: Mann-Whitney test statistics<sup>a</sup>**

<b>Institutional Factors</b>	<b>Median (EDs)</b>	<b>Median (WASAs)</b>	<b>Z</b>	<b>Mann-Whitney <i>p</i> value</b>
To what extent political instability affects your organizational performance	4	2	-3.33	0.00**
To what extent regime legitimacy affects your organizational performance	4	3	-3.59	0.00**
To what extent economic instability affects your organizational performance	4	3	-2.21	0.02*
To what extent lack of political support affects your organizational performance	3	3	-1.34	0.17
To what extent lack of bureaucratic support affects your organizational performance	3	3	-1.78	.07
To what extent lack of supportive local context affects your organizational performance	4	2	-4.02	.00**

a. Grouping variable: type of service delivery organization; 4=very significant; 3=significant; 2=not significant  
*p*\*\* 1% significance level; *p*\* 5% significance level

A Mann-Whitney U test (Table 7-31) comparing CDGs revealed that there were significant differences in the level of institutional factors affecting CDGs. The Mann-Whitney U test statistic indicated that differences were for political instability (1% significance level), regime legitimacy (5% significance level), economic instability (1% significance level), lack of political support (1% significance level), bureaucratic support (5% significance level), lack of supportive local context (1% significance level). However, Median values (Table 7-31) and Mean Ranks (Appendix 3, Table 3-53) indicated that Means were higher for CDGF compared to CDGL.

**Table 7-31: Mann-Whitney Test Statistics<sup>a</sup>**

<b>Institutional Factors</b>	<b>Median (CDGL)</b>	<b>Median (CDGF)</b>	<b>Z</b>	<b>Mann-Whitney <i>p</i> value</b>
To what extent political instability affects your organizational performance	2	4	-2.44	0.01*
To what extent regime legitimacy affects your organizational performance	3	3	-2.44	0.02*
To what extent economic instability affects your organizational performance	3	4	-3.28	0.00**
To what extent lack of political support affects your organizational performance	3	4	-2.82	0.00**
To what extent lack of bureaucratic support affects your organizational performance	3	4	-2.19	.02*
To what extent lack of supportive local context affects your organizational performance	2	4	-3.77	.00**

a. Grouping variable: type of local governments; 4=very significant; 3=significant; 2=not significant  
*p*\*\* 1% significance level; *p*\* 5% significance level

### **7.3.7 Exploring Associations Among Variables of Accountability Arrangements Across Local Government and Sectors**

- ***Financial guidelines and their practice:*** a Chi-square test was performed to find out any statistical difference across type of CDGs and type of Sectors for financial management rules and their practices, there were no differences across both variables (Appendix 3, Tables 3-61 & 3-62).
- ***Reliability of information:*** a Chi-square test was employed to determine whether there was any significant association between Sectors and the type of CDG regarding reliability of the information. The results indicated no significant difference across CDGs and Sectors (Appendix 3, Tables 3-58 & 3-60).
- **Access to information:** a Chi-square test to assess the association between ‘access to information’ across Sectors and CDGs (Appendix 3, Table 3-56) found significant differences across Sectors at 5% significance level. The cross tabulation indicated that WASA (83.1%) had an easy access to information than Education Departments (59.4%). There were no differences across CDGs.
- ***Monitoring committees and organizational performance:*** a Chi-square test (Appendix 3, Table 3-63 & 3-64) was applied to measure the association between monitoring committees and organizational performance across Sectors and CDGs. The results indicated no statistically significant association between the variables.

## **7.4 SUMMARY AND CONCLUSION**

This section sums up the research findings as discussed in quantitative data analysis section from the survey. In summary, the main findings of this section are:

### **7.4.1 Change in Managerial Discretion/Managerial Autonomy**

Since the decentralization reforms, managers of service delivery organizations, particularly Education Departments, were given more administrative and financial autonomy. The Education Department was a devolved department, and WASA was a semi-autonomous organization under the direct control of CDGs. The survey findings

presented in section 7.2.1.1 indicated that across the two Sectors, managers of WASAs enjoyed more discretion over promotion, firing and transfer of personnel than the Education Departments. Within the Education Departments, less discretion was reported by respondents of CDGF. This part did not provide answers to the question of ‘why’ managers of the Education Department besides having more discretion, particularly with regard to the financial autonomy, reported that they could not exercise these powers. This will be further explored in the qualitative part of the Education Sector analysis.

#### **7.4.2 Participation and Organizational Performance**

With respect to the improvement in community participation in service provision, it was found that participation has been significantly improved after decentralization reforms. However, respondents from CDGL indicated a higher level of user involvement compared to CDGF across both sectors. Significant differences were found with respect to the impact of community participation on organizational performance across both CDGs. Respondents from CDGL were of the view that it had a significant impact on their organizational performance compared to CDGF. Indeed, across two sectors no statistically significant differences were identified. However, respondents from WASA (CDGF) indicated less significant impact compared to WASA (CDGL).

#### **7.4.3 Institutional Environment - Internal Organizational Factors**

##### **7.4.3.1 *Personnel Management System***

Across both CDGs, respondents reported that they had a merit based recruitment process. However, WASA (CDGF) indicated a lack of HRMIS for human resource management. Respondents overall indicated that personnel management rules provide

them flexibility and were effective in managing human resources, and no significant differences were found across either CDG or Sectors, except for the simplicity of personnel management rules. Respondents from CDGL disagreed that the rules were simple in implementation.

#### ***7.4.3.2 Performance Management System***

Significant differences were found across both CDGs with respect to the existence of documented work performance standards. The majority of the respondents from CDGL indicated that their organizations had clearly documented work performance standards. Within the Sectors, the Education Department seemed to report the existence of clear performance standards but within WASA, respondents from CDGF indicated lack of clear performance standards. Likewise, a strong statistically significant difference was found across the service delivery organization with respect to whether performance standards were set between employees and supervisors at the start of every year or not. The Education Departments reported that they had a system where performance standards were set between employees and supervisors at the start of every year compared to WASAs. The majority of the respondents from both Sectors reported that performance targets were partially communicated to them. With respect to the achievement of organizational objectives, across CDGs, respondents from CDGL indicated that they had achieved more than 50% of their organizational objectives compared to CDGF. Respondents from both city district governments reported that they had a performance based incentive structure. However, it was found that there was statically significant difference across both sectors with respect to whether individuals in their organizations are rewarded on the basis of performance or not. Respondents from WASA indicated that individuals in their organizations were not rewarded on the basis of performance.

#### **7.4.3.3 *Financial Management***

In response to the extent of financial management functions performed by the organization, statistically significant differences were found across both sectors - WASA and Education. The majority of the respondents from the Education Departments indicated that they fully performed the functions of budget preparation, budget execution, resource allocation, internal audit and end of year account statements at the local level compared to WASA who indicated that these functions were partially performed by their organization.

#### **7.4.3.4 *Factors Responsible for Resource Leakage***

The main differences across CDGs were found with respect to the weak sanctions as a significant factor responsible for resource leakage. The majority of the respondents from CDGF identified it as a significant factor compared to the CDGL. Across both sectors, a significant difference was found regarding lack of clarity in financial rules and weak auditing practice as significant factors for resource leakage. The Education Departments indicated that these factors were more significant compared to WASAs.

#### **7.4.4 *Institutional Environment - External Factors***

The majority of the respondents from both governments indicated that policies were more consistent in the formulation. However, they lacked consistency in implementation. Likewise respondents also indicated that the lack of coordination among tiers significantly impacted their organizational performance. In response to political and bureaucratic interference, the Education Department (CDGL) indicated frequent political and bureaucratic interference compared to the Education Department (CDGF). A statistically significant difference was found with respect to bureaucratic interference across the service delivery organizations. WASAs reported less

bureaucratic interference compared to the Education Departments across both governments. Significant differences were found while measuring external institutional factors (such as political instability, regime legitimacy, economic instability, political and bureaucratic interference and local context) that affected organizational performance across local governments and across sectors. Across the CDGs, respondents from CDGF indicated a higher level of significance with respect to these factors. Across service delivery organizations factors like political instability, regime legitimacy, economic instability and lack of supportive local context seemed to affect the education department more than the WASA.

#### **7.4.4.1 *Resource Adequacy***

With respect to technical resources and infrastructure, a significant difference was found across local government. CDGL indicated that they have adequate technical and infrastructure resources compared to CDGF. Likewise, a statistically significant difference was found across type of service delivery organization with respect to adequacy of human resources, technical resources and infrastructure. Respondents from WASAs indicated adequacy of these resources compared to the Education Departments.

#### **7.4.5 *Accountability***

Respondents from the Education Departments indicated that they fully follow financial guidelines compared to WASA whose majority said they partially follow these guidelines. However, the Education Department (CDGF) and WASA (CDGF) reported that they had no clear financial guidelines. With respect to the maintenance of records/information management, the majority of respondents from both sectors indicated that they had an information management system. Respondents from CDGL seemed to be more satisfied with the reliability of information in the information

management system compared to CDGF, who seemed to indicate that information is partially reliable. Regarding information access, a significant difference was found across type of service delivery organization as WASA indicated that access to information is easy compared to the Education sector. With respect to efficient grievance procedures, significant differences were found across the CDGs. According to CDGL they had an efficient grievance procedure compared to the CDGF. Likewise, a significant difference was found across CDGs regarding the impact of the monitoring committee on organizational performance. Respondents from CDGL reported a significant impact of monitoring committees on their performance compared to CDGF. In response to the multiple overlapping accountabilities and organizational performance, Education Departments across both CDGs indicated that it significantly impacted their organizational performance. Compared to this, WASA (CDGL) seemed to be affected more than the WASA (CDGF).

## **7.5 CONCLUSION**

This chapter has presented significant insight into the institutional context of service delivery organizations. It has provided an overview of the context within which the public sector works. However, in order to establish a clear link between the amount of managerial autonomy, participation, accountability, institutional environment and performance, a detailed analysis of the context is needed. This is provided through case studies of local governments and subsequently the selected sectors in order to draw causal links and a more in-depth understanding of the link between decentralization and the institutional performance of local governments (see Chapters 8 & 9). The next chapter presents findings from a community survey. It will explore the community perspective regarding local government performance.

## CHAPTER 8

### COMMUNITY SURVEY

#### 8.1 INTRODUCTION

The focus of the community survey was to assess the effectiveness and responsiveness of the local government system in service delivery from the viewpoint of local communities. This survey at the *grass roots* level was an effort to supplement and provide additional insight into the perceptions of local communities and how they perceived local government performance. This survey revealed how far the local government system has been able to improve participation, accountability relationships, and institutional performance of local government compared to the pre devolution arrangement.

Broadly the community questionnaire was divided into 5 parts. Part 1 of the community survey was to have a demographic profile of the respondents. Part 2 measured ‘citizen participation’. Part 3 assessed the change in ‘accountability’ patterns. Part 4 assessed the ‘service delivery performance of local government in water and sanitation and education’ and Part 4 was further divided into three parts headed as: sewerage service, water supply, education. Part 5 assessed the overall perception of the community regarding ‘local government performance in service delivery’. In the research methodology an overview of how these indicators were actually measured has been provided. The focus of the performance was on the effectiveness and responsiveness of service delivery. This survey aimed at assessing the satisfaction of community with local government service delivery performance.

## **8.2 SURVEY FINDINGS**

### **8.2.1 Community Participation**

The measurement of participation was based on a set of criteria derived from the evidence provided in the literature on the political decentralization perspective (as provided in Table 4-4) relating to direct and indirect forms of participation and the effectiveness of participation being measured as the quality and frequency of contact between public officials and political representatives (Table 8-3 & Table 8-4). The community participation was assessed in Part 1 of the Community survey questionnaire: indirect participation - knowledge of different committees or forums of community participation (Questions coded as B1-B3, see also Table 8-1) and their direct participation was measured (Questions coded as B4-B6). Effectiveness of participation defined as the quality and frequency of contact between the community and public and political representatives (Questions coded as B10-B21) measured process dimension of performance-improved accountability relationship-how well public and political representatives listen to the problems of their community (Table 8-2, Table 8-3 & Table 8-4).

#### **8.2.1.1 *Direct and Indirect Forms of Participation***

The results of the survey presented in Table 8-1 indicated that as far as the indirect participation was concerned, the majority of the respondents indicated that they had very little knowledge of the community forums. For example, in response to the knowledge of different committees, it appeared that 70.0% of the respondents from CDGL and 79.0% from CDGF did not have any knowledge of the Citizen Community Board (CCB). Only 30.0% of the respondents from CDGL and 21.0% from CDGF said they had the knowledge of CCB; 29.0% of the respondents from CDGL and 23.0%

respondents from CDGF had the knowledge of School Management Committee (SMC) compared to 48.0% of CDGL and 40.0% of CDGF who said they know about water and sanitation monitoring committee.

**TABLE 8-1: COMMUNITY PARTICIPATION**

Indicators of direct and indirect forms of participation	City District Governments/CDGF				CDGL & DGF	
	Lahore (CDGL)		Faisalabad (CDGF)		Total	
	N	%	N	%	N	%
<b>Do you have knowledge of community citizen boards (CCBs)</b>						
1. Yes	30	30.00	21	21.00	51	25.50
2. No	70	70.00	79	79.00	149	74.50
Total	100	100	100		200	100
<b>Do you have knowledge of School Management Committee</b>						
1. Yes	29	29.0	23	23.00	52	26.00
2. No	70	70.00	77	77.00	48	74.00
Total	100	100	100	100	200	100
<b>Do you have knowledge of water and sanitation committee?</b>						
1. Yes	48	48.0	40	40.00	88	44.00
2. No	52	52.00	60	60.00	112	56.00
Total	100	100	100	100	200	100
<b>Are you part of citizen community board?</b>						
1. Yes	13	13.00	0	0.00	13	6.50
2. No	87	87.00	100	100.00	185	92.50
Total	100	100	100	100	200	100
<b>Are you part of the school management committee</b>						
1. Yes	17	17.00	2	2.00	19	9.50
2. No	83	83.00	98	98.00	181	90.50
Total	100	100	100	100	200	100
<b>Have you taken part in any development scheme/project since last 2 months</b>						
1. Yes	22	22.00	0	0.00	22	11.00
2. No	78	78.00	100	100.00	178	89.00
Total	100	100	100	100	200	100

As far as the direct participation in different committees was concerned, none of the respondents from CDGF said that they are part of CCB; only 2.0% of the total from CDGF said that they were part of the SMC. Compared to this, 13.0% from CDGL said that they were part of CCB and 17.0% of the total said that they were part of the SMC. In response to the question whether they were actively involved in any development project, 22.0% of the total respondents from CDGL said that they had taken part in some kind of development project since last 12 months. As referred to in chapter 1, one of the main objectives of decentralization reforms in Pakistan was to improve community participation and for this purpose different committees for direct community

involvement in service delivery were constituted. For instance, the community was given direct representation in School Management Council (SMC) and was responsible for the utilization of school funds, and monitored school performance. Likewise CCB gave the community an opportunity to solve local community issues. Similarly, local monitoring committees were constituted in every sector such as education, water and sanitation. However, as the survey findings indicated, little evidence was found regarding awareness of the existence of these committees and communities direct involvement in either SMC or CCB.

### 8.2.1.2 *The Frequency of Contact Between Councillors and the Community*

The results of the survey regarding effectiveness of participation, however, (Table 8-2) suggested improvements in the quantity of contact and quality of relationships between community and local representatives.

**Table 8-2: Contact with the Councillors**

Indicators Of Participation	City District Governments/CDGs				CDGF&CDGL	
	Lahore (CDGL)		Faisalabad(CDGF)		Total	
	N	%	N	%	N	%
<b>Have you contacted your councillor since last 12months?</b>						
1. Yes	65	65.00	72	72.00	137	68.50
2. No	35	35.00	28	28.00	63	31.50
Total	100	100	100	100	200	100
<b>Have your councillor met you in any local meeting since last 12 months?</b>						
1. Yes	55	55.00	62	62.00	117	58.50
2. No	45	45.00	38	38.00	83	41.50
Total	100	100	100	100	200	100
<b>Do the councillors take your input on a community development project?</b>						
1. Mostly	47	47.00	28	28.00	75	37.50
2. Depends on the situation	41	41.00	68	68.00	109	54.50
3. Not at all	12	12.00	4	4.00	16	8.00
Total	100	100	100	100	200	100
<b>Whom would you contact for your local issues or problems?</b>						
1. Union councillor	67	67.00	77	77.00	144	72.00
2. Tehsil councillor	4	4.00	2	2.00	6	3.00
3. District councillor	2	2.00	0	0.00	2	1.00
4. MPA/MNA*	4	4.00	0	0.00	4	2.00
5. Public officials	2	2.00	2	2.00	4	2.00
Total	100	100	100	100	200	100

\*MPA-Member of Provincial Assembly; MNA-Member of National Assembly

The frequency of the contact between councillors and community has shown significant improvement as respondents agreed that councillors met them in local meetings and they also highlighted that local councillors, depending on the situation, take their input in development projects. In response to the contact with local councillor, 65.0% respondents from CDGL, and 72.0% from CDGF said that they had contacted their local councillors since the last 12 months, 55.0% from CDGL and 62.0% from CDGF reported that their councillors had met them at a local meeting since last 12 months. This indicates a high level of contact between the community and their elected representatives.

On the other hand, in response to the question about 'whether their input was taken in the development projects', the majority of them (96.0%) from both City District Governments (CDGs) indicated that it 'mostly/depends on the situation' compared to only 16.0% of the total respondents mentioning 'not at all'. Interestingly, the community seemed to contact more often their Union councillors for the community problems. This might be due to the fact that union councillors live in those communities, have close social ties with them and interact with them more frequently than district or town councillors. In response to the question 'whom would they report for their problems?', 67.0% respondents from CDGL and 77.0% respondents from CDGF reported they would contact their Union councillors. The survey findings of this section have indicated that overall local councillors are able to maintain a high frequency of contact with their community and consult them for any development schemes of their area.

### 8.2.1.3 *Quality of the Contact Between Community and Political Representatives and Public Officials*

Another indicator of the effectiveness of participation was to assess the quality of relationships of community between public officials and political representatives. Respondents seemed satisfied with the quality of the relationship between their councillors and public officials. In response to the question about whether ‘they have brought any local issue in the knowledge of their councillor since last 12 months’, 68% respondents from CDGL and 76% from CDGF said ‘yes’ with the main issue being sewerage and refuse collection in CDGL and sewerage and health in CDGF. The majority of the respondents (74%) from both CDGs indicated that they were able to meet the concerned person and were satisfied with their meetings. They also indicated that they found the person honest and fair in their dealings.

**Table 8-3: Quality of Contact Between Political representatives (A)**

Indicators of Participation	City District Governments/CDGs				CDGF&CDGL	
	Lahore (CDGL)		Faisalabad (CDGF)		Total	
	N	%	N	%	N	%
<b>Have you brought any issue in the knowledge of your councillors since last 12 months?</b>						
1. Yes	68	68.00	76	76.00	144	72.00
2. No	32	32.00	24	24.00	56	28.00
Total	100	100	100	100	200	100
<b>What was the nature of the problem?</b>						
1. Water supply	12	12.00	0	0.00	12	6.00
2. Sewerage	19	19.00	22	22.00	41	20.50
3. Refuse collection	17	17.00	3	3.00	20	10.00
4. Health	0	0.00	23	23.00	23	11.50
5. Education	0	0.00	12	12.00	12	6.00
6. Other	25	25.00	19	19.00	44	22.00
7. NA (Not Applicable)	27	27.00	21	21.00	48	24.00
Total	100	100	100	100	200	100
<b>Were you able to meet the concerned person</b>						
1. Yes	69	69.00	79	79.00	148	74.00
2. No	4	4.00	0	0.00	4	2.00
3. NA	27	27.00	21	21.00	48	24.00
Total	100	100	100	100	200	100
<b>Did you find the person fair and honest?</b>						
1. Yes	54	54.00	79	79.00	133	66.50
2. No	17	17.00	0	0.00	17	8.50
3. NA (Not Applicable)	29	29.00	21	21.00	50	25.00
Total	100	100	100	100	200	100
<b>Were you satisfied with your meeting?</b>						
1. Very satisfied	25	25.00	2	2.00	27	13.50
2. Satisfied	38	38.00	77	77.00	115	57.50
3. Dissatisfied	9	9.00	0	0.00	9	4.50
4. Very dissatisfied	3	3.00	0	0.00	3	1.50
5. NA (Not Applicable)	25	25.00	21	21.00	46	23.00
Total	100	100	100	100	200	100

The respondents also seemed to contact city district government public officials for their problems. However, the ratio of contacting district government officers for the problems solving was higher in CDGF (70.0%) compared to CDGL (29.0%). In CDGF, 70.0% of the respondents indicated that they had tried to contact district government officers mainly for education, health, and water supply. As far as the honesty and fairness was concerned, of the total respondents who met public officials, 21 out of 29 respondents from CDGL and 67 out of 69 from CDGF reported that they found the person to be honest and fair in their dealings, and the majority of the respondents were satisfied with their meeting (19 respondents out of 29 from CDGL and 67 respondents out of 70 from CDGF who met them).

**Table 8-4: Quality of contact between community and local government officer (B)**

Indicators Of Participation	City District Governments/CDGs				CDGF&CDGL	
	Lahore (CDGL)		Faisalabad (CDGF)		Total	
	N	%	N	%	N	%
<b>Have you ever contacted any district officer since last 12 months?</b>						
1. Yes	29	29.00	70	70.00	99	49.50
2. No	71	71.00	30	30.00	101	50.50
Total	100	100	100	100	200	100
<b>What was the nature of the problem</b>						
1. Water supply	6	6.00	11	11.00	17	8.50
2. Sewerage	8	8.00	7	7.00	15	7.50
3. Refuse collection	0	0.00	0	0.00	0	0.00
4. Health	0	0.00	11	11.00	11	5.50
5. Education	7	7.00	17	17.00	24	12.00
6. Other	10	10.00	24	24.00	34	17.00
7. NA (Not Applicable)	71	71.00	30	30.00	98	49.00
Total	100	100	100	100	200	100
<b>Did you find the person fair and honest?</b>						
1. Yes	21	21.00	67	67.00	88	44.00
2. No	8	8.00	3	3.00	11	5.00
3. NA (Not Applicable)	71	71.00	29	30.00	100	51.00
Total	100	100	100	100	200	100
<b>Were you satisfied with your meeting?</b>						
1. Very satisfied	3	5.00	5	5.00	8	4.00
2. Satisfied	19	19.00	61	61.00	80	40.00
3. Dissatisfied	6	6.00	2	2.00	8	4.00
4. Very dissatisfied	1	1.00	2	2.00	3	1.50
5. NA (Not Applicable)	71	71.00	30	30.00	101	50.50
Total	100	100	100	100	200	100

The results suggested that the community seemed to approach their union councillors more frequently than other member such as Tehsil councillors or District councillors. One of the reasons behind this trend might be that Union councillors lived in close proximity to the community than Tehsil or District councillors and the community had an easy access to them.

## **8.2.2 Accountability**

Part 3 of the Community Questionnaire assessed the accountability (Question coded as C1-C9). The results are presented in Table 8-5.

### **8.2.2.1 Dissemination of Information**

According to the result presented in Table 8-5, in response to the question regarding “whether councillors share information regarding Council meetings with the community members”, 70.0% respondents from the CDGL and 85.0% from CDGF reported that they did not share such information. The majority of the respondents from CDGF (70.0%) indicated that councillors did not inform them about development projects being undertaken in the community. However, 24.0% from CDGL said ‘yes’ and 41.0% said ‘at sometimes’ they shared information about development projects. This trend was repeated when the question was asked about whether councillors share information about development expenditures. The majority of the respondents from CDGF (94.0%) said “no”, compared to this 57.0% of the respondents from CDGL reported ‘no’ and 28.0% said ‘sometimes’ they shared such information. Regarding dissemination of information to the public, 65.0% of the respondents from CDGL agreed that the Tehsil and District government publish information for public disclosure compared to CDGF (70.0%).

**Table 8-5: Accountability**

Indicators Of Accountability	City District Governments/CDGs				CDGF&CDGL	
	Lahore (CDGL)		Faisalabad (CDGF)		Total	
	N	%	N	%	N	%
<b>Do councillors share information regarding Council meetings with local community?</b>						
1. Yes	9	9.00	13	13.00	33	16.50
2. No	70	70.00	85	85.00	155	77.50
3. Sometimes	21	21.00	2	2.00	23	11.50
Total	100	100	100	100	200	100
<b>Do councillors inform you about development projects of your community?</b>						
1. Yes	24	24.00	24	24.00	48	24.00
2. No	35	35.00	70	70.00	105	52.50
3. Sometimes	41	41.00	6	6.00	47	23.50
Total	100	100	100	100	200	100
<b>Do councillors inform you about the amount spent on development schemes in your community?</b>						
1. YES	15	15.00	4	4.00	19	9.5
2. NO	57	57.00	94	94.00	151	75.5
3. Sometimes	28	28.00	2	2.00	30	15
Total	100	100	100	100	200	100
<b>Does Tehsil municipal administration/District government publish information for the general public?</b>						
1. Yes	52	52.00	61	61.00	113	56.50
2. No	48	48.00	39	39.00	87	43.50
Total	100	100	100	100	200	100
<b>Can you access local government office for the public information?</b>						
1. Yes	45	45.00	78	78.00	123	61.50
2. No	18	18.00	22	22.00	40	20.00
3. To some extent	37	37.00	0	0.00	37	18.50
Total	100	100	100	100	200	100
<b>To whom would you report for any incident of corruption?</b>						
1. Union councillor	54	54.00	88	88.00	142	71.00
2. Tehsil councillor	1	1.00	0	0.00	1	0.50
3. District councillor	2	2.00	0	0.00	2	1.00
4. Media	12	12.00	12	12.00	24	12.00
5. Will not report	31	31.00	0	0.00	31	15.50
Total	100	100	100	100	200	100
<b>In your opinion, are your complaints heard?</b>						
1. Yes	67	67.00	79	79.00	146	73.00
2. No	33	33.00	21	21.00	54	27.00
Total	100	100	100	100	200	100
<b>Have you noticed any change in the attendance of local government employees?</b>						
1. Yes	52	53.00	77	77.00	129	64.50
2. No	48	48.00	23	23.00	71	35.50
Total	100	100	100	100	200	100
<b>What is the nature of change?</b>						
1. Attendance is improved	52	52.00	77	77.00	129	64.50
2. No change	47	47.00	23	23.00	70	35.00
3. Attendance is reduced	1	1.00	0	0.00	1	0.50
Total	100	100	100	100	200	100

**8.2.2.2 Access to Information**

The majority of the respondents from CDGF said that they had access to public information from the local government offices. The overall majority of respondents from both local governments indicated that they had access to information. Of the total

respondents, 45.0% from CDGL and 78.0% from CDGF reported that they could access local government offices for public information.

### **8.2.2.3 *Reporting of Corruption Incidents***

Respondents also indicated that they would like to report incidents of corruption to the union councillors. 54.0% from CDGL and 88.0% from CDGF indicated that they would bring this incident to the knowledge of union councillors.

### **8.2.2.4 *Improvements in Complaints Procedures and Employees Attendance***

Respondents also indicated that there was a change in the complaints procedure and agreed that complaints were heard. Of the total respondents, 79.0% from CDGF and 67.0% from CDGL indicated that their complaints were heard. Respondents also agreed that there was some change in employees' attendance. The majority of the respondents said that the attendance of government employees had improved as a result of checks and balances like surprise checking. Of the total respondents, 52.0% from CDGL and 77.0% from CDGF indicated that their attendance is improved. The survey findings, presented in the Section 8.2.2, indicated that respondents reported that councillors did not share information regarding council meetings or development projects undertaken in their community. However, respondents agreed that their access to government offices for public information increased, though this trend was more visible in CDGF than Lahore. It also seems that there is improvement in complaint procedures under the local government system and there is a visible change in the improvement of the employee's attendance. Answers to open-ended questions attributed this change to the improvement of better checks and balance (Section 8.2.7).

### 8.2.3 Performance of the Sewerage System

The Part 4-D of the community survey questionnaire was focused on measuring the performance of the sewerage system (see also Table 8-6).

**Table 8-6: Sewerage Provision (A)**

Water and Sewerage Service provision (WSS)	City District Governments/CDGs				CDGF&CDGL	
	Lahore (CDGL)		Faisalabad (CDGF)		Total	
Sewerage service provision	N	%	N	%	N	%
<b>Do you have a sewerage system in your community?</b>						
1. Yes	97	97.00	95	95.00	192	96.00
2. No	3	3.00	5	5.00	8	4.00
Total	100	100	100	100	200	100
<b>Please identify the nature of service provision?</b>						
1. Public (WASA)	97	97.00	51	51.00	148	74.00
2. Private	3	3.00	49	49.00	52	26.00
Total	100	100	100	100	200	100
<b>Do you pay for the service provision?</b>						
1. Yes	93	93.00	99	99.00	192	96
2. No	7	7.00	1	1.00	6	3
Total	100	100	100	100	200	100
<b>Are you satisfied with the user charges?</b>						
1. Highly satisfied	2	2.00	16	16.00	18	9.00
2. Satisfied	79	79.00	63	63.00	142	71.00
3. Dissatisfies	13	13.00	19	19.00	32	16.00
4. Highly dissatisfied	6	6.00	2	2.00	8	4.00
Total	100	100	100	100	200	100
<b>Is there any development scheme regarding sewerage system in your community?</b>						
1. None	40	40.00	49	49.00	89	44.50
2. Under progress	4	4.00	50	50.00	54	27.00
3. Abandoned	1	1.00	1	1.00	2	1.00
4. Has been completed	55	55.00	0	.00	55	27.50
Total	100	100	100	100	200	100

Mainly this part was divided into two sections; the first three questions (Questions coded as D1-D3) were of a general nature to determine whether the community had access to the sewerage system and in the terms of the nature of service provision, whether it was provided by public organization (WASA) or managed privately or by the community itself, and whether they pay user charges. Questions D4-D13 of the survey assessed the satisfaction of the community with respect to improved access, accountability and quality of service provision. Some of the questions such as D5, D6 were of a general nature to know if there were any development projects or involvement of the private sector in improving sewerage provision. As the survey part had many

questions, in order to present data in a more meaningful manner, the results of the survey are presented in two separate tables, Table 8-6 and Table 8-7.

#### **8.2.3.1 *Nature of Service Provision***

The results (Table 8-6) suggested that in CDGL, it was mainly provided by a public sector organization (WASA) which was under the control of the City District Government (CDG). On the other hand, in some areas of CDGF, it was maintained by the community itself. Of the total respondents, 97.0% of the CDGL said that sewerage system was provided by Water and Sanitation Agency (WASA) and 51.0% of CDGF said that it was provided by WASA. The rest of them said it is a community arrangement. The majority of the respondents from both CDGS indicated limited involvement of Non-Governmental organizations (NGO)/Community Based organizations (CBOs) involvement in service provision. Almost more than 90.0% of respondents from both CDGS said that they pay for the services and more than 60.0% indicated their level of satisfaction with respect to the charges they pay for the service provision.

#### **8.2.3.2 *Access to Sewerage Coverage***

According to Table 8-6, 97.0% respondents from CDGL and 95.0% respondents from CDGF reported that they had a sewerage system in their community. 47.0% from CDGL and 48.0% from CDGF reported that the sewerage coverage was improved after the local government system (Table 8-7) and the rest of the respondents said there was no change. Only 10.0% from CDGL indicated that it was rather deteriorated.

### 8.2.3.3 Quality of the Service Provision

According to the survey results presented in Table 8-7, in response to the question of change in employee's attendance, 73.0% from CDGL and 50.0% from CDGF reported that there was no change in their attendance. Likewise, 55.0% from CDGL and 50.0% from CDGF indicated their dissatisfaction with the complaint procedures. The majority of the respondents also showed their dissatisfaction with the quality of sewerage provision.

**Table 8-7: Sewerage Provision (B)**

Water and Sewerage Service provision (WSS)	City District Governments/CDGs				CDGF&CDGL	
	Lahore (CDGL)		Faisalabad (CDGF)		Total	
Sewerage service provision	N	%	N	%	N	%
<b>Has the attendance of sewerage &amp; sanitation staff improved after local government system?</b>						
1. Yes	27	27.00	50	50.00	77	38.50
2. No	73	73.00	50	50.00	123	61.50
Total	100	100	100	100	200	100
<b>Is there any monitoring committee?</b>						
1. Yes	52	52.00	76	76.00	128	64.00
2. No	48	48.00	24	24.00	72	36.00
Total	100	100	100	100	200	100
<b>If yes, then does it play an effective role?</b>						
1. Effective	8	8.00	25	25.00	33	16.50
2. Not effective	66	66.00	53	53.00	119	59.50
3. Partially effective	26	26.00	22	22.00	48	24.00
Total	100	100	100	100	200	100
<b>Is there any improvement in the sewerage coverage after local government?</b>						
1. Improved access	47	47.00	48	48.00	95	47.50
2. No change	43	43.00	52	52.00	95	47.50
3. Deteriorated	10	10.00	0	0.00	10	5.00
Total	100	100	100	100	200	100
<b>Are you satisfied with the sewerage facilities of your community?</b>						
1. Highly satisfied	2	2.00	3	3.00	5	2.50
2. Satisfied	27	27.00	47	47.00	74	37.00
3. Dissatisfied	64	64.00	50	50.00	114	57.00
4. Highly dissatisfied	7	7.00	0	0.00	7	3.50
Total	100	100	100	100	200	100
<b>How would you compare sewerage provision before and after local government?</b>						
1. Much better	8	8.00	1	1.00	9	4.50
2. A little better	61	61.00	49	49.00	110	55.00
3. No change	21	21.00	50	50.00	71	35.50
4. A little worse	9	9.00	0	0.00	9	4.50
5. Much worse	1	1.00	0	0.00	1	0.50
Total	100	100	100	100	200	100

Of the total respondents, 27.0% from CDGL and 47.0% from CDGF indicated their satisfaction with the sewerage system. In response to the open-ended questionnaire

(which was coded for the data analysis), 50.0% of the respondents from both CDGs explained that despite their complaints being heard, no further action was taken.

In response to the question of 'how do they compare sewerage system before and after the local government system', 61.0% from CDGL and 49.0% from CDGF reported that it had become 'a little better' than the previous system of government. However, 50.0% from CDGF indicated that there was 'no change', and 9.0% from CDGL said it had become 'worse than before'. The majority of the respondents from both CDGs indicated that they had a monitoring committee for sewerage. 52.0% from CDGL and 76.0% from CDGF reported the presence of a sewerage monitoring committee however, the majority of the respondents from both government said it was not playing any effective role.

The results presented in this section 8.2.3 suggested that overall respondents were not satisfied with the sewerage system, however, the majority of the respondents in CDGL agreed that sewerage system was improved 'to some extent' after local government system compared to Faisalabad. One of the reasons may be that most of the development work regarding sewerage improvements was completed in Lahore communities. 55.0% of the respondents from Lahore indicated that sewerage schemes were "completed" while the majority of the respondents (50.0%) from Faisalabad indicated it was 'in progress'. Mostly, respondents were found dissatisfied with the complaint procedures as the open ended questions about 'reasons for satisfaction or dissatisfaction with the sewerage system' revealed that though community indicated that they were having a new sewerage system in their communities but it was not properly being maintained by the sewerage staff.

## 8.2.4 Service Delivery Performance in Water Supply

Part 4-E of the community survey questionnaire measured performance of water supply system. This section presents community satisfaction with respect to the water supply system. In order to present data in a more meaningful form, the results are presented in two tables: Table 8-8 and Table 8-9.

### 8.2.4.1 Nature of the Service Provision

The survey results are presented in Table 8-8. The majority of the respondents reported that they had a water supply system in their area. 98.0% respondents from CDGL and 100.0% of respondents from CDGF indicated that had a water supply system in their community and it was provided by the public organization WASA.

**Table 8-8: Service Delivery Performance in Water Supply (A)**

Water and Sewerage Service provision	City District Governments/CDGs				CDGF&CDGL	
	Lahore (CDGL)		Faisalabad (CDGF)		Total	
Water supply system	N	%	N	%	N	%
<b>Do You have access to water supply in your community?</b>						
1. Yes	98	98.00	100	100.00	198	99.00
2. No	2	2.00	0	0.00	2	1.00
Total	100	100	100	100	200	100
<b>Please identify the nature of service provision.</b>						
1. Public (WASA)	98	98.00	100	100.00	198	99.00
2. Community	2	2.00	0	0.00	2	1.00
Total	100	100	100	100	200	100
<b>Is there any development scheme regarding water supply system in your community?</b>						
1. None	7	7.00	19	19.00	26	13.00
2. Under progress	8	8.00	49	49.00	57	28.50
3. Abandoned	13	13.00	1	1.00	14	7.00
4. Has been completed	72	72.00	31	31.00	103	51.50
Total	100	100	100	100	200	100
<b>Is there any involvement of any NGO/CBO in service provision?</b>						
1. Yes	15	15.00	0	0.00	15	7.50
2. No	85	85.00	100	100.00	185	92.50
Total	100	100	100	100	200	100
<b>Do you pay for the service provision?</b>						
1. Yes	98	98.00	99	99.00	197	98.50
2. No	2	2.00	1	1.00	3	1.50
Total	100	100	100	100	200	100
<b>Are you satisfied with the user charges?</b>						
1. Highly satisfied	3	3	0	0.00	3	1.50
2. Satisfied	74	74	74	74.00	148	74.00
3. Dissatisfied	17	17	5	5.00	22	11.00
4. Highly dissatisfied	6	6	21	21.00	27	13.50
Total	100	100	100	100	200	100

They also indicated that they paid user charges for the service provision. 74.0% respondents from both the CDGs indicated that they were satisfied with the user charges. The results also indicated that there was little involvement of the NGO/private sector in the water supply provision in CDGL, while results indicated no evidence of NGO involvement in CDGF.

**Table 8-9: Service Delivery Performance in Water Supply (B)**

Water and Sewerage Service provision	City District Governments/CDGs				CDGF&CDGL	
	Lahore (CDGL)		Faisalabad (CDGF)		Total	
	N	%	N	%	N	%
<b>Water supply system</b>						
<b>Are you satisfied with the complaint procedures of water supply system?</b>						
1. Highly satisfied	4	4.00	3	3.00	7	3.50
2. Satisfied	31	31.00	72	72.00	103	51.50
3. Dissatisfied	54	54.00	25	25.00	79	39.50
4. Highly dissatisfied	11	11.00	0	0.00	11	5.50
Total	100	100	100	100	200	100
<b>Is there any monitoring committee?</b>						
1. Yes	5	5.00	2	2.00	7	3.50
2. No	95	95.00	98	98.00	193	96.50
Total	100	100	100	100	200	100
<b>If yes, then does it play an effective role?</b>						
1. Effective	0	0.00	0	0.00	0	0.00
2. Not effective	100	100.00	99	99.00	199	99.50
3. Partially effective	0	0.00	1	1.00	1	0.50
Total	100	100	100	100	200	100
<b>Is there any improvement in access to water coverage after the local government?</b>						
1. Improved access	75	75.00	54	54.00	129	64.50
2. No change	22	22.00	46	46.00	68	34.00
3. Deteriorated	3	3.00	0	0.00	3	1.50
Total	100	100	100	100	200	100
<b>Are you satisfied with the quality of water supply system?</b>						
1. Highly satisfied	2	2.00	1	1.00	3	1.50
2. Satisfied	60	60.00	74	74.00	134	67.00
3. Dissatisfied	35	35.00	25	25.00	60	30.00
4. Highly dissatisfied	3	3.00	0	0.00	3	1.50
Total	100	100	100	100	200	100
<b>How would you compare water provision before and after local government?</b>						
1. Much better	5	5.00	2	2.00	7	3.50
2. A little better	76	76.00	63	63.00	139	69.50
3. No change	17	17.00	35	35.00	52	26.00
4. A little worse	2	2.00	0	0.00	2	1.00
5. Much worse	0	0.00	0	0.00	0	0.00
Total	100	100	100	100	200	100

#### **8.2.4.2 Access to Water Supply**

The survey results (Table 8-8 & Table 8-9) indicated that there had been improvement in water coverage following the local government system across both district governments. Of the total respondents, 75% of the respondents from CDGL and 54%

respondents from CDGF said that their access to the water supply had improved, 22% from CDGL and 46% from CDGF said there was no change, and only 3% from CDGL said it had become worse.

#### **8.2.4.3 *Quality of Service Provision***

Respondents indicated their satisfaction with the quality of service provision across both CDGs (Table 8-9). Of the total respondents, 60.0% from CDGL and 74.0% from CDGF said they were satisfied with the quality of service provision. Only, 35.0% from CDGL and 25.0% from CDGF said they were not satisfied with the quality of service provision. In response to the question of pre and post-devolution comparison of performance, 76.0% from CDGL and 63.0% from CDGF indicated that it had become a little better than before. When respondents were asked about the presence of any monitoring committee, more than 90.0% said there was no monitoring committee. The majority of the respondents from CDGF were satisfied with respect to the complaint procedure compared to CDGL. 72.0% of the respondents from CDGF showed their satisfaction compared to 5% who showed their dissatisfaction with complaints procedures. The survey results presented in this section of the chapter suggested the satisfaction of the community with respect to the water supply system in terms of improved access, quality of provision, and an improved system compared to the pre-devolution arrangements.

#### **8.2.5 Education Service delivery**

This section of the survey is derived from Part4-E of the community survey questionnaire. To facilitate the presentation of survey results, the results from part E1-E4 of the survey questionnaire are presented in Table 8-10 and questions E5-13 are presented in Table 8-11.

### 8.2.5.1 Nature of Schooling

According to Table 8-10, questions related to the type of school attended by children indicated that 70.0% of the respondents from the CDGL and 91.0% from CDGF said that their children attended public school compared to 30% from CDGL and 9.0% from CDGF who said their children attended a private school. Respondents were also asked the reasons why their kids attend those schools and 70.0% of the respondents from CDGF indicated the high tuition fees of private schools as one of the main reasons to send children to a public school.

**Table 8-10: Service Delivery Performance in Education Provision (A)**

Education provision	City District Governments/CDGs				CDGF&CDGL	
	Lahore (CDGL)		Faisalabad (CDGF)		Total	
	N	%	N	%	N	%
<b>Do you have access to public school?</b>						
1. Yes	97	97.00	97	97.00	194	97.00
2. No	3	3.00	3	3.00	6	3.00
Total	100	100	100	100	200	100
<b>Please identify the type of school attended by your kids</b>						
1. Public	70	70.00	91	91.00	161	80.50
2. Private	30	30.00	9	9.00	39	19.50
Total	100	100	100	100	200	100
<b>What are the reasons for attending this school?</b>						
1. High tuition fees of private schools	28	28.00	70	70.00	98	49.00
2. Quality of education	47	47.00	30	30.00	77	38.50
3. Ease of access	13	13.00	0	0.00	13	6.50
4. Better facilities	12	12.00	0	0.00	12	6.00
Total	100	100	100	100	200	100
<b>Is there any involvement of NGOs/CBOs in education provision</b>						
1. Yes	23	23.00	9	9.00	32	16.00
2. No	77	77.00	91	91.00	168	84.00
Total	100	100	100	100	200	100
<b>Is there any development scheme regarding water supply system in your community?</b>						
1. None	75	75.00	85	85.00	160	80.00
2. Under progress	3	3.00	4	4.00	7	3.50
3. Abandoned	6	6.00	1	1.00	7	3.50
4. Has been completed	16	16.00	10	10.00	26	13.00
Total	100	100	100	100	200	100
<b>Do you pay tuition for schooling?</b>						
1. Yes	96	96.00	98	98.00	194	97.00
2. No	4	4.00	2	2.00	6	3.00
Total	100	100	100	100	200	100
<b>Are you satisfied with the tuition fees?</b>						
1. Highly satisfied	8	8.00	4	4.00	12	6.00
2. Satisfied	75	75.00	96	96.00	171	85.50
3. Dissatisfied	17	17.00	0	0.00	17	8.50
4. Highly dissatisfied	0	0.00	0	0.00	0	0.00
Total	100	100	100	100	200	100

While the majority of the respondents (47.0%) from CDGL stated ‘quality of education’ as the main reasons for sending their kids to public schools, 28.0% of respondents from CDGL highlighted high tuition fees of private schools as the second main factor for sending kids to public schools. Respondents also indicated that they paid tuition fees for the schooling. However, 75.0% respondents from both CDGL and 96.0% respondents from CDGF indicated that they were satisfied with the tuition fees. Of the total respondents 77.0% from CDGL and 91.0% from CDGF indicated that Non-governmental Organizations (NGOs) were not involved in service provision. Over 70.0% of the respondents from both CDGs reported that there was no school development project in their community.

#### **8.2.5.2 Access to Public Schools**

The majority of the respondents reported that they had access to public school in their community. 97.0% respondents from CDGL and CDGF indicated that there was a school in their community. The majority of the respondents indicated that their access to school was improved after local government system. 69.0% respondents from CDGL and 98.0% respondents from CDGF said that access to the school was improved, 26.0% from CDGL and 2.0% from CDGF said that there was no change, and only 5.0% from CDGL said it had become worse.

#### **8.2.5.3 Service Delivery Performance in Education**

The survey findings (Table 8-11) are presented in this section regarding community satisfaction with the quality of education service provision, grievance procedures, access to schools and pre-post performance comparison. According to the figures, the majority of the respondents was satisfied with the quality of service provision. 60.0% respondents from CDGL and 74.0% respondents from CDGF indicated their satisfaction

with the quality of education provision and only 35.0% of the respondents from CDGL and 25.0% of the respondents from CDGF indicated they were dissatisfied with the quality of education provision.

**Table 8-11: Education Service Delivery Performance (B)**

Education	City District Governments/CDGs				CDGF&CDGL	
	Lahore (CDGL)		Faisalabad (CDGF)		Total	
	N	%	N	%	N	%
<b>Are you satisfied with the complaint procedure of the education system?</b>						
1. Highly satisfied	4	4.00	8	8.00	12	6.00
2. Satisfied	65	65.00	90	90.00	155	77.50
3. Dissatisfied	31	31.00	2	2.00	33	16.50
4. Highly dissatisfied	0	0.00	0	0.00	0	0.00
Total	100	100	100	100	200	100
<b>Is there any education monitoring committee?</b>						
1. Yes	37	37.00	42	42.00	79	39.50
2. No	63	63.00	58	58.00	121	60.50
Total	100	100	100	100	200	100
If yes, then does it play an effective role?						
1. Effective	19	19.00	35	35.00	54	27.00
2. Not effective	66	66.00	58	58.00	124	62.00
3. Partially effective	15	15.00	7	7.00	22	11.00
Total	100	100	100	100	200	100
<b>Has access to education improved after local government?</b>						
1. Improved access	69	69.00	98	98.00	167	83.50
2. No change	26	26.00	2	2.00	28	14.00
3. Deteriorated	5	5.00	0	0.00	5	2.50
Total	100	100	100	100	200	100
<b>Are you satisfied with the quality of service provision?</b>						
1. Highly satisfied	2	2.00	1	1.00	3	1.50
2. Satisfied	60	60.00	74	74.00	134	67.00
3. Dissatisfied	35	35.00	25	25.00	60	30.00
4. Highly dissatisfied	3	3.00	0	0.00	3	1.50
Total	100	100	100	100	200	100
<b>Is there any improvement in the attendance of teachers at schools after local government system?</b>						
1. Much better	69	69.00	96	96.00	165	82.50
2. No change	29	29.00	4	4.00	33	16.50
3. More absenteeism	2	2.00	0	0.00	2	1.00
Total	100	100	100	100	200	100
<b>What are the reasons for satisfaction/dissatisfaction with government schools</b>						
1. Education standard	27	27.00	38	38.00	65	32.50
2. Good facilities	30	30.00	6	6.00	36	18.00
3. Access	24	24.00	2	2.00	26	13.00
4. No other school	8	8.00	50	50.00	58	29.00
5. Poor quality	11	11.00	4	4.00	15	7.50
Total	100	100	100	100	200	100
<b>How would you compare education provision before and after local government</b>						
1. Much better	10	10.00	2	2.00	12	6.00
2. A little better	76	76.00	93	93.00	169	84.50
3. No change	14	14.00	4	4.00	18	9.00
4. A little worse	0	0.00	1	1.00	1	0.50
5. Much worse	0	0.00	0	0.00	0	0.00
Total	100	100	100	100	200	100

Respondents also indicated that teacher absenteeism reduced after implementation LG system. 69.0% of the respondents from CDGL and 96.0% of the respondents from

CDGF indicated that teacher attendance was improved after the LG system reforms. When respondents were asked whether they were satisfied with the complaint procedures, 65.0% from CDGL and 90.0% from CDGF indicated their satisfaction with the complaint procedures. When asked about the presence of any monitoring committee, more than 60.0% reported absence of monitoring committees. Only 37.0% from the CDGL and 42.0% from the CDGF reported the presence of a school monitoring committee and 19.0% of the respondents from CDGL and 35.0% of the respondents from CDGF said that monitoring committees were playing an effective role compared to 66.0% from CDGL and 58.0% from CDGF, who indicated that its role was ineffective.

According to the community, education provision has overall become much better compared to the pre-devolution period. Once respondents were asked to compare education provision before and after the LG system, 76.0% of the respondents from CDGL and 93.0% of the respondents from CDGF indicated that it had become a little better than before. According to the respondents from CDGL, the main reasons for satisfaction/dissatisfaction were: good facilities (30.0%), education standards (27.0%), and ease of access (24.0%). However, respondents from CDGF, stated that education standards (38.0%) and lack of any other school (50.0%) in their area as the main reason for their satisfaction or dissatisfaction. The overall results presented in this section indicate that education service delivery has improved as respondents identified that their access to schools is improved, teachers' absenteeism is reduced, and quality of education is better after the LG system compared to the previous arrangement.

## **8.2.6 Local Government Performance (Pre-Post Devolution Comparison)**

The overall results of the survey are presented in Table 8-12. This section presents an overall assessment of local government performance in terms of community participation, responsiveness, and improved accountability derived from Part 5 of the community questionnaire.

### **8.2.6.1 *Improvement in Community Participation in Service Delivery***

One of the main objectives of decentralization was to improve community participation in service delivery. Therefore, it was one of the indicators to assess effectiveness of local government performance in terms of their ability to improve community participation in service provision. Respondents from both CDGs indicated that the local government system had been able to improve community participation in service provision. 45.0% of the respondents from CDGL and 78.0% of the respondents from CDGF said that the local government system has been able to improve community participation to a great extent, 24.0% from CDGL and 63.0% from CDGF said it had improved participation to some extent, and the rest of the respondents indicated that community participation was not improved at all. When respondents were asked to specify in what ways the local government system had improved community participation, 77.0% from CDGL and 91.0% from CDGF highlighted that the community was able to solve their issues at the local level through contact with the councillors. They also highlighted that the councillors considered community input and councillors did listen to their problems (see Section 8.2.7 for the open-ended responses).

**Table 8-12: Local Government Performance**

Service delivery performance	City District Governments/CDGs				CDGL&CDGF	
	Lahore (CDGL)		Faisalabad (CDGF)		Total	
	N	%	N	%	N	%
<b>To what extent LG system has been able to improve community participation in service delivery?</b>						
1. To a great extent	45	45.00	78	78.00	123	61.50
2. To some extent	31	31.00	16	16.00	47	23.50
3. Not at all	24	24.00	6	6.00	30	15.00
Total	100	100	100	100	200	100
<b>How it has improved community participation?</b>						
1. Problems are solved at the local levels	77	77	91	91	168	84
2. Community is not involved	9	9	2	2	11	5.5
3. Others	14	14	7	7	21	10.5
Total	100	100	100	100	200	100
<b>Please identify the important issues of your community?</b>						
1. Water	76	76.00	13	13.00	89	44.50
2. Education	4	4.00	50	50.00	54	27.00
3. Sewerage system	2	2.00	0	0.00	2	1.00
4. Water and sewerage	18	18.00	37	37.00	55	27.50
Total	100	100	100	100	200	100
<b>Has local government been able to solve these issues?</b>						
1. To a great extent	5	5.00	0	0.00	5	2.50
2. To some extent	85	85.00	96	96.00	181	90.50
3. Not at all	10	10.00	4	4.00	14	7.00
Total	100	100	100	100	200	100
<b>How would you compare that new local government system is more transparent than the previous system?</b>						
1. Much better	2	2.00	20	20.00	22	11.00
2. A little better	78	78.00	78	78.00	156	78.00
3. No change	20	20.00	2	2.00	22	11.00
Total	100	100	100	100	200	100
<b>Has the local government system been able to improve the attendance of local government employees?</b>						
1. Much better	57	57.00	79	79.00	136	68.00
2. No change	40	40.00	21	21.00	61	30.50
3. More absentees	3	3.00	0	0.00	3	1.50
Total	100	100	100	100	200	100
<b>Has the local government system been able to reduce corruption?</b>						
1. To some extent	79	79.00	100	100.00	179	89.50
2. Not at all	21	21.00	0	0.00	21	10.50
Total	100	100	100	100	200	100
<b>In your opinion, has the local government system been able to improve service delivery compared to the previous system?</b>						
1. Much better	14	14.00	21	21.00	35	17.50
2. A little better	77	77.00	77	77.00	154	77.00
3. No change	9	9.00	2	2.00	11	5.50
Total	100	100	100	100	200	100
<b>Any example how it has improved service delivery?</b>						
1. Problems are solved at the local level	53	53.00	87	87.00	140	70.00
2. Complaints are heard	19	19.00	4	4.00	23	11.50
3. More contact between public and government	8	8	0	0	8	4.00
4. Others	20	20	9	9	29	14.50
Total	100	100	100	100	200	100

### **8.2.6.2 *Effectiveness of the Local Government***

In this section, the overall effectiveness of the local government was assessed by focusing on how far the LG system was able to solve the community issue and improve service delivery outcomes, improved accountability, and user satisfaction with the service delivery before and after the LG system. The results of the survey are presented in Table 8-12.

#### **Responsiveness of the Local Government**

Responsiveness is the congruence between community preferences and the service they receive. To assess responsiveness, respondents were asked to identify the most important community issue, 76% from CDGL and 13% from CDGF said that clean drinking water was their most important issue, 50% from CDGF indicated access to school (college) as their most important issue, and 18% from CDGL and 37% from CDGF indicated water and sewerage were their most important issues. 85% from CDGL and 96% from CDGF indicated that the LG had been able to solve their community issues to some extent.

#### **User satisfaction with Service Delivery**

The majority of the respondents said that the LG system had been able to improve service delivery compared to the previous system. 77% of the respondents from both of the CDGs indicated that this system had been able to improve service delivery compared to the previous system. In an open ended question, the respondents were asked to provide examples of how they considered the service delivery system to have improved under LG system compared to the previous arrangements. The majority of the respondents indicated that the example of improved service delivery was that problems were solved at the community level. 53% respondents from CDGL and 87%

respondents from CDGF indicated that this system has been able to solve problems at the community level (Section 8.2.7 for more detail).

### **8.2.6.3 *Changes in Accountability***

#### **Improved Attendance of Local Government Employees**

Of the total respondents 57% from CDGL and 79% from CDGF said it has become much better, 40% from CDGL and 21% from CDGL said there was no change at all. However, respondents' main concern was the attendance of sanitary workers, which had not changed much as we discussed earlier in the sewerage section 8.2.3.

#### **Transparency of the System**

The majority of the respondents indicated that the LG system was more transparent compared to the previous system. Of the total respondents, 78% from both CDG indicated that this system was 'a little better' than before. 20% from CDGF indicated that it was 'much better' than before. Likewise, the majority of the respondents indicated that this system was able to reduce corruption to some extent. 100% of the respondents from CDGF and 79% from CDGL reported that to some extent this system was able to reduce corruption.

### **8.2.6.4 *Pre and Post Devolution Comparison of Service Delivery Performance***

Respondents also indicated that the overall system had improved in terms of service delivery compared to the pre-devolution arrangements. 77% of the respondents from both CDGs indicated that the LG system had been able to improve service delivery compared to the previous system. Moreover, they attributed this to the fact that problems were solved at the local level (53% respondents from CDGL and 87% from

CDGF). Overall, the survey findings presented in this section have indicated that the LG system has been able to improve community participation in service provision. It also revealed that the LG is more responsive to the community issues and tries to deliver services according to the needs of the community. The community indicated that councillors contact them for identification of development works and has indicated that they are able to solve their problems to some extent. The community also have indicated satisfaction with the service delivery compared to the pre devolution arrangement and in their open-ended themes (presented in 8.2.7) have identified that as community can access their councillors easily, therefore the community is able to exert influence on them for their local issues. They have also identified that councillors need their vote for the next election; therefore, they find themselves under constant pressure of community demands. Respondents have also agreed that the system is much more transparent than before.

### **8.2.7 Key Themes from the Open Ended Questions**

Table 8-13 presents some of the main themes from the open-ended questionnaire about how the local government system is able to improve service delivery. An analysis of these revealed that councillors were in close contact with their constituency and consulted them in order to get an insight into their issues and attempt to solve them to some extent. The examples provided by the respondents were different development projects in those communities. It also emerged that there is a change in accountability arrangements with public representatives, now finding themselves under community pressure as they need those votes for re-election. In addition to this, public officials are under the pressure of political representatives because of their leverage in the system. Therefore, it is discernible from the respondents' views that overall LG was more

responsive to community needs because local councillors were aware of the community needs and tried to address issues.

**Table 8-13: key Themes**

CDGL	
<ul style="list-style-type: none"> <li>• <b>UC 53</b></li> <li>➤ We have been able to complete our development projects because of community participation.</li> <li>➤ Community participation is able to solve community issues.</li> <li>➤ We have new tube well and sewerage system because of the community and councillors efforts.</li> <li>➤ We have development work in our community because of community participation.</li> <li>➤ It is easy to access political representatives and community participation in different committees has positive outcomes. We have new sewerage and tube well because of community participation.</li> <li>➤ Now councillors present community views and their issues to the concerned authorities.</li> <li>➤ We can access councillors for our problems. Community participation has improved service delivery.</li> <li>➤ Now problems are easily solved because of community participation. New Sewerage and tube well are examples of this.</li> <li>➤ We have different community participation committees and it has been able to solve community issues to some extent.</li> <li>➤ Community committees are able to pressurize public representatives and government officials as well. Councillors meet people, consult them for different community needs, and try to solve those issues to some extent.</li> <li>➤ The new local government system has created awareness among people and now they contact their councillors for their problems. It has been able to do development work in the community.</li> <li>➤ There is improvement in the relationship between community and government offices.</li> <li>➤ Community participation exerts influence on local councillors and in turn, they try to influence government officials for the community problems.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>UC 74</b></li> <li>➤ Political representatives keep contact with the political representatives because political representative needs their vote for re-election.</li> <li>➤ Because people have access to their political representatives</li> <li>➤ Different committees for community participation.</li> <li>➤ Because of political representatives, there is some development work in the community.</li> <li>➤ Neither councillors nor government officials listen to us.</li> <li>➤ We have been able to have a new sewerage system and a tube well because of the joint effort of community and councillors.</li> <li>➤ Now if people raise their issues and pressurize their councillors, they are able to solve their community needs.</li> <li>➤ Local representative presents community issues to the concerned authorities under the community pressure.</li> <li>➤ The community is able to influence councillors and to some extent, their issues are solved.</li> <li>➤ Councillors are from the community and we can contact them for our problems.</li> <li>➤ The community can easily access their political representatives; they listen to them and try to solve their issues as they need their votes for the next election.</li> </ul>
CDGF	
<ul style="list-style-type: none"> <li>• <b>UC 216</b></li> <li>➤ Community issues are solved at the local level.</li> <li>➤ Development works are undertaken.</li> <li>➤ Councillors consult community for the identification of their problems.</li> <li>➤ Councillors at least listen to our problems and try to solve them.</li> <li>➤ The community has the awareness that they can contact their local councillors for their problems</li> <li>➤ We can easily access councillors for our problems</li> <li>➤ The public can easily access their councillors and in turn can approach government offices for their problems.</li> <li>➤ Union councillors live in the community and are easily accessible.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>UC 165</b></li> <li>➤ Now councillors present community views and their issues to the concerned authorities.</li> <li>➤ Community issues are solved at the local level.</li> <li>➤ They need our votes; therefore councillors are under the community pressure and try to solve them.</li> <li>➤ Local councillors live in the community and we can easily access them.</li> <li>➤ Representation of community in different committees has improved their influence over councillors and officers.</li> </ul>

### **8.3 STATISTICAL ANALYSIS FOR ASSESSING THE ASSOCIATION AMONG VARIABLES (SIGNIFICANCE TESTS - CHI SQUARE TEST FOR ASSOCIATION)**

In the previous section, the survey findings were presented in contingency tables format comparing frequencies across the type of Local government: CDGF & CDGL. This section presents a statistical analysis to illustrate how significantly variables of participation, accountability, and performance are associated with the type of Local Government (LG) (referred to as CDG/LG in this section) by applying a non-parametric test: Chi-square test. This test is usually applied to explore relationships and comparing groups. In this section, the main variable - participation, performance, and accountability are compared with the type of LGs to determine if these variables are associated with the type of LG. The value of significance should be either .05 or less than .05. There was also a difference in the outlook of the table for a more than two categories. In such cases, the focus would be on Pearson Chi-square value. However, in case of violation of the assumption of Chi-square test - more than 20% of the cells have an expected frequency less than 5, the categories are reduced to provide meaningful statistical test (Pallant 2010). The survey questionnaire had many indicators to assess the research variables, and Chi-square tests were performed on each of them separately, comparing them across CDGs. However, in this section the summary statistics of the Chi-square tests of each variable are presented and detail Chi-square tests are attached in Appendix 4. This is done to present data in a more meaningful manner. The focus was on presenting the significance level. This has already been explained in the methodology chapter.

### **8.3.1.1 Participation - Direct Participation in Committees**

A Chi square test was employed to assess the association among the categorical variables of participation, comparing them with Local Governments (CDGs). The results are presented in Table 8-14. The association between community participation in monitoring committees, CCB and SMC with the type of LG was found significant at 1% significance level. The cross tabulation (Appendix 4, Table 4, 6 & 8) indicated that the proportion of respondents indicating “no” was higher for CDGF compared to CDGL. While the results as displayed in Table 8-14, indicated that there was no statistically significant relationship between types of CDGs with respect to the knowledge of different committees. Likewise, there was no statistically significant relationship regarding contact with councillors, and a councillor’s consultation with the community for development projects. Results also indicated that there was no significant association between ‘have you brought any local issue in the knowledge of local councillors’, whether community ‘have contacted any LG officer for any of their problem’ and ‘type of LG. The Chi-square test results for these indicators of participation found no significant association with the type of CDG, as the value of  $p$  is not equal to or less than .05.

The quality of contact indicators (10-13 as presented in Table 8-14) between the community and their local councillors and community and district officers were found strongly associated with type of CDGs at 1% significance level. According to the cross tabulation (Appendix-Table 14 & 16), the quality of contact between the community and local councillors (see Table 8-14, Q. 10-12) was higher for CDGF compared to CDGL. Likewise, the majority of respondents (70%) from CDGF contacted local government officers for their problems compared to CDGL (29.0%). 67.0% of the respondents from CDGF who met LG officers found these officers honest and fair

(compared to 21.0% of CDGL). Out of the total respondents, who contacted LG officers. 65.0% from CDGF were also found to be satisfied with their meetings compared to 24.0% of the CDGL respondents.

As depicted in the cross tabulation (Appendix 4, Table 14, 16, 20 & 22) and the Chi-square test results Table 8-14, the Chi-square statistics were analysed only for those respondents who actually met either local government officers or their local councillors, and those cases which did not contact officers or local councillors, were excluded from the statistical tests. In case of 13 & 14 questions as listed in the table, the main assumption of Chi-square test that '0 cells (0.0%) have an expected count less than 5' is violated, therefore the value of Fisher Exact test is reported in the Table 8-14.

**Table 8-14: Chi-square Test for Indicators of Participation and LG**

Indicators of participation comparing groups	N	Yates continuity correction value	Significance value p
1. Do you have the knowledge of CCB?	200	1.68	=.19
2. Do you have the knowledge of SMC?	200	.65	=.42
3. Do you have the knowledge of water and sanitation committee?	200	.99	=.31
4. Are you part of monitoring committees?	200	15.28	<.001**
5. Are you part of the SMC?	200	11.39	<.001**
6. Are you part of CCB?	200	11.84	<.01**
7. Have you contacted any local councillors since last 12 months?	200	0.834	=.36
8. Do councillors take your opinion in the development schemes?	200	0.741	=.38
9. Have you brought any local issue in the knowledge of your councillors?	200	3.32	=.06
10. Did you find the person (local councillors) honest and fair in his dealings?	150	19.01	<.01**
11. Were you satisfied with your meeting?	154	11.57	<.001**
12. Have you ever contacted any local government officer for any of your problems?	200	32.00	<.001**
13. Did you find the person (local government officer) honest and fair in his dealings?	100		<.001**
14. Were you satisfied with your meeting?	100		=.01*

\*\* 1% significance level; \* 5% significance level

### 8.3.1.2 Accountability

The association between indicators of accountability and CDG was assessed by the Chi-square test for independence. The test results presented in Table 8-15 indicated a significant association between councillors informing the community about the

development project and the amount spent on them at 1% significance level. For the statistical purpose, categories ‘yes’ and ‘sometime’ were reduced to 1 category ‘yes/sometime’ in order to fulfil the Chi-square test assumption. According to the cross tabulation (Appendix 4, Table 28 & 30) the proportion of respondents indicating ‘yes/sometimes’ for providing information about development projects was higher in CDGL (65%) compared to CDGF (30.0%) and for providing information for the amount spent on these projects was also found higher for CDGL (43.0%) than CDGF (6.0%). However, the association between community access to LG offices for information and type of LG was not found significant (Appendix 4, Table 32). Likewise, there was no significant association between complaints are heard and type of CDG, as the level of significance was not equal to or less than .05 (Appendix 4, Table 33). However, there was a significant association between improvement in the attendance of local government employees and the type of CDG at 1% significance level. The results of cross tabulation (Appendix 4, Table 34 & 36) indicated a higher proportion of respondents from CDGF reporting ‘yes’ and ‘improved’ compared to CDGL.

**Table 8-15: Chi-square Test for Comparing Accountability and LG**

Comparing local governments and Indicators of accountability	N	Yates continuity correction value	Significance value p
1. Do councillors inform you about the development projects in your community	200	23.17	<.001**
2. Do councillors inform you about the money spent on these development schemes	200	35.03	<.001**
3. Can you access the district office for the public information	200	.28	=.59
4. In your opinion, your complaints are heard	200	3.07	=.08
5. Have you notices any change in the local government attendance	200	12.57	<.001**
6. What is the nature of change	200	12.57	<.001**

\*\* 1% significance level

### **8.3.1.3 Service Delivery and Local Government**

The association between indicators of LG service delivery performance (access, level of satisfaction and comparison between before and after service provision) regarding sewerage, water and education was assessed by employing a Chi-square test for independence. The test results are presented in Table 8-16. According to the test results, there was a significant association between the ‘level of satisfaction’ and ‘comparison of pre-post service delivery’ with type of ‘LG’ at 1% significance level. According to the cross tabulation table (Appendix 4, Table 38), for the level of satisfaction with the sewerage system, the higher proportion of respondents from CDGL indicated ‘dissatisfied’ while for CDGF, 50.0% of the respondents were ‘satisfied’, and 50.0% of them reported dissatisfaction with the sewerage system. However, for the comparison of sewerage system before and after the LG system (Appendix 4, Table 40), 69.0% of the respondents from CDGL indicated that the sewerage system improved after the LG system compared to 50.0% of the respondents from CDGF indicating that the system improved after LG system.

There was a significant association between indicators water provision and type of LG at 1% significance level, except for the level of satisfaction with water provision (Appendix 4, Table 45). The association between ‘before and after comparison of the water supply’ and ‘type of LG’ was found significant at 1% significance level. According to the cross tabulation (Appendix 4, Table 46), these percentages were higher for CDGL compared to CDGF. Overall, 81.0% of the respondents form CDGL indicated that the water supply was improved after LG reforms, while 65.0% of the respondents from CDGF reported that it was improved after LG reforms. Likewise, for improvement in access to water, the percentages were higher for CDGL compared to CDGF at 1% significance level. 75.0% of the respondents from CDGL and 54.0% of the

respondents from CDGF indicated that their access to water was improved after LG (Appendix 4, Table 42)

For education service delivery, there was a significant association between 'access to education' and 'type of LG' at the 1% significance level. However, the association between performance of the education system before and after LG was found significant at 5% significance level. According to the cross tabulation (Appendix 4, Table 48), CDGF seemed to have more access to education (98.0%) than CDGL (69.0%). There was a significant association between 'type of LG' and 'reasons for attending public school' at 5% significance level ( $p=.02$ ). For the SPSS analyses, 5 categories were reduced into two: quality of education and others. Once respondents were asked to rank the reasons for attending public schools, it was found that that mostly the first reason for attending a public school is high tuition fees of private schools in CDGF and the quality of education for CDGL. The cross- tabulation (Table 8-10 & Appendix 4- Table 50) also confirmed the same results, in case of CDGL most respondents send their children to public schools for the quality of education compared to CDGF. For the statistical purposes 3 categories - high tuition fees, ease of access and better facilities, were reduced to 'others' and quality of education was maintained as it is. The respondents from CDGF identified the high tuition fees of private education as their first reason for sending children to public schools, and quality of education as their secondary reason for sending kids to schools indicated in Table 8-10. There was also a significant association between improvement in teacher attendance and type of LG at 1% significance level. A majority of the respondents from CDGF (96.0%) indicated that teacher attendance was compared to CDGL (69.0%).

**Table 8-16: Chi-square Tests for Service Delivery Performance of LG**

Comparing local government and indicators of service provision regarding sewerage, water supply and education	N	Yates continuity correction value	Significance value P
1. Are you satisfied with the sewerage system?	200	8.36	<.001**
2. How would you compare the sewerage system before and after local government?	200	6.72	<.001**
3. Do you have access to water?	200	8.73	=.001**
4. Are you satisfied with the service provision?	200	3.37	=.06
5. How would you compare water provision before and after the local government?	200	5.70	=.01**
6. Has access to education improved after local government system?	200	26.48	<.001**
7. What are the reasons for attending?	200	5.40	=.02*
8. Is there any change in teachers' attendance?	200	23.41	<.001**
9. How would you compare education provision before and after the local government?	200	3.72	=.05*

\*\* 1% significance level; \* 5% significance level

### 8.3.2 Local Government Performance: An Overview

In order to investigate the association between ‘indicators of LG performance’ with the ‘type of LG’, a Chi-square test was performed. The results are presented in Table 8-17.

**Table 8-17: Chi-square Test for Service Delivery Performance of LG**

Comparing local governments and Indicators of local government performance	N	Yates continuity correction value	Significance value p
1. Has LG been able to improve community participation?	200	11.33	<.01**
2. Has local government been able to solve community issues?	200	1.92	=.166
3. Has LG been able to improve the attendance of LG employees?	200	10.13	<.01**
4. Has LG been able to improve service delivery compared to the previous system?	200	3.46	=.06
5. Is LG system is more transparent than before?	200	14.76	<.001**
6. Has LG system been able to reduce corruption?	200	21.28	<.001**
7. Has LG system been able to improve the complaints procedure?	200	23.411	<.001**

\*\* 1% significance level; \* 5% significance level

According to the Chi-square test results shown in Table 8-17, there was a significant association between type of LG and community participation at 1% significance level. Cross tabulation (Appendix 4, Table 56) also indicated that the difference in percentages was higher for CDGF than CDGL. 94.0% of the respondents from CDGF indicated that LG system was able to improve community participation than CDGL (77.0%).

The Chi-square tests also indicated statistically significant relationship between type of LG and transparency of the overall system at 1% significance level. According to a cross tabulation (Appendix-Table 62), this trend was more visible in CDGF (98.0%) than CDGL (80%). Similarly, there was a significant association between 'type of LG' and the 'extent corruption is reduced' at 1% significance level. It was found that higher percentages of respondents from CDGF (100.0%) were of the view that the LG system was able to reduce levels of corruption compared to CDGL (79.0%). There was also a significant association between type of LG and improvement in complaints procedures at 1% significance level. Again, these percentages were higher for CDGF (96.0%) compared to CDGL (69.0%) (see Appendix 4, Table 64). However, there was no significant association between 'before and after LG comparisons of service delivery performance' and 'type of LG', as the level of significance was not equal to or less than .05 (Appendix 4, Table 61).

#### **8.4 SUMMARY AND CONCLUSION**

This chapter presented research findings from quantitative data analysis of the community survey. Mainly, this chapter presented data in the form of contingency tables in order to present differences across CDGs regarding service delivery performance. This enabled a comparison of trends across local governments. Further, the researcher applied the Chi-square tests to identify any statistically significant association between the variables. The survey findings support the proposition that there is an association between community participation, accountability and local government performance.

### **8.4.1 Participation**

Overall trends lead us to infer that the contact between councillors and the public is improved and respondents seem to employ informal means of contacting their union councillor for their needs. Councillors also seem to take community input in development projects. Interesting patterns emerged regarding participation in monitoring committees, for instance. More respondents from CDGL were part of SMC than CDGF. The respondents from CDGL also indicated that their input was sought in development projects compared to CDGF. The reason behind this may be that community awareness is better in CDGL compared to CDGF. For instance, themes presented in Table 8-13 revealed that one of the union council in Lahore (UC 53) pressurized their local councillors to improve the sewerage and water supply in that community. The outcome of the joint effort of community and local councillors was the development of new sewerage pipelines and tube wells in that area. Again, this evidence supports the argument presented in the political decentralization perspective that accessibility of local councillors to local communities is one indicator of local government responsiveness (Young In Goldsmith 1986) and key themes (Table 8-13) and that the accessibility of councillors is the most valued means of participation by the community

### **8.4.2 Service Delivery Performance**

Overall, we also tried to relate the respondent's perception of their issues, the extent to which they consider local government is able to solve these problems and development work undertaken by the local government in those communities. It all seems related, as a majority of the respondents indicated that more development work was being undertaken to improve services than before. This evidence supports the findings of Faguet (2004) that spending patterns change under the local government system and

more funds are allocated to the services which are needed by the local communities. Regarding sewerage service improvement, 55% of the respondents from CDGL said that development work was completed and 50% from CDGF indicated that it was in progress. The majority of them were not dissatisfied with the overall sewerage system as according to them, there is an improvement, but they attributed their dissatisfaction to the sanitary worker/complaint procedures. Similarly, respondents seemed more satisfied with the water supply from both CDGs, as 72% from CDGL indicated that there were new tube wells in their area and it improved the continuity of supply and now water was available 24/7 hours. On the other hand, 31% from the CDGF said that the development projects to improve water supply were completed and 49% indicated that it was in progress. Respondents seemed satisfied with the public schools of their, and indicated that teacher attendance improved after LG system. However, it was found that as far as service delivery performance is concerned, sewerage and water coverage was much better in CDGL than CDGF. One of the reasons may be that more development work was completed in CDGL's union councils compared to CDGF communities. However, respondents from CDGF agreed that LG's development projects to improve the water and sewerage system were in progress.

The results indicated variations regarding the presence of different monitoring committees and whether they performed an effective role in different sectors. For instance, majority respondents from CDGF indicated that their community had a sewerage monitoring committee than CDGL, whereas effectiveness of this committee was found better in CDGL compared to CDGF. In Education, the majority of the respondents agreed that there was a monitoring committee and that it was playing an effective role compared to other monitoring committees. Likewise, the majority of the respondents agreed that there were some improvements in the employees' attendance

rate. However, this response was better in CDGF than CDGL. Likewise, if the trends are compared across sectors, the response was better in Education than Water and Sanitation sector. Responding to the open ended questionnaire of ‘what are the reasons behind the change in employee’s attendance’, The main themes were: ‘improve checks and balance’, ‘citizen oversight committees’, ‘councillors and government officials are accountable to the people’, and ‘complaints are heard’. While, respondents who said ‘there is no change’, considered that ‘there is a lack of checks and balance’; and ‘system is not properly implemented’. The findings of the survey identified there was a change in accountability relationships.

### **8.4.3 Accountability**

It was revealed through data analysis that new accountability relationships emerged between citizens and political representatives, and political representatives and public officials. As local councillors live in those communities, they are therefore constantly under the pressure of that community, and as a result tend to be more responsive to community issue as they need their votes for the next election. Government officials are also facing more influence from the elected representatives because of their new leverage in the power structure. The communities have identified that they can exert great influence on government officials through their local representatives. It is apparent from the data that the LG reforms are able to create citizen oversight and electoral accountability to some extent.

## **8.5 CONCLUSION**

Clearly, the LG system is able to improve community participation in service provision, making the system more transparent than before, reduce corruption level, improve employees attendance, and improve the overall service delivery. Local councillors are

contacting their communities for identification of their needs, trying to propose development schemes on the basis of community input and therefore are able to deliver services reflecting community needs. Communities are finding it easy to access their councillors and pressurize political representatives, and in turn public officials for the resolution of their issues. Though the system may not be perfect, it is giving some positive results because of improved community participation. The research findings contribute to the political literature that there may be a reciprocal relationship between participation and improved service delivery performance since when community see the effectiveness of participation in the form of the service delivery outcomes; they will be more engaged in these channels. However, it seems important that the role of monitoring committees should be improved as it may lead to improved accountability of the system. The community also identified that there should be more involvement of the community to improve service delivery performance<sup>9</sup>. The next part will provide findings from qualitative data analysis.

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<sup>9</sup> Each union has a population of 25000, and each Union Council is composed of 21 directly elected member which was later reduced to 13 members in total. The Nazim and Naib Nazims are elected on a joint ticket. Each Union Naib Nazim is part of Tehsil council as well and Nazim becomes part of District Council.

## **PART 5**

### **QUALITATIVE ANALYSIS**

The second empirical part of this research is the qualitative analysis. It is based on the in-depth case studies of two local governments: City District Government Faisalabad (CDGF) and City District Government Lahore (CDGL). In these case studies, an in-depth analysis of two sectors was carried out: Education and Water and Sanitation Sector (WSS). Each case study consisted of a number of semi-structured interviews and collection of background information through document analysis. The case studies provided the opportunity to carry out an in-depth assessment of decentralization and local government performance. The qualitative analysis consists of three chapters: 9, 10 and 11. Chapter 9 provides a political analysis of local government and is based on the perception of political representatives. It assesses the role of political representatives in the policy making and implementation process. It also analyses the role of the institutional environment which may constrain or facilitate participation and in turn institutional performance of LG.

Following on from the political analysis, Chapters 10 and 11 provide a managerial analysis of the public sector. They further explore the management of LG by situating the level of analysis at the organizational structures and processes of service delivery organizations. They focus on three main types of change: structural decentralization, performance based accountability models and the adoption of competition and collaborative service delivery arrangements. Public management literature argues that the outcomes of decentralization depend on the context, therefore the institutional environment will also be assessed. This analytical approach of cross case synthesis will

be used for this multiple case study design (Yin 2003) which will also contribute to identify patterns and examine similar or divergent themes as they emerge. Part 5 synthesises qualitative and quantitative research findings in a cross case synthesis manner in Chapter 12 with concluding remarks in Chapter 13.

## **CHAPTER 9**

### **POLITICAL ANALYSIS OF LOCAL GOVERNMENT**

#### **9.1 INTRODUCTION**

This level of analysis is based on policy makers, and for that purpose the researcher interviewed the political heads of the 3 tiers of local government- District, Town and Union councils. The main purpose of this chapter is to analyse the effectiveness of local policy makers in the policy making and implementation process, identifying the links between participation, accountability and performance. In addition to this, this chapter also highlights the role of the institutional environment in determining local government performance. The chapter is structured around key issues: scope for policy making and implementation (9.2), effectiveness of participation, accountability and performance outcomes (9.3), and institutional environment (9.4). Section (9.5) presents the perceptions of political representatives regarding overall performance improvements in service delivery, and the last section (9.6) concludes the chapter.

#### **9.2 SCOPE FOR POLICY MAKING AND ITS IMPLEMENTATION**

The main motive behind the decentralization reforms was to involve people in service delivery by transferring decision making powers to the grassroots level, and to facilitate community involvement. The Local Government Ordinance (LGO) 2001 devolved political, administrative and financial powers to elected local governments.

### **9.2.1 Themes from City District Government Faisalabad**

According to the interviewees (Interviewee 3-Union Nazim; 1-District Nazim), this system had a broad scope for policy making at the local level, it helped to deal with the local issues at greater speed and facilitated the decision making process at the lowest possible level. The District Nazim, Faisalabad was of the opinion that district assemblies were fully empowered to make policies and implement them at the local level:

*“---District council Faisalabad was the first council in the entire country who passed public private partnership<sup>10</sup> as a policy at the local level in December 2004. Moreover, to institutionalize this policy framework, a PPP cell was established at the education department to facilitate the Public private partnership in service delivery.”* (Interviewee-District Nazim)

### **9.2.2 Themes from City District Government Lahore**

The main themes that emerged from the interviews were that decentralization increased community access to political and public officials to solve their issues and that local policies were more reflective of local needs. The representatives also acknowledged that decentralization provided an avenue for political education and brought new people into the system. It also promoted political diversity by giving representation to all minorities, which is a change to the class or feudal system deeply rooted in Pakistan. Whereas political representatives believed that the genuine desire behind the LG reforms was to bring government closer to the people, the civil bureaucracy had a different opinion:

*“the Main purpose of decentralization was to give power to the people. However, local representatives were not able to perform this job. We had the local government system before, but we do not have harmony among these systems. For example, General Musharaff<sup>11</sup> wanted this system to further his own interests of weakening the political parties.”* (Interviewee10- TMO, CDGL)

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<sup>10</sup> PPP forms in Pakistan were quite different from the international experiences as discussed in literature review section-Public management perspective and these differences will be further explored in sector analysis and discussion chapters.

<sup>11</sup> General Pervez Musharaff introduced Local Government system in Pakistan under the Devolution plan 2001.

Interviewees agreed that under the Local Government Ordinance (LGO) 2001, local government had considerable powers to make policies and implement them. However, the researcher came across two viewpoints in terms of the actual amount of influence that local councils were able to exert. One of the interviewees explained that:

*“Powers of the local government were enormous, but the department did not follow the directives of their political heads”* (Interviewee 5-Town Nazim).

Another interviewee (Interviewee 6-Town Nazim) explained that in reality they had limited administrative and financial autonomy. The main factors were provincial control on fund allocation and posting and transfers of public officials. They could only request the provincial government to change or transfer a civil servant or public officials. The provincial government’s influence over transfers and postings had an impact on these officers’ loyalties. According to him, public officials or civil servants were not loyal to the institutions; their loyalty was with the people who had power to affect them.

The empirical evidence of Blair (2000) indicates that giving marginalized people representation through quota systems, such as female representation in the councils, does not translate into meaningful participation. The researcher also found that women councillors had a different perception than male councillors regarding their influence in the policy making process. One of the female interviewees (Interviewee 9-Female Tehsil Councillor) mentioned that women had very little influence in the policy making process:

*“If we raise our issues in the council meetings, we are not heard by the male members of the council.”* (Interviewee 9- (F), Tehsil Councillor, CDGL)

Another female district councillor (Interviewee 8-Female District Councillor) highlighted that initially, as females, they had little influence over the policy making process. Then they tried to voice their concerns in the district assembly and were able to obtain development funds which were previously not given to female members. Being

female was not the only reason which influenced how much her voice was heard in council meetings. According to the female interviewees, party politics played a significant factor as well. According to the District councillor, she faced problems in the funds allocation process because she belonged to the opposition party. However, one theme was consistent in both female councillors' interviews, that if they tried to present their proposals and pursue them, they were able to get them approved by the council. It all depended on how much they lobbied their proposals:

*"We initiated programs which were targeted at women needs such as how to improve their income sources, construction of schools and colleges where girls in our community do not have access."* (Interviewee 8-(F) District Councillor, CDGL)

### **9.3 THE EFFECTIVENESS OF PARTICIPATION, ACCOUNTABILITY AND PERFORMANCE**

#### **9.3.1 Participation**

The decentralization reforms intended to foster participation in local decision making processes. The political perspective argued that participation is not only an input but also an outcome of decentralization reforms (Crook and Manor 1998), therefore one of the effectiveness criteria of local government performance was to assess how far it was able to improve participation and engage local communities in the decision making process. LGO 2001 created different mechanisms of public engagement: CCBs, school councils and oversight committees. Interviewees were asked to what extent they considered that decentralization reforms improved participation.

##### **9.3.1.1 Themes from CDGF**

According to the political representatives:

*"---Now each union council has 13 union councillors who represent the interests of every other Street. This is an example of increased participation. The union council administers the activities of union administration and provides a*

*critical viewpoint of others who are in opposition.” (Interviewee 2-Town Nazim)*

Another interesting theme which emerged from the interviews was a collaborative or a *‘networking approach’* at the local level. According to one of the Union Nazim:

*“At the union council we have limited resources but we try to mobilize our resources by networking with each other and with the upper tiers. For example, we had a sewerage problem in three Union Councils (UCs) -UC231, UC232, and UC 233. We, all Union Nazims, sat together, consulted each other and then we drafted the first proposal of a sewerage project at this level and then raised this issue at the town level, and then sought help from the district government. After networking with all the tiers we were able to pool up all the resources and got approval of a project worth 32 billion PKRs. This could not have been possible without the help of the upper tiers. Similarly, I upgraded 2 schools of my union council, but the union council has only limited resources, and schools are the jurisdiction of the district government, so I raised this problem of my area at the district council and got approval of funds from the district council.”(Interviewee 3-Union Nazim)*

This reflects that the initial purpose of creating an indirect representation of the union council in the upper tiers (Chapter 1, Section 1.1.3) achieved its main objectives; to create a system of coordination among the three tiers of local government. One of the initiatives was to adopt a Participatory Budgetary approach. According to the District Nazim and district government reports, District Coordination Council (DCC) organized pre-budgetary meetings with all the stakeholders consisting of NGOs, CCB network and councillors in order to identify development schemes for the development budget of financial year 2006-2007 and 2007-2008.

### **9.3.2 Citizen Community Boards (CCBs)**

#### **9.3.2.1 Themes from CDGF**

The CDGF initiated ‘one-window’ operations and a ‘CCB-Help Desk’ in December 2004 in order to streamline the CCB registration process, project approval and funding time and any other assistance required in the CCB. This reduced processing time for CCBs from several months to 45 days. According to the Strategic Policy Unit Report

(SPU, 2008) the initial target was to achieve a 10% annual increase in CCB development schemes from 2004-2008. However, the report indicates a very significant increase of 706 % in 2007/08 compared to 2004/2005 (206% increase from the base year 2003/4). However, the utilization of CCB funds remained low because of lengthy bureaucratic procedures and the effort required to follow up CCB projects approval and funds availability. On the other hand, according to the annual development plans of 2008, CCB schemes worth Rs. 1.15 million were in progress in one town of CDGF. However, the researcher found mixed evidence of active participation of CCBs in service delivery improvements. For example, political elites from the CDGF claimed that they had CCB projects worth 35 billion PKR. Interviewees also mentioned some of the problems related to the CCB, highlighting that CCB projects faced procedural difficulties in their approval and this resulted in fewer CCB projects. One of the interviewees (4-TMO) explained that the spirit of the CCB was to identify development schemes on a needs' basis and particularly in areas which were beyond the reach of local governments:

*“What happened was CDG like Faisalabad introduced contractorship into it. Contractors got schemes without competition. According to the rules, all development projects are awarded through competition. All schemes are first advertised in big newspapers, contractors compete and projects are awarded on the basis of permissible rates. However, the government awarded contracts without following due process.”* (Interviewee 4-TMO, Finance, CDGF)

Interviewee (4-TMO-Finance) explained that other factors were a lack of awareness regarding CCB schemes, financial constraints regarding 20% of CCB share and imposition of the burden of taxes (sales tax=16%, income tax=.06%, contractor's profit=10%, overheads=10%). CCBs were non-profit organizations as mentioned in LGO 2001. Therefore, these schemes were supposed to be exempt from taxes.

### 9.3.2.2 Themes from CDGL

According to the interviewees, community participation significantly improved in service provision. They emphasized that the community could access their local councillors for resolving their issues. According to one of the interviewees:

*“The System has created awareness among the community, educated them how to resolve their issues. They know where to go for their problems. Nazim and Naib Nazim listen to their community issues and try to solve them.”*  
(Interviewee8-(F) District Councillor)

Interviewees’ perceptions about other channels of participation such as Citizen Community Boards (CCBs) were found to be mixed. According to the documents provided by the CDGL (see Appendix 5), the district government had a Citizen Community Board Monitoring Committee (CCBMC) within the Community Development Department. This Committee (CCBMC) had regular weekly meetings under the chairman of the Monitoring Committee on the CCB. One of the interviewees (Interviewee 1-Town Nazim) mentioned that the CCB was very active in his town, particularly in improving roads, sewerage and water provision. Another interviewee (Interviewee 6-Town Nazim) also reported that the CCB was actively involved in road construction and sewerage improvement. However, one of the interviewees said that the concept of CCB was misunderstood. He explained that the CCB suffered from procedural complexities and how he was able to adopt an indigenous approach to solve the problem of sanitation in his community on a self-initiative basis:

*“One of the communities of my union council came to me for a sanitation project. They were willing to contribute 20% of the funds to that project, when the total cost was estimated by the town administration, it was more than 9 million PKR, and it was very difficult to raise 20% of that cost by the community. Then we tried to follow a low cost approach as was being adopted by one of the NGOs in Karachi city district. The total estimate was only about 2 million. We were able to finish the whole project within 1 million and 50 thousand rupees and it only took 1 month to complete. However, once we submitted the expenses to the town council for the release of funds, we could not do it till the time we gave 35 thousand rupees as a bribe to get the money released.”* (Interviewee 7-Union Nazim)

### **9.3.3 Oversight/Monitoring Committees**

#### **9.3.3.1 Themes from CDGF**

The general perception regarding the monitoring committee was that they existed on paper and largely remained ineffective because of a lack of resources and interest on the part of local councillors. For example one of the interviewees explained that various factors were responsible for the poor performance of monitoring committees:

*“Monitoring committees were not very effective, because, first of all people could not devote their time to this aspect. Secondly, our own inexperience and lack of interest rendered them ineffective.”* (Interviewee3, Union Nazim)

#### **9.3.3.2 Themes from CDGL**

According to Section 138 of LGO 2001, monitoring committees were to be constituted at the Union, Town and District tiers for each function of local government such as Water and Sanitation, Education, Agriculture, Community Development, CCB monitoring committee, District Coordination, Excise and Taxation, Finance and Planning, Cultural Committee, Forest and Fisheries, Industry and Labour, a Law Committee, Revenue committee etc. (see Appendix 5). According to the document analysis (Appendix 5) all these committees existed on paper from 2001-2010. However, once the researcher asked respondents about their effectiveness, the majority of the interviewees agreed that these committees existed only on paper and were not playing an effective role. One of the interviewees (Interviewee 8-District councillor, female), who was also chairperson of an Education Monitoring Committee of the District Government, explained that the reason behind their ineffectiveness was:

*“Females were appointed as the chairperson of monitoring committees. However, they were only given the designation without any powers. We did not have the staff, desk on the premises of the relevant department. This weakness rendered these committees ineffective. We were just reporting our observation and no action was taken on our complaints by the administration”* (Interviewee 8-Female District councillor).

Another interviewee (6-Town Nazim) explained that these committees lacked proper training and the capacity to work. The only effective monitoring committee was the School Council. The researcher interviewed one of the chairpersons of the School Council. According to her:

*“School councils were very active as schools could not spend money without their approval. I am the head of SMC. Every month, we have a meeting of the school council. The Head of the institution prepares the agenda of the school council and circulates it among the members. Then we discuss all issues during the meeting. Even, we try to mobilize the community to raise funds”* (Interviewee9-(F) Town Councillor).

### **9.3.4 Accountability**

One of the outcomes of increased participation is improved accountability of the local government, particularly political accountability. The local government system brings in a change in the existing relationship between political representatives and public officials of service delivery organizations. Therefore, this section intends to identify not only the extent to which people can hold their representatives accountable, but also the nature of the relationship between politicians and public officials on one hand and other grievance or redress procedures at the local government level on the other.

#### **9.3.4.1 Themes from CDGF**

Political representatives highlighted that there was a change in the accountability relationship between political and public officials. One of the interviewees explained:

*“There was a change in the accountability relationship, if we had a district council meeting, and we needed some important information regarding any department, or we had some complaint regarding the performance of public officials, we could ask them to come to the meeting and explain on that particular matter. It was a very balanced relationship.”* (Interviewee 3-Union Nazim)

CDGF’s officers also indicated that the system had been able to create indirect accountability over the public officials:

*“If people have complaints, they will go to their union councillors, who can access their Nazim and this is how indirect pressure can be exerted over the public officials.” (Interviewee 4-TMO)*

Political representatives also reported that the internal audit system was very strong and no amount was released until it was verified by the audit department. However, the new government at provincial level started external audits of the local councils and was alleging that local governments had misused their resources. These allegations have not been proven in court so far. Political representatives were of the opinion that federal and provincial governments used external audits as a strategy to freeze local government accounts and weaken their resource base. There was a general consensus among the representatives that overall accountability improved. People were now aware that if government employees ask for a bribe, they could directly complain to their union council members. This resulted in an overall decrease of corruption in government offices. It was also interesting to note that the community survey also highlighted if they find an incident of corruption, they would inform their local councillors first, rather than go to other channels (Section 8.2.2.3, p: 264)

Interviewees highlighted that the most important dimension was accountability to the public. Since the change of government at provincial level, they were facing issues in their relationships with public officials. Political representatives also mentioned that CDGF had a complaint cell with a Toll free facility (0800-11229) for the citizens to lodge their complaints (established in June 2007). They also emphasized that CDGF had developed its own website<sup>12</sup> with all relevant reports and information for citizens. In order to reach the uneducated, CDGF had produced a series of theatre programs and also used radio programs in order to reach the poorest communities of this district. According to reports of the CDG (SPU, 2008), during the period December 2007-May

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<sup>12</sup> <http://faisalabad.gov.pk/>

2008, the complaints cell received 4046 calls, 95% of them were attended and 64% were resolved.

#### **9.3.4.2 Themes from CDGL**

In response to the question of change in accountability relationships between politicians and public officials, and overall improvement in accountability, interviewees expressed varied responses. According to the interviewees, public and political officials do not enjoy good accountability relationships. For the interviewees, it depended upon personal relationships, if a political leader is very influential and well networked then public officials listen to him/her. One of the interviewees (5-Town Nazim) mentioned that in the first tenure of local government (2001-2005) public and political representatives had a good working relationship, however, in the second tenure of local government (2005-2010) the nature of the relationship changed. This was due to the change of provincial government. With the newly elected provincial government in 2008, public officials refused to take orders from political representatives. Another interviewee explained that as the posting and transfer of these officials was the responsibility of the provincial government, therefore these officials were not loyal to the institutions. They were loyal to the individuals who had the power to affect them.

Responding to the question of auditing practices and their impact on accountability, interviewees were of the opinion that their internal audit was very strong. However, they were not satisfied with the external audit which was being carried out by the provincial government:

*“We perform an internal audit every year. We never release any amount payable till it is verified by the audit department. As far as the external audit is concerned, it was just targeted to blame the local councillors for corruption, such as in my town, the provincial government raised audit objection of 27 billion, whereas my town never received any amount close to that figure”* (Interviewee 5-Town Nazim).

Another aspect of accountability was dissemination of local government reports to the general public. One of the interviewees (Interviewee 6- Town Nazim) mentioned that they needed to have transparency in the system by focusing on issues such as the availability of a CDG budget on the local government website and an open window for customer complaints. However, local government could not make much improvement in this regard. He also explained that although they had an internal resident auditor, the local government staff was not very qualified to do the job. On the other hand, another Interviewee (5-Town Nazim) mentioned that the internal audit was very effective and they had skilled staff to do this job. Both of these interviewees (Town Nazim-5 & 6) explained that all the development projects were scrutinized before approval by the Town Development Committee (TDC), headed by the Town Municipal Officer (TMO). The TMO could only modify them with respect to technical considerations and to avoid duplication. Then it was forwarded to the Town Nazim for the tendering process. The tenders were advertised in leading newspapers and opened in the presence of people of that town to ensure transparency.

Another Interviewee (5-Town Nazim) explained “*corruption is deeply rooted in our culture*”. All the public officials who are somehow connected with development activities get their commissions from such projects. In cases where they were not offered their commission, development projects faced difficulties in implementation. According to him, ‘It has become the norm of the society’:

*“In my first meeting with TMA administration, I made it very clear to the staff that I do not take commissions and nobody else should take it in my name. Still, I could not curb this culture.”* (Interviewee 5-Town Nazim)

Overall, interviewees were of the opinion that accountability improved under the new system of governance. Interviewees also emphasized that the most important is the accountability to the people (Interviewee5-Town Nazim; 6-Town Nazim; 8-(F) District

councillor). They have to go to the people for their votes, if they do not perform well they cannot get re-elected.

*“As far as local representatives are concerned, they are accountable to the people. Their re-election determines whether they have performed according to the peoples' expectations or not.”*(Interviewee 6-Town Nazim)

## **9.4 THE ROLE OF THE INSTITUTIONAL ENVIRONMENT ON LOCAL GOVERNMENT PERFORMANCE**

This section mainly assessed the perception of political representatives regarding their institutional environment and how it affected their performance. Two themes were dominant in the interviews: party politics and coordination issues.

### **9.4.1 Party Politics**

#### **9.4.1.1 Themes from CDGF**

Local councillors indicated that the most significant factors are the political environment, the lack of political commitment to the decentralization reforms and political interference from members of the national and provincial assemblies. In addition to this, interviewees also reported that party politics at the local level were a significant factor.

*“We cannot ignore party politics within the tiers of local government. For example, the Asian Development Bank allocated 80 million rupees for sewerage projects in every urban UC; we were not allocated that money because we did not attend the District Nazim meeting. We ignored collective good for personal interests. Bureaucracy is another important factor, but it varies from person to person, if political representatives use a dialogue approach and are committed, then the bureaucracy supports them.”* (Interviewee 3-Union Nazim)

Political representatives highlighted that democratic values were not nurtured because of power politics since independence.

#### 9.4.1.2 Themes from CDGL

All the interviewees had similar perceptions about their institutional environment. All of them acknowledged that during the first tenure of the local government there was a good relationship between the tiers of local government, provincial and federal governments on the one hand and bureaucracy on the other. They enjoyed sufficient resources and support from the upper tiers of government. However, after the provincial elections in 2008, the political scene at provincial and federal level changed. The new government was against all the previous policies of the General Musharaff government, who was the creator of the Local government system:

*“The new government did not give ownership to the new system. They considered this system as a threat to their financial autonomy and the new political blood injected through the local government system.”* (Interviewee 6-Town Nazim)

Another interviewee explained that since the change of federal and provincial governments in 2008, they were facing resistance from the upper tiers in the form of releasing the local government share of funds. The provincial government had even started an external audit, not for auditing purposes but in order to target local governments:

*“In the first tenure party differences were important. We were from the opposition party of the provincial government and the district government but these tiers of government never interfered in our matters. They let us do our work. Sometimes, they affected the allocation of resources. But overall, TMAs were independent to work on their project. In the 2<sup>nd</sup> tenure of local government, we had a different scenario at the provincial and federal governments. The new provincial and federal governments did not own the system and since then they have tried to undermine the local government. They never let us do our work. For example, the external audit by the provincial government is a vivid example of this situation. Its aim was to target the local government, not to check its organizational spending. We had Rs. 14 billion in our TMA account, but we cannot spend this money because of provincial government objections. This has also affected our relationship with the DCO and other officers. Bureaucratic interference has increased and now officers do not listen to us”* (Interviewee 5-Town Nazim).

According to one of the interviewees (10-TMO) there were issues on both sides:

*“Local representatives had the powers under devolution. Their behaviour towards bureaucracy changed once they came into power. This social behaviour of local representatives to not accept the authority of the bureaucracy created a rift between the two stakeholders. This in turn affected local government performance.”*

Tehsil Municipal Officer further (Interviewee 10-TMO) explained: *“Bureaucracy cannot work under the political representatives as bureaucracy does not consider them able for the job.”* According to him (10-TMO), this attitude of both political representatives and bureaucracy was largely responsible for undermining the local government system. A female district councillor (Interviewee 8-F) also explained that they faced administrative delays in the approval of their schemes. However, according to the interviewees, bureaucratic interference varied from person to person (Interviewee 9-(F), Town councillor).

#### **9.4.2 Lack of Coordination among Tiers of Government**

##### **9.4.2.1 Themes from CDGF**

The majority of the interviewees reported that one of the major issues was the lack of an integrated planning approach:

*“We do not have an integrated planning approach. Towns, unions or districts propose schemes which are often suffering from duplication and a lack of an integrated planning approach. At times we approve schemes in areas where they are not even needed. If in one community, a road is constructed, a few weeks later, the water and sanitation agency will start to build a sewerage line there. It is just a waste of resources.”* (Interviewee 4-TMO)

The majority of the interviewees reported that they enjoyed a cordial relationship with upper tiers of the government from the period 2001-2008. During this period, the local government system was owned and supported by the federal and provincial governments. As a result of federal and provincial elections 2008, local governments faced resistance from the newly elected government. The new government started trimming the system to make it ineffective and weak. The new provincial and federal

governments did not give ownership to the local government system. They considered this system a threat to their financial and administrative autonomy. It was also highlighted that provincial and federal governments perceived local leadership as a new threat.

#### **9.4.2.2 Themes from CDGL**

According to the interviewees, they faced confusion over the functions and responsibilities of different tiers during the initial six months of the local government system. Later on, role clarity gradually improved as political representatives became more familiar with the new organizational set up. They also explained that they had different channels for coordination such as District/Zila Mushavirat Committee (Table 9-1).

**Table 9-1: District/Zial Mushavirat Committee**

<b>Composition of District Mushawirat Committee</b>	
<b>1. Membership:</b>	<ul style="list-style-type: none"> <li>• Zila Nazim, Naib Zila Nazim, all the Town Nazims in a City District</li> <li>• The Zila Nazim shall be the Chairman of the Zila Mushavirat Committee and the District Coordination Officer shall act as its Secretary.</li> <li>• The Zila Mushavirat Committee shall meet at least once in every month or as and when called into the meeting by the Zila Nazim or at the request of any two members of the Committee and the minutes of the meeting shall be sent to the Government.</li> </ul>
<b>2. The functions of the Zila Mushavirat Committee Shall be:</b>	<ul style="list-style-type: none"> <li>• To crystallize a vision for integrated development of the district</li> <li>• To prioritize and coordinate inter-tehsil development plans</li> <li>• To resolve intra-district disputes</li> <li>• To muster the resources for crisis management; and</li> <li>• To set directions for realizing the economic potential of the district</li> </ul>

Source: Town Hall, CDGL

In pursuance of Section 140 of LGO 2001, CDGL constituted the District/Zila Mushavirat Committee (a consultative body). The function and composition of this committee are given in Table 9-1. However, interviewees mentioned that although there were regular meetings of this committee, the enforcement mechanisms were quite weak. According to one of the interviewees (6-Town Nazim), one of the problems with the

implementation of the proposed solution of the Musharivat committee was, that all tiers were independent and mostly had conflicts over the implementation process.

Another viewpoint was, although CDGs had a channel of internal coordination, the upper tiers had not devolved functions down to the lower tiers. For instance, according to LGO 2001, functions such as street lights and refuse collections were the responsibility of the Union Council, but the attendance register of employees was on the town council:

*“We had 130 sweepers in our union. Only 50-60 come to work. The rest of them paid some of their salaries to the upper administration so that they did not have to come to work. Even Town Nazim got commission from this.” (Interviewee 7-Union Nazim)*

Another issue raised by the interviewees was the lack of an integrated planning approach in development works which was causing duplication of development schemes. According to one of the interviewees (Town Nazim 1), they lacked the concept of planning projects. For instance, the union council, town council and district administration proposed projects which were overlapping and were not linked together. They needed an IT system which can provide online data regarding the development schemes of different tiers of LG in order to monitor what was happening at different levels, improve project planning process and avoid duplication of resources.

## **9.5 OVERALL PERFORMANCE IMPROVEMENTS**

One of the assessments of performance was determining the perception of key stakeholders on how they viewed local government performance.

### **9.5.1 Themes from CDGF**

In response to the question of overall improvements in service provision, particularly in education and water and sanitation, all of the interviewees were of the opinion that it

had considerably improved. According to the District Nazim (interviewee-1), in December 2002, the CDGF was able to set up a Strategic Policy Unit (SPU) as a ‘Think Tank’. Its key purpose was to act as a conduit in the district from where all development programs could be initiated and managed. Then the district government was able to collaborate with the Department for International Development (DFID-UK) for technical assistance with the approval of provincial and federal governments. According to the District Nazim and the performance reports issued by SPU, the district government was able to initiate a number of reforms in the following areas:

- 1. Fiscal management:** the district government enabled the local government departments to use a Financial Management Information System (FMIS) to produce reliable up to date monthly statements of cash flow and expenditure, and to forecast the end of the financial year. It also adopted a participatory budgeting process allowing all the key stakeholders- departments, local NGOs and CSO and councillors, to identify areas for improvement and align social sector spending to stakeholder priorities.
- 2. Organization improvement:** Workforce information and planning, training and development etc.
- 3. Citizen focus:** One window and a Help desk in the District Community Development department, reactivated district coordination committee (DCC), citizen perception survey, dissemination of information to the public on the district government website
- 4. Capacity development:** At management level, CDGF started a program of leadership and management training aimed at EDOs and DOs. Under this program, a number of teachers were sent to Malaysia and South Africa to get insight into the Whole School development Process which was being undertaken by the district government as a key approach to collaborate with NGOS to improve school education. Training was provided for all local councillors to help them understand the workings of the CCB, the participatory planning process and the role of a monitoring committee. Establishment of Institute of Learning (IOL) for teacher training.

**5. Improvement of the information management system of the district:** the CDGF's main initiatives were the establishment of: a Human Resource Information Management System (HMRIS), CCB MIS, Revenue MIS, Road MIS, Geographical Information management system (GIS) in 2007, Biometric attendance system to control absenteeism, improve leave records and identify 'ghost' employees etc. This represented CDGF's ability to take initiatives for service delivery improvements.

#### **9.5.1.1 Themes from CDGL**

According to the majority of the interviewees, the overall local government performance was better than the previous system. They also acknowledged that there were significant improvements in sectors like education and water and sanitation. However, one of the respondents (Interviewee 5- Town Nazim) was not satisfied with the Education and WSS in his TMA:

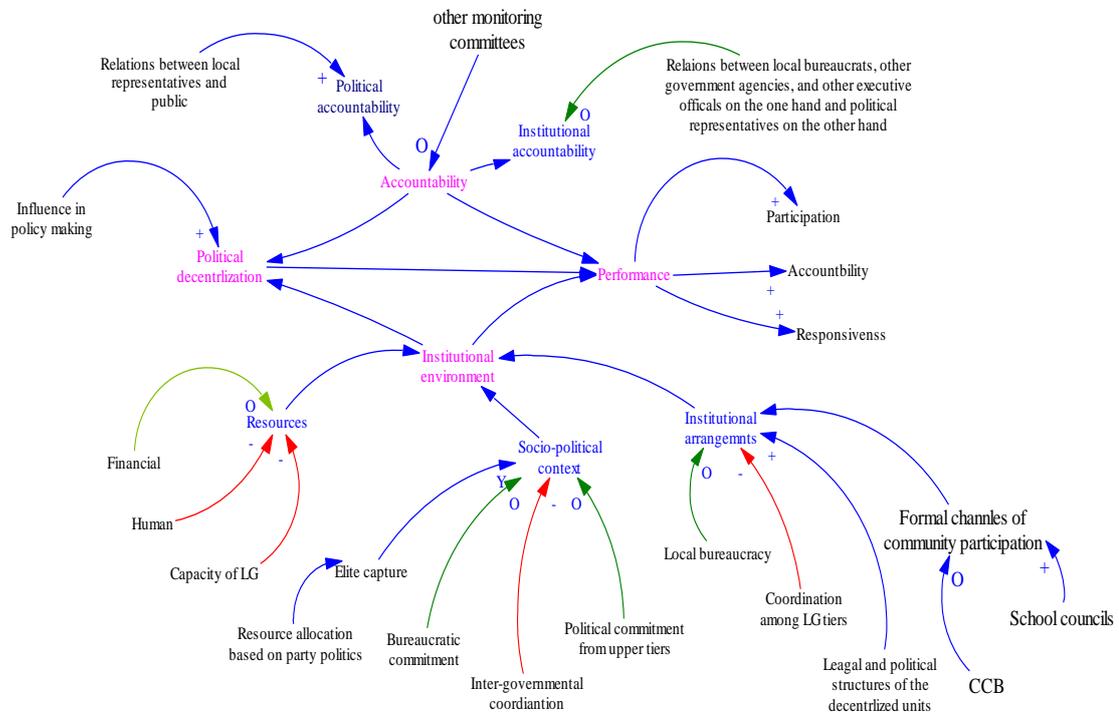
*“My town was not having full WASA coverage. They never took the responsibility in our town. TMA had limited resources so it could not do a lot to uplift the plight of the community. Likewise, schools in my town are not having sufficient resources such as staff, boundary walls, drinking water etc. Particularly, girls' schools are suffering because no one wants to be appointed to a remote area where there are transportation problems, cultural issues etc.”*  
(Interviewee 5-Town Nazim)

Another interviewee (Interviewee5- (F) Town Councillor) agreed that the quality of school education had improved and teacher absenteeism was reduced because of school councils. However, she indicated that there was no major improvement in the water and sanitation sector. According to the District Government, education was given the first priority and was allocated 18.35% of the total development budget.

## **9.6 CONCLUSION**

Most of the interviewees emphasized that the present system was better than the previous system of governance, as local representatives were involved in the decision

making process, who were better informed of local needs and therefore LG policies reflected local preferences. The main themes identified in this chapter are summarized in Figure 9-1.



Note: ['+' Indicates presence or favourable factors]; ['-'] Indicates absence or lack of a factor]; ['O'] mixed perception]; ['Y'] Indicates yes]

**Figure 9-1: Mapping Decentralization and its Impact on LG Performance**

It is discernible from Figure 9-1, a majority of the interviewees acknowledged that they had great scope in the policy making and implementation process. However, female councillors identified that they had little influence over policy making processes. According to them, they had to make a consistent effort to get their proposals approved by the council. They also mentioned that they received respect from the Nazim, but only to get their votes during the voting process. Otherwise they faced difficulties to make themselves heard at council meetings.

Political representatives also mentioned that they had more influence in the 1<sup>st</sup> tenure of the local government (2001-2005) than in the second (2006-2010). The main reason for this was the change of government in the upper tiers as the result of provincial and federal elections in 2008. The main political parties which came into power at the federal and provincial level, were against all the policies of the previous Martial-Law Regime, which created the local government system. They never owned the system and this created political tensions between provincial and local governments. The interviewees were of the opinion that participation had significantly improved. However, their perception of initiatives such as CCB and monitoring committees were mixed. The Town Nazim from CDGL and the District Nazim from CDGF highlighted that CCBs were very active in their respective towns and districts. However, interviewees from both districts also identified certain constraints such as procedural difficulties and delays for the approval and release of funds.

Document records indicated that in every annual development plan around 18-20% of the amount was allocated to CCB projects. However, it was not fully utilized. The Lahore city district government allocated a block amount of 22.2% of the total annual development budget 2006-2007 to CCB schemes, however, CCB schemes in that year were only 5.6% of the total annual development plan and only 20.1% of the total allocated budget for CCB was utilized. Likewise, CDGF allocated 20% of the district budget for CCB schemes. The target was to utilize the whole amount during the year 2008. However, only 14.0% of the total allocated budget to CCB was utilized. Overall, CDGF had a more streamlined organizational set up for facilitating CCB projects, besides the issues of imposing taxes on such schemes.

As far as the monitoring committees were concerned, document records identified that they were constituted for all the functions of the district (see Appendix 5), however, no

evidence of their full functioning was found in interviewees transcripts. The CDGF initiated a capacity building program for 32 Town Monitoring Committees in eight towns of CDGF on the local government monitoring system. According to the interviewees the main limitations were a lack of resources, transportation, proper space in the concerned departments and availability of time for the monitoring.

In Lahore district, although there were capacity development programs, these programs were not initiated by the district government. These programs were organized during the first tenure of the local government with the aid of the Canadian International Development Agency (CIDA) in order to build the capacity of the local government. The researcher herself was part of such training programs as ‘Trainer of the Lead Trainer (TOLT)’. However, councillors were generally not satisfied with these training outcomes and needed more specific training aimed at making them familiar with the budgeting process and how to propose their development schemes. Hence, capacity issues were one of the factors stated by the interviewees as the reason for the ineffectiveness of monitoring committees in addition to resources, and commitment from the local representatives. An interesting innovation of CDGF was to adopt a ‘Participatory Budgetary’ approach involving all the stakeholders. It also took more initiatives to mobilize the community and develop mechanisms for civic engagement and an inclusive decision making process compared to Lahore.

The main accountability mechanisms were: accountability to the people, accountability relationship between political and administrative heads of the different Departments, an internal audit mechanism and external checks and balances. According to the majority of the interviewees the overall accountability improved. There were less incidents of corruption and employees’ attendance improved. All the tiers of the government constituted complaint cells, the community could access their local representatives if

they found any incident of corruption or bribe. However, the document analysis and interview transcripts indicated that CDGF was better in terms of dissemination of information and had an efficient complaint cell. The researcher also observed that the CDGF website had all the current information as well as a Toll free number to register community complaints. It also had a proper information management system for better integrated planning of the district (HRMIS, FMIS, and GIS). Compared to this, the CDGL had no such initiatives. The researcher could not access the CDGL website for annual development plans and other statistics about other social sectors.

The interviewees explained that during the first tenure of the LG the situation was different. However, since the change of the provincial and federal governments after the 2008 elections, their relationships with the bureaucracy at the local level were affected. Interviewees also had a consensus that internal audits were very effective. However, one of the Town Nazim from CDGL (Interviewee 6-Town Nazim) indicated certain constraints such as lack of skilled staff to carry out this function. All the interviewees were of the opinion that external checks and balances, particularly a provincial government audit of LG was not to check the spending, but was targeted to weaken the LG system.

The institutional environment of both CDGs was not found to be very supportive in the 2<sup>nd</sup> tenure of local government because of the power struggle between the provincial and local governments. Both CDGSs faced interference from the provincial governments in the form of lack of funds. Even the resources that the district generated from its own tax revenues, could not be utilized because of provincial government restrictions. This also resulted in administrative resistance to the directives from administrative heads of the different departments. Political representatives from both CDGs identified political and bureaucratic interference as significant constraints to local

government performance. Another factor mentioned by the majority of interviewees was party politics at LG level. It was one of the factors which affected resource allocation for development programs. The literature on political decentralization has highlighted elite capture may be a potential problem, and disadvantaged groups remain disadvantaged as participation only reaches to mere representations (Bardhan 1997; Crook 2003). The study found that to some extent it was a potential problem in the allocation of resources to those who were well connected and had a strong party affiliation with the Nazim and Naib Nazims.

Interviewees also identified a lack of coordination between tiers regarding development programs. They explained that the lack of an integrated planning approach caused duplication of development schemes and waste of resources. Regarding the coordination mechanisms between the tiers of LGs, interviewees mentioned the presence of the Mushavirat Committee, however, it was highlighted that this committee had an advisory status and lacked enforcement mechanisms. Therefore, the suggestion of the members usually failed to be implemented because of disagreements of the relevant tier of LG.

According to the majority of the respondents from both CDGs, local government was able to improve its performance in the education and water and sanitation sectors. Local government also allocated more budgets for development projects. From the community survey the community suggested that they were highly satisfied with the LG system compared to the pre-devolution arrangements. They also considered that overall the CDGs improved community participation, were more responsive to local needs, and the overall accountability of the system is better in terms of transparency and had reduced levels of corruption.

## **CHAPTER 10**

### **SECTOR ANALYSIS-EDUCATION**

#### **10.1 INTRODUCTION**

This chapter provides findings from the Education Sector. Firstly, an overview of the reform initiatives will be provided through a document analysis looking at the institutional environment, the delegation of financial and managerial powers to the City District Governments (CDGs) followed by the key stakeholders' perceptions of the reforms which are organized around key issues. The chapter is organized into key themes: the extent of managerial autonomy (Section 10.5), user involvement in service provision (Section 10.6), accountability mechanisms and organizational performance (Section 10.7), and the role of the institutional environment on organizational performance (Section 10.8). Section 10.9 will discuss the collaborative service delivery initiatives adopted at the CDG levels and will examine how partners in collaboration are managing inter-organizational relationships (IORs), followed by pre-post performance comparison (Section 10.10). The last section (10.11) concludes this chapter.

#### **10.2 THE EDUCATION SCENARIO IN PAKISTAN**

According to the Pakistan Social and Living Standard Measurement survey (PSLM), 2006-07, Pakistan has a literacy rate of 55% (67% male and 42% female) and ranks 135<sup>th</sup> out of 177 countries on the Human Development Index. It spends less than 3% of its GDP in the education sector which is even less than Iran (4.7%) and India, which spends 3.8 % of its GDP on education (EFA 2008). This suggests that Pakistan places a low priority on education compared to other countries. In spite of the fact that 44% of

the overall funds are disbursed to primary education, 24% is allocated to the secondary education sector and 13% is allocated to the tertiary sector, primary enrolment in education is reported to be the lowest in the world (EFA 2007).

### **10.3 THE INSTITUTIONAL ENVIRONMENT**

An analysis of the education policies from 1947 to 2009 revealed that the National Education Conference in 1959 proposed for the first time that local bodies should manage all primary education. The New Education Policy 1969-70 further proposed that an autonomous district school authority should be established in each district in order to manage primary and secondary education. Provincial and district authorities should work in collaboration to enhance the quality of education. The National Education Policy (1992) proposed to establish a Directorate of Primary Education and School Management Committees (SMCs) at the village level. The National Education Policy (1998-2010) proposed that a district education authority should be created in each district to manage school education. To improve the falling dropout rate a compulsory primary education act was proposed.

However, these policies were not implemented and education service delivery remained a very centralized affair until the decentralization reforms under the Devolution Plan 2000. Local Government Ordinance (LGO) 2001 was aligned with previous national policies of decentralizing education to the district authorities. It transferred primary and secondary education service delivery from the provincial governments to the Local Governments (LGs). Under the new arrangements, the provincial governments are responsible for policy making, regulation of the social sectors, setting performance standards, and transferring financial resources to the local governments under PFC. The provincial governments also transferred the responsibilities of administration of school

and college education service provision to the LGs, including the opening of new institutions, the hiring of staff, the management of school councils and the conduct of examinations. A summary of the changes in the institutional arrangements is outlined in Table 10-1.

**Table 10-1: New Institutional Arrangements after Devolution Plan 2000**

<b>Tier of Government</b>	<b>Role, Responsibilities and Major Policy Initiatives</b>	<b>Concerned Departments</b>	
Federal Government	<ul style="list-style-type: none"> <li>• Policy formulation;</li> <li>• Setting standards and regulatory institutional framework</li> <li>• Curriculum development</li> <li>• A national framework for monitoring and evaluation of policy implementation</li> <li>• Financing through National Finance Commission (NFC) to the Provincial government</li> </ul>	<p>The legislation and policies concerned with education sector are as follows:</p> <ol style="list-style-type: none"> <li>1. <i>Vision 2030</i></li> <li>2. <i>National education 2009</i></li> <li>3. <i>National education policy 2008</i></li> <li>4. <i>Pakistan national education policy review white paper 2007</i></li> <li>5. <i>National education policy 1998-2010</i></li> <li>6. <i>ESR 2001-2005</i></li> </ol>	<ul style="list-style-type: none"> <li>• Ministry of Education (MOE)</li> </ul>
Provincial Government	<ul style="list-style-type: none"> <li>• Coordination with Federal Government</li> <li>• Policy formulation within national policy framework for the guidance of district government</li> <li>• Curriculum Development,</li> <li>• Financing to the local government through Provincial Finance Commission (PFC)</li> </ul>	<p>The legislation and policies concerned with water and sanitation sector at the provincial level is:</p> <ol style="list-style-type: none"> <li>1. <i>Punjab Poverty Reduction Strategy</i></li> <li>2. <i>Public private partnership strategy for the social sector in the Punjab 2008-09</i></li> </ol>	<ul style="list-style-type: none"> <li>• Education Department</li> <li>• Director of Staff Development (DSD)</li> <li>• Punjab Education Foundation (PEF)</li> </ul>
Local Government	<ul style="list-style-type: none"> <li>• Opening of New Colleges &amp; Schools, Up gradation of Colleges &amp; Schools</li> <li>• Preparation of District Budget, Approval of Development schemes up to Rs.20 Million</li> <li>• Managing affairs of School Councils</li> <li>• Conducting of Class V &amp; VIII Examinations</li> <li>• Inspection and monitoring of devolved institutions</li> <li>• Sanctioning of pension up to BS-17, Intra-District Transfers &amp; Postings, Purchase of stores &amp; capital goods for devolved institutions</li> </ul>	<ol style="list-style-type: none"> <li>1. Policy initiatives by district government Lahore and Faisalabad for promotion of PPP reflected in the mission statements</li> <li>2. City district government Faisalabad council passed policy for PPP in 2004</li> </ol>	<ul style="list-style-type: none"> <li>• District Education Department</li> </ul>

Source: Adapted from PDSSP (2008)

The organizational restructuring at the district level created new roles and responsibilities. At district level, the head of the education department is the Executive District Officer (EDO), a newly created position, who reports to the administrative head of the district government (District Coordinator-DCO) and the political head of the district government (Nazim) and indirectly to the provincial secretary of education. Below this hierarchy is the District Education Officer (DEO), facilitated by a Deputy District Education officer (DDEO) and assistant education officers (AEO). At the grass root level, School Councils (SCs), also referred to as School Management Councils (SMCs), were set up to include the community in education service delivery. This also reflects the change in the accountability relationship; at school level, SMCs are responsible for the monitoring of schools and transparent utilization of funds. Non-governmental Organizations (NGOs) became partners with the district department and under the 'Adopt A School' (AAS) program were actively playing an effective role at the district level which further ensured the accountability of the district government.

### **10.3.1 Delegation of Administrative and Financial Powers under Devolution Plan 2000**

The LGO 2001 revised the administrative set up of the education sector. It delegated the responsibilities of managing primary, elementary and high school education from the provincial government to the LG as summarized in Table 10-2. According to the new arrangements, responsibilities for hiring, firing and intra-district transfers were delegated from the provincial to the LGs. The EDO is responsible for the preparation of annual development plans, and for an effective and efficient execution of those plans. He contributes to the policy making of the district government by giving input to the DCO and by proposing by laws on education service delivery. He is responsible for the posting and transfers of teachers within the district and has the financial power of a

category 1 officer. District Education Officers (DEOs) are category 2 officers. They supervise and monitor the schools under their jurisdiction and report to the EDO. The DDEOs are category 3 officers and release teachers' salaries. They also make contingency plans for their respective schools. This indicates that authority is shared among a large number of actors both horizontally and vertically at the district level.

### **10.3.2 Financial Devolution**

Prior to decentralization, the provincial government received funds from the federal government under the National Finance Commission (NFC) and determined the education budget of their provinces. Under decentralized arrangements, the provincial governments allocate funds to the local governments through a Provincial Finance Commission (PFC) and LGs determine education budgets based on their priorities. Education is financed from three main sources:

1. The District government's own revenue sources;
2. Provincial non-earmarked block grants to the districts;
3. Ad-hoc federal education grants to provinces and districts (Shah 2003; Winkler and Hatfield 2002).

The district governments considerably perform a significant role in the improvement of the education service delivery. Under the Devolution plan 2000, considerable administrative and financial powers were delegated to the education department, as espoused in Table 10-1 and Table 10-2.

#### **10.3.2.1 Budgeting Process at the District Level**

Based on the qualitative interviews with the Education Departments (EDs) and on document analysis, the EDs employ a bottom up planning approach for the development of the Annual Development Plan. This has helped schools to identify their needs and

develop their budget proposals. Schools submit their proposals to the education department for their approval. The usual process of approval is as follows:

1. Proposals are received by the Deputy District Education Officers (DDEOs) for verification and approval. At this point the overall budget of the town is consolidated and the needs of all the towns' schools are verified.
2. All proposals are submitted to the respective District Education Officers (DEOs) for his/her approval.
3. DEOs forwards all the budget proposals to the EDO. At this time the budget of the entire district is consolidated, verified, and approved.
4. The EDO submits them to the district assembly for final approval
5. Likewise, the union and tehsil Nazims also identify the development schemes of their constituencies and send their proposals to the district Education Department to check their feasibility. After it is approved, it goes to the DDC for further approval. The District assembly discusses the spending of the education budget and this ensures transparency.

A pre and post devolution comparison of managerial autonomy over administrative, financial and other functions is presented in Table 10 2.

**Table 10-2: Delegation of Power to the District Education Department under LGO 2001**

Managerial Level	Administrative Powers	Financial Powers	Others
EDO/ Category 1 officer	Supervision and coordination of all wings of education in the district. Appointing authority of grade 1-15 Review the annual performance of the district officers and subordinate staff; identify employee training needs; arrange training programs for them; take disciplinary action for maintaining of good discipline in its schools. Sanctions of pensions BS-17 retirement notification of officers in BS18-19 Sanction leaves not exceeding 730 days <i>(EDO was the Head of the education department and was a newly created post. Prior to devolution, education department was under the direct supervision of provinces)</i>	Financial powers of category 1 officers; preparation and execution of the Annual Development Plan (ADP); internal audit and settlement of audit paras; the sanction of GP funds up to grade 19-20	Collection, compilation and maintenance of statistical data; supervision of litigation cases
DEO (SE)	Registration of private secondary schools, conduct of middle standard examination, internal inspection and audit of the institutions; <i>(Prior to decentralization director secondary education was responsible for the posting, transfer, promotion and registration of secondary school in the district)</i>	Financial powers of category 2 officers <i>(before devolution, he was the category 1 officer)</i> ; Preparation of Annual development plan (ADP); grant of GP fund up to BS 18; reimbursement of medical charges up to BS. 17; award of scholarship on the basis of middle standard examination.	The functions assigned by the competent authority
DEO (EE)	Appointing authority of elementary teachers, grade 14; promotion of teaching staff from BS 07-09; selection grade from BS 07-09; issuance of retirement notification; transfers of teaching staff; ensure proper functioning of school councils; Registration of primary and elementary private schools; technical inspection and internal audit of the institutions; conduct of 5 <sup>th</sup> grade examination	Category 2 officers; preparation and execution of ADP; grant of GP funds advance; sanction of pensions sanction of medical reimbursement claim; grant of medical leave	
DDEO (EE)	Appointing authority of non teaching staff from 1- 4 and PTC teachers, BS 07; ensure proper functioning of school councils. Sanction leaves of head teachers of elementary schools and AEO; sanction earned leave and ex-Pakistan leave of PTC teachers; forward cases of SST/EST teachers to higher authorities; ensure proper functioning of school councils	Category 3 financial officers; drawing disbursing officers, release salaries to the teaching staff; prepare contingency plans for their schools; preparation and execution of budget from all schools; prepare the annual budget of its own staff; collection and monitoring of financial data from the institutions; perform internal audits and technical inspecting of institutions	The functions assigned by the competent authority

Source: author prepared from reports of DFID, 2007 and Delegation of Financial Powers, Punjab, 2006

## **10.4 MAJOR REFORM INITIATIVES AT THE CITY DISTRICT GOVERNMENT (CDG) LEVEL**

### **10.4.1 Case Study1- Education Department, CDGF**

The CDGF gives priority to education in its mission statement. To achieve this goal, a strategic operation unit was established in 2004. It developed the first strategic operation plan for the district education department. In this process various agencies helped the city district government, such as the department for International development (DFID), GHK International Ltd, and the UK under the project “Strengthening Decentralized Local Government in Faisalabad” (District Council Faisalabad report 2004).

#### **10.4.1.1 Service delivery Initiatives**

##### **Strategic Operation Plan (SOP)**

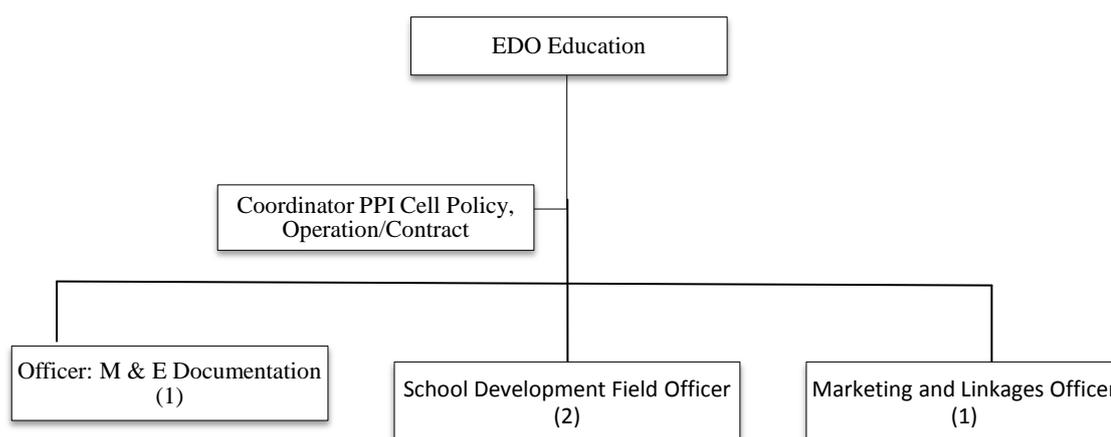
A Strategic Operation Plan carried out a detailed situation analysis of the education sector. Subsequently, a ‘Strategic Operation Plan’ was developed to restructure the education set up at the district level. The completion date for the project was 2008. The SOP had four main objectives:

*“Enhancing its management capacity and strengthening its management system; training of teachers and head teachers towards improved education quality; encouraging community participation in the management of schools; the development of public private partnership in key areas” (Education Strategic Operation Plan 2004-2009, p: 10).*

CDGF was the first district in Pakistan where the LG developed detailed job descriptions and identified training needs which were provided to the LG employees accordingly. Interview data and document analysis confirmed that the CDGF significantly invested in its human resource development, a key indicator of process improvement.

## Establishment of the Institute of Learning (IOL)

Another significant development to improve access and quality of education was the establishment of a PPI Cell (Public Private Partnership Cell) in 2006. Faisalabad district was the first district in Pakistan that formulated a PPP policy at district level and took significant steps for its institutionalization. It implemented PPP policy through two main initiatives: the establishment of a PPI cell in the education department and an Institute of learning (IOL) at the district level. Both these initiatives were linked to the Whole School Development (WSD) model. The WSD model is an inclusive approach to involve all community members and stakeholders to improve in-school quality. This is one of the main grass root strategies as espoused by the education department Faisalabad. NGOs undertake this responsibility for about 5 years or more as agreed between the partners. The relationships between the partners are governed by a legal instrument MOU (Memorandum of Understanding), clearly specifying the roles and responsibilities of the partners. The organizational chart of the IOL and is provided in Figure 10-1, it explains how it is merged within the Education Department.



**Figure 10-1: Organogram of PPI Cell Faisalabad**

Source: Education Department, CDGF

The key areas of responsibility assigned to the PPI cell were: identification of schools in need; contracting partnerships; managing partnerships; documentation and sharing of

performance with the district government and other partners. The Education Department took part in the partnership through two main programs: Adopt A School (AAS) and School Up-gradation through Community Public Partnership. The Education Department has 100 schools under these two programs. These programs aimed to increase enrolment in schools, improve the infrastructure, teaching staff, and the learning environment. The WSD model was initially piloted in 13 union councils and 250 schools. Another initiative under the PPP was the establishment of a teacher resource centre at district level, known as the Institute of Learning (IOL). This resource centre was also established in partnership with the project “strengthening decentralized local government in Faisalabad”. It was created to cater for the needs of teacher development and link it to WSD model. The WSD approach is based on the mobilization of community participation. IOL organized meetings among parents, local councillors, Nazims, and other stakeholders to create awareness regarding low school enrolment, teacher absenteeism, and missing facilities. The School council prepared a WSD plan for their communities and raised funds for school improvements. At the moment, CDGF has allocated Rs.300, 000 to the 245 WSD schools in rural and urban areas, 10% of this fund is from community contributions. The community was actively engaged in monitoring the construction work and school council members were also part of the teacher training process (SPU 2008). The SPU also conducted 6 case studies of WSD evaluation and found that:

*“There was a visible change in the attitude of all stakeholders. The parents, teachers, head teachers, community, school council, and education department all joined hands to focus on the achievement of the ultimate goals of quality education by improving all aspects of school.” (SPU 2008)*

## **10.4.2 Case Study 2 - Education Department, CDGL**

### **10.4.2.1 Organizational restructuring**

The EDO is the head of the Education Department and is assisted by DEOs (Secondary Education- SE) male and female; DEOs (Elementary Education- EE) male and female. Below that, the hierarchy is organized according to nine towns; every town has its own DDEO, both male and female. The total number of DDEOs is 18. Prior to decentralization, there were only two DEOs and DDEOs to cater for the needs of the Lahore district. According to the interviewees, the organizational restructuring, under decentralization reforms, has brought the decision making closer to grassroots level, the work load was reduced and schools were managed in a more efficient way. *“Now the system is more adaptive to the changing demands of modern times.”* (Interviewee 13, DDEO, CDGL).

The vision of CDGL in education service delivery is:

*“To provide quality education to all children by ensuring the enrolment of every child, minimizing the drop outs rate and the availability of subject specialists, a proper and adequate infrastructure, and the provision of missing facilities in all the schools of Lahore”* (Nazim, CDGL)

To achieve this mission statement, the CDGL identified the following main goals for education service delivery:

- Allocation of maximum resources to education in order to ensure an adequate infrastructure;
- Standard student / teacher ratio
- Improving the educational standards to achieve a quality education provision for all
- To engage philanthropists for resource mobilization
- Improving teacher training, monitoring a devaluation system and proper staff development

- To invite and encourage the private sector in service delivery on a partnership basis for better management of schools (CDGL 2007).

#### **10.4.2.2 Service Delivery Initiatives by CDGL**

The major policy initiatives undertaken by the city district government were:

- Public private partnerships through Adopt A School program.
- A focus on the constitution of school councils for better management and supervision.
- The provision of free textbooks.

The city district government placed significant importance on the involvement of the private sector in the education service delivery, particularly NGOs. The rationale behind community participation and PPP was the maximum utilization of professional expertise of the private sector and the infrastructure of the government sector for an effective and efficient service delivery. 354 schools were adopted by NGOs under the Adopt A School Scheme. The main rationale behind this strategy was to improve the quality of education, reduce teacher absenteeism, provide the missing facilities for schools, provide training to teachers, increase school enrolment and make optimum use of assets. To optimise assets, afternoon shifts were started in selected schools.

#### **10.4.3 Efficient and Responsive Service Delivery Model**

The document analysis in Table 10-2 highlighted that considerable financial and administrative autonomy was delegated to the managers of education departments. The main themes that emerged from both CDGs were: the current decentralized service delivery framework is more *“efficient and responsive to local needs”* and improved the *“decision making process at grass root level.”* According to the respondents, the major

benefits of this system lie in the effective management of education service delivery at the local level.

*“To provide more facilities to communities, speed up the process of service delivery. Before decentralization, one person had all the powers at divisional level. All matters were solved at divisional level. Now, after the creation of districts, we were able to solve problems at the lowest level. Such as before decentralization there was one DEO and one DDEO, now with the creation of 9 towns, we have nine DEOs and eighteen DDEOs monitoring the service provision. For instance, if the schools of Ravi town are having some problems, then rather than coming to me they can discuss this with the DDEO of that town. Therefore, the system is more effective in handling issues at the lowest possible level; this system has provided benefits to all- teachers, staff, head teachers, and the community by facilitating the process of decision making at grass roots level.”* (Interviewee 9- DEO (F), CDGL)

## **10.5 THE EXTENT OF MANAGERIAL AUTONOMY**

### **10.5.1 Themes from CDGF**

#### **Theme 1: More Financial Autonomy compared to Personnel Management Autonomy**

The researcher’s main interest was to know how far managers could exercise their powers. The Head of the Education Department (EDO-CDGF) acknowledged that he was fully empowered to exercise his powers; however, at the same time he also mentioned that the powers were re-centralized at the top with the District Coordinating Officer (DCO). Likewise at the second managerial level the district education officers (DEOs) were also of the view that they had more financial powers compared to administrative powers, particularly regarding the hiring of staff. Again, this managerial level (Interviewee 3 & 4, DEO CDGF) was of the view that the powers were re-centralized at the top: *“In my opinion, powers are at the top. Nothing has been decentralized”*, while acknowledging that:

*“In terms of financial autonomy, there are some considerable improvements. Prior to decentralization, we needed the approval of the upper tiers for funds allocation and their spending. Now we have our own budget and are free to utilize it according to our needs. Rather we are accountable if we do not fully*

*utilize the funds. Now the government asks us for an explanation for not fully utilizing the financial funds.”*

Consistently interviewees highlighted that they had less administrative autonomy and more financial autonomy. However, this theme was more significant at the third managerial level (DDEOs). According to the third managerial level (DDEOs), prior to decentralization, they enjoyed more administrative power. The majority of the interviewees (3 out of 4 DDEOs) indicated that they were partially empowered. Nonetheless, they also agreed that they are now more autonomous in resource allocation than before. These contradictions were reported as:

*“We can hire class 4 and PST (primary school teacher) teachers, we also perform internal audit of our schools, handle budgets, accounts etc. In reality, we are not fully empowered. Rather than decentralizing authority down the hierarchy, powers have been taken away from us. As far as financial powers are concerned, we are more autonomous such as I am fully empowered in resource allocation. I distributed Rs. 2.5 billion among my schools. The district government system has brought more financial resources which have enhanced the quality of education”* (Interviewee 5- DDEO, CDGF).

Against this backdrop, there was a question as to why managers considered that they were partially empowered or powers were recentralized at the top. The reason for this contradiction “powers have been taken away from us” seemed to be that previously there was only one post of DDEO in the entire district, now this post was divided among the 8 DDEOs of the CDGF towns for better manageability. The DDEOs seemed unhappy with the current situation as they felt less empowered after devolution reforms.

### **10.5.2 Themes from CDGL**

#### **Theme 1: More Financial Autonomy compared to Personnel Management Autonomy**

The interviewees commented that the system overall has been able to deliver services in a more efficient and responsive manner, the education policies at the CDGL reflect the needs and priorities of the local government. Now the local government is more

autonomous in the allocation of resources to the education sector. According to one of the interviewees (Interviewee 11- DEO, CDGL), before decentralization there were no organized efforts to support teachers if they had any problems, and provide them with training opportunities. It was a time consuming process to get approval from the Punjab government (provincial government) for the release of funds etc., however, after decentralization the service delivery system was faster. Under the city district government, things are done in a more efficient manner without procedural delays particularly with regard to resource allocation:

*“Now if we need funds, we can get approval from the city district government, otherwise it took months to get funds from the provincial government. Funds are now allocated to us and as a category 2 officer, I can fully utilize these funds according to the needs of my schools.”* (Interviewee 11, DEO, CDGL)

Nonetheless, interviewees from CDGL also indicated a mixed perception regarding the amount of administrative autonomy, particularly at the third managerial level. For instance, the Head of the Education Department (EDO) had all the financial and administrative powers and could exercise them fully. He did not need to seek approval for his decision. However, the EDO, while acknowledging that he had all the power and could exercise it fully, reported that power was re-centralized at the top:

*“If we talk about real autonomy, more power at the grass root level, in reality power has been re-centralized at the level of the DCO.”* (Interviewee 1- EDO, CDGL)

At the DEO level, the researcher interviewed four DEOs (2 males and 2 females) and two of them were of the view that they were fully empowered (Interviewee 9-DEO (F) & Interviewee 11-DEO, CDGL) whereas two of them said that they were partially empowered. The respondents at the third managerial level i.e. DDEOs were also concerned with the powers they had been assigned. Out of the 7 interviewed Deputy District Officers (DDEOs), only three were of the opinion that they could fully utilize

their powers. The rest of them reported that they were partially empowered and at times they are only signing authorities. They just followed the orders of their superiors:

*“I am partially empowered. If I want to take any action against those who are not performing well, I will start getting pressure from the top. Therefore I will not be able to take any action. We are like puppets in the hands of our superiors.”* (Interviewee 15, DDEO (F), CDGL)

The third managerial level appeared to be facing more pressure from its superiors and political representatives in their day to day operations. It was one of the reasons why they needed to be careful while writing their reports on school performance, because if they criticized someone, it would create problems, *“teachers against whom we want to take action will use “political patronage” to avoid sanctions”* (Interviewee 14, DDEO, CDGL). Consistent with the themes of the ‘recentralization of power’ as found in CDGF, the third managerial level from CDGL (DDEOs) explained that before decentralization there were only two DDEOs in Lahore. Now the powers of the two DDEOs were shared among 18 DDEOs who were responsible for the management and supervision of schools in 9 towns. According to the perception of DDEOs, they were more autonomous before than after decentralization. Though, at the same time they were of the view that the manageability of the tasks improved after decentralization. Other factors interfering in the exercise of managerial powers were political and bureaucratic interference.

## **Themes 2: Decision Making is a Participatory Process**

During the interview process, once the researcher asked managers ‘do they consider that the decision making process is participatory and are they involved in the decision making process before implementing it’, only one of the interviewees at DEO level mentioned that they were consulted in strategic decisions. Other managers in the education department were of the opinion that their input was not sought in the management of service delivery at district level.

*“We have full autonomy according to the rules. However, if there are some strategic decisions regarding the implementation of a policy, the EDO consults us and after taking our input makes his decisions. With respect to the management of my school I am fully empowered, if I found that someone is performing very poorly, I can transfer that person; or if staff is absent, I can punish that person. According to the financial delegation, we get proposals from the schools with respect to their needs; these proposals are verified and consolidated for further approval from the council. Then once funds are released, we pass it on to our DDEOs who are the DDOs (Drawing Disbursing Officers) of towns and are fully empowered to allocate resources among their schools according to a need based formula.” (Interviewee 9- DEO (F), CDGL)*

#### **10.6 THE EXTENT OF USER INVOLVEMENT IN SERVICE DELIVERY: THE ROLE OF SCHOOL COUNCILS**

The School Council gave direct representation to the community to oversee education service delivery and involve them in school related issues. It was mandatory for all government schools to constitute a 7 to 15 member council comprised of parents, teachers, union Nazim, students and other members of the community. The SC was responsible for ensuring teachers’ attendance, increasing enrolment, motivating parents to send their children to school, organizing co-curricular activities, taking measures to protect teachers/students’ rights, providing support in the distribution of free textbooks and stipends in the school, and taking measures to protect school buildings. The Councils were required to hold meetings at least once a month, develop a School Development Plan for the use of funds, and maintain certain records. In a move to encourage councils to undertake necessary small scale projects without fear of excessive scrutiny, the expenditures made by School Councils (SC) were taken out of the purview of the ‘Punjab Financial Rules’, thereby excluding SC expenditure from the audit under the government rules. The District Government transfer funds directly to the SCs accounts. All these arrangements gave SCs considerable financial and administrative autonomy.

### **10.6.1 Themes from CDGF**

#### **Theme 1: School councils led to the transparent utilization of funds, resource mobilization, and monitoring of education provision**

The previous section highlighted that CDGF made considerable efforts to improve the effectiveness of SCs and they were very active in WSD (Section 10.4.1.1). The SCs had a significant impact on the transparent utilization of funds, resource mobilization, and monitoring of education provision. According to the EDO (CDGF):

*“Before school councils, schools were always looking to the government for finances or approval to improve schools infrastructure or overcome staff shortage. Now each school council has their own budget which they can spend according to their needs; they do not need approval from the top. The creation of school councils had two main outcomes: it reduced teacher absenteeism and improved funds utilization.”* (Interviewee 2-EDO, CDGF)

There was some evidence of direct community support in the education provision. As one of the interviewees (Interviewee 3- DEO, CDGF) reported that in one of the schools under his jurisdiction, the community financed the construction of 12 rooms in a high school.

#### **Theme 2: The Active Role of School Councils Depends on the Local context**

All the managerial levels reported the active role of SCs in education provision. However, at the same time, managers also explained that community participation, particularly the school council, was active in some places and less active in others. The main factor behind this variation was the local context. A local supportive context is comprised of the local community, local representatives such as Nazim, councillors, and other socio-demographic variables such as the remoteness of an area, literacy levels and poverty levels, etc. According to the interviewees, SCs were active in urban areas where people were more educated, and poverty was less:

*“The involvement of the community varies from area to area, as people who are well educated are actively involved, and in remote areas where literacy is very low, people are less active.”* (Interviewee 2-EDO, CDGF)

### **Themes 3: The Role of the Head Teacher in Making School Councils Effective**

All of the interviews recognized that the head teacher played a very significant role in making SCs effective:

*“School councils are a very effective way of involving the community in service provision, finance and accountability. They have improved the performance of schools. However, they are more effective where people are less segregated into classes or regional differences and they are more educated. Another important factor is how the head teacher facilitates the participation process. Where the head teachers take an interest to involve all, school councils are more effective.”* (Interviewee 3-DEO, CDGF)

#### **10.6.2 Themes from CDGL**

Themes from CDGL regarding community participation were consistent with the CDGF. All the managerial levels acknowledged that one of the achievements of decentralization was greater community participation. The main forms of participation were school councils, PPP, and CCB. However, CCBs were more active in CDGF compared to CDGL.

#### **Theme 1: The Impact of School Councils on School Performance: Transparent Utilization of Funds, Resource Mobilization, Monitoring of Education Provision, Reduced Teacher Absenteeism**

According to the interviewees, community participation, particularly school councils, was very effective in ensuring a transparent utilization of funds and monitoring the quality of education in their schools. It also reduced teacher absenteeism:

*“Now the city district government has allocated school councils their own funds and people know that during school council meetings they are being consulted on various issues so they participate in those meetings. 70% of the school council members attend school council meetings. ---They are monitoring our schools, which has improved the transparency of the utilization of school funds and teacher attendance. In some cases they have even raised funds for school buildings.”* (Interviewee 11-DEO, (F) CDGL)

## **Theme 2: The Role of Local Context and Effectiveness of School Councils**

However, while acknowledging that community participation through school councils improved under the city district government, respondents pointed out that the level of participation varied based on various factors. Interviewees from all managerial levels highlighted that the socio-demographic profile of a community greatly affected the school councils' effectiveness, as in rural areas the community lacked awareness regarding their role in school councils:

*“In my perception, school councils are not very effective; because of a lack of community awareness with respect to their roles in school councils or because of their poverty or other social or economic factors they do not want to take an interest. For example, in rural areas particularly, usually community members will not attend a meeting but will ask the head teacher to send the register to their homes for their signatures. There are some areas where school councils are active but they are very rare.”* (Interviewee 9- DEO, (F), CDGL)

A similar theme emerged from other interviewees (Interviewee 10- (F) DEO, CDGL). School councils were not active in remote areas where the literacy rate was low. Communities in rural areas lacked awareness regarding their role in the school council, and in such cases head teachers became the sole authority, which sometimes led to corruption or embezzlement of school funds:

*“The community is very active since decentralization such as school councils. However, it varies from area to area. Urban and rural areas have a different environment. In rural areas, due to the lack of education and awareness among the community regarding their role in the school council, school councils are not very active. Generally, in these areas control remains with the head of the institutions. In urban areas school councils help schools in finances plus moral support.”* (Interviewee 15- DDEO, (F), CDGL)

Overall, there was a consistent perception in both CDGs that SCs had a significant impact on improving accountability of the schools in terms of funds utilization and reducing teachers' absenteeism in addition to resource mobilization. However, according to the interviewees, it all depends on the level of community involvement. If the community is not actively involved then the schools often become passive.

## **10.7 THE CHANGE IN ACCOUNTABILITY MECHANISMS AND THEIR IMPACT ON ORGANIZATIONAL PERFORMANCE**

The education sector has both formal and informal means to ensure accountability. Formal internal channels of accountability are: monitoring and supervision by managers (EDO, DEO, and DDEO), internal grievance procedures, and SCs. Channels at the district level are: District assembly and District Monitoring Committees. Vertical accountability arrangements at the provincial government level are through the Offices of the District Monitoring officer (DMO). This section mainly explored whether there was a change in accountability arrangements and whether organizational performance improved.

### **10.7.1 Themes from CDGF**

#### **Theme 1: Efficient Internal Accountability Arrangements**

There was a high level of satisfaction among the managers regarding accountability arrangements and a consistent perception emerged from the interviews that the involvement of all these channels contributed to improve the overall transparency of the system: *“The system is more transparent than before as more people are involved in the service provision”* (Interviewee 3- DEO, CDGF). However, managers seemed more satisfied with the internal accountability arrangements and less with external accountability channels. For instance, the Head of the Education Department (EDO) explained that the internal auditing process was very transparent and the term ‘technical inspection’ was used for this process which referred to a detailed audit of schools under their jurisdiction. He also mentioned that their department had a very efficient complaints procedure (a Toll free number where people could register their complaints). In addition to this, the education department had a biometric system to monitor

teachers' attendance and eliminate ghost<sup>13</sup> teachers. Overall, interviewees had a high level of satisfaction with the internal audit, complaints procedures, clarity of financial management rules etc.

## **Theme 2: Coordination and Capacity Issues**

Interviewees highlighted coordination problems between provincial level monitoring teams and the education department. It resulted in the duplication of work and managers were spending more time on completing the paperwork than on the supervision of schools as required by their jobs.

*“We are facing dual responsibilities and overlapping accountabilities that affect our performance. One example of this is MEAs. These are retired army personnel employed by the provincial government for the monitoring of schools. These employees have no knowledge of the education system. They are unaware of the organizational culture. When they visit schools their behavior with the staff is very rude. Particularly, female staff has resisted this monitoring and complained against their attitude towards staff. Another factor is that these employees have a lower rank than the head teacher, consequently, head teachers wonder why they should be answerable to someone who is below his/her rank.”*  
(Interviewee 7- DDEO (F), CDGF)

All of the interviewees reported their dissatisfaction with regard to the external audit, provincial monitoring committees and stressed the need for greater coordination among multiple channels. In addition to this, managers also highlighted certain capacity issues. They indicated that financial management training for budget preparation should be organized particularly at school level.

## **Theme 3: Under-Utilization of Funds**

One of the concerns among the managers was the under-utilization of funds because of fears of external audits, complicated purchase procedures and a lack of capacity to make budget proposal particularly at the school level.

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<sup>13</sup> Ghost school and ghost teachers is a local term used by the managers to refer to those school which exist on paper only and had teachers appointed in those ghost school but were drawing their salaries regularly.

*“In my perception, the financial rules are not very clear to us. We do not have proper staff to prepare budgets. Particularly, at primary and middle school levels, we lack staff to prepare budget, even they don’t know how to make it. Because of unclear rules and a lack of capacity, there are more chances of corrupt practices at this level.”* (Interviewee 6- DDEO (F), CDGF)

There were some contradictions between the perceptions of the managers regarding financial management rules. For instance, the EDO and DDEOs were of the opinion that financial rules were not very clear to them.

*“The financial rules are not very clear to us. This is one of the reasons for the under-utilization of funds; people fear that if they utilized the funds, they may face an audit Para (objection). Take for example, we needed to sanction scholarships worth 50 million rupees, the DCO did not do it himself and asked me to do it. I did it. The result was an audit Para (objection) asking for its explanation.”* (Interviewee 2- EDO, CDGF)

Quite opposite to the EDO and DDEOs, the second managerial level (DEO) was of the view that financial rules were very clear. *“Financial rules are very clear, we perform internal audit on a regular basis such as technical inspection of schools. An internal audit ensures transparency”* (Interviewee 4-DEO, CDGF). Clearly, all the three managerial levels were dissatisfied with the external auditing practices.

A document analysis also revealed that the education department was unable to fully utilize its non-development budget because of a lack of clarity regarding financial rules and a fear of audit objections. Over the last three years (2001-2004), the education department was able to spend 85% of its non-development (current) expenditures on salaries and less than 50% on the development budget. On the other hand, a report issued by the Ministry of Education in 2007 indicated that CDGF received a significant amount of funds under the Chief Minister’s accelerated program and the Punjab Education Sector Reform program. It was also able to allocate Rs.<sup>14</sup> 29. 684 million from its own sources to complete various small level projects under the devolved sectors of education. However, against the total available development budget (Rs.

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<sup>14</sup> Rs. 150 = £1

257.896 million) for the education sector, it could only utilize 78% of the total allocated budget. An amount of Rs. 197.109 million was allocated for non-salary expenditure to meet the most basic needs of the sector, yet an amount of Rs. 85.228 million was surrendered.

The non-utilization of funds was considered a major concern by the provincial government. For instance, according to the Ministry of Education Report - The Development of Education: National Report of Pakistan (2007):

*“Due to its relative affluence and development, the city district government Lahore was not qualified to receive my financial assistance from the Punjab Education Sector Reform Program phase 1 and phase 2 as well as from the CMs accelerated program. The city district government was able to provide funds from its own budget to undertake various small projects under the devolved sectors of education. Against the total development budget of Rs. 393.596 million which is approximately 52% of the total available funds. -----The city district government must examine the reasons to non-utilization of the allocated funds. He must take steps to improve the capacity of the officers who are responsible for executing the District Education Program.-----in respect of the current budget, an amount of Rs. 124.177 million was allocated for the non-salary budget.----. An amount of 3.182 million was surrendered. The utilized amount of the non-salary budget was only 4% of the total salary budget.”(MOE 2007)*

This report indicated that the CDG was able to raise the entire education budget from its own sources. However, it was not able to utilize all the funds because of problems with the financial management system and auditing practices.

### **Theme 3: Transparency and Reduced Teacher Absenteeism**

Besides acknowledging the negative impact of overlapping multiple accountability channels, the interviewees also reported the positive outcomes of these accountability channels:

*“We do have overlapping accountability but the involvement of more channels has increased our performance and also improved accountability. Work performance has increased. Monitoring Committees are a contributing factor to improved teacher attendance and transparent funds utilization. Now people know that monitoring committees will come to check them. In the beginning, schools were afraid of monitoring committees. However, now they are*

*performing their work on a routine basis. People have become more sensible.”*  
(Interviewee 6- DDEO (F), CDGF)

During visits to the education department, the researcher had the opportunity to meet teachers and head teachers and observe how managers were interacting with them to solve certain issues. During informal conversations with the teachers, the researcher found that most of them were of the view that monitoring committees and their surprise visits were very helpful in improving teachers' attendance and the quality of education. Now teachers' lesson plans for the day were prepared and displayed in the classroom. The number of ghost schools and teachers was significantly reduced. Since the community is involved in the education service delivery, they are more aware of schools' problems and hence, they can check how school council funds are utilized to meet those problems. If the community considers that schools are making an effort to provide quality education for their children, they are willing to raise finances for the schools.

### **10.7.2 Themes from CDGL**

#### **Theme 1: Mixed Opinions Regarding Internal Audits**

The Education Department did not seem very satisfied with the internal audit system; however, they also expressed their dissatisfaction with the external audit practices. According to the EDO, the workload of the officers restrained them to go for auditing. Another interviewee (Interviewee 12- DEO, CDGL) explained that because of their busy office routine they could not devote time to perform an internal audit. Out of the four DEOs interviewed, two expressed that they performed internal audits on a routine basis. According to one of the interviewees (Interviewee 9- DEO (F), CDGL), “*we perform internal audits on a daily basis as we monitor our schools, their records etc.*”, however, she identified certain constraints at school level with respect to the

understanding of financial rules. According to her, at times schools make mistakes because of their ignorance of financial rules. For instance, the school administration spent money on schools but did not follow proper procedures and the result is an audit objection. It was found that the third managerial level was routinely engaged in performing internal audits of their schools. They were of the opinion that it has considerably improved school performance.

### **Theme 2: External Audit**

The majority of the managers expressed dissatisfaction with the external audits.

According to one of the interviewees (Interviewee 18- DDEO, CDGL):

*“We have frequent internal and external audits and these audits ensure the transparency of the system. However, I am not satisfied with the external auditors as they are interested only in good lunches and gifts when they perform their audit. If we make them happy, everything will be right; otherwise we will face an audit para.”*

Overall, the lack of coordination of the accountability channels emerged as the one big concern among both CDGs.

### **Theme 3: Multiple accountability channels and Coordination issues**

According to the EDO (CDGL), there were many channels of accountability under the devolved system. However, the need was to improve this chain and make it more efficient by having better coordination: *“When there are more bosses of one person, it eventually affects the performance”* (Interviewee 1- EDO, CDGL). The majority of the managers belonging to the second managerial level agreed that they had multiple accountability channels which lacked coordination. However, interviewees also highlighted the positive impact of these channels (Interviewees 9- (F) DEO; 11-DEO; 13-DDEO; 14-DDEO; & 15 (F) DDEO, CDGL).

A consistent theme that accountability arrangements lacked coordination was expressed by the majority of the managers belonging to the third managerial level (DDEOs). Overall, 50% of the DDEOs seemed dissatisfied with the accountability arrangements, in particular with the provincial monitoring arrangements; Monitoring and Evaluation Assistants (MEAs). According to one of the interviewees:

*“I insist that only people who have an awareness of the institutional environment of education should be responsible for monitoring. For instance, new MEAs are retired army personnel recruited by the provincial government for monitoring the schools. They do not understand the problems and issues of teachers and this at times results in conflict.”* (Interviewee 15- DDEO (F), CDGL)

A similar opinion regarding MEAs was shared by the EDO as well. There was only one contrasting theme as according to one of the DEOs (Interviewee 11-DEO, CDGL) there were no overlapping accountability arrangements. Every superior monitored the subordinate’s activities; all this made the system more transparent than before. According to him, EDO, DEO, DDEO, DMO and Nazim all work together to improve the system:

*“If my DDEOs need the approval for a purchase which is beyond their financial powers, they can get it approved by me rather than going to the provincial level.”*

#### **Theme 4: Lack of Capacity**

As far as the internal organizational set up was concerned, some of the interviewees from the third managerial level (Interviewee 15-DDEO & 16-DDEO (F), CDGF) highlighted that they had a staff shortage to prepare departmental budgets, particularly schools at primary level lack budget planning and its execution. This is one of the reasons that development funds remain under-utilized. Mostly, institutions do not utilize funds because they are afraid of having to face audit explanations. This perception regarding the lack of financial management training at school level was also identified by the second managerial level (DEOs). However, at their own level, they were of the

opinion that the financial rules were very clear to them and the budgeting process was very transparent [a contradiction to the EDO]. The Head of the education department emphasized that proper financial management training should be provided to the managers in order to improve transparency. While the researcher carried out data collection, training workshops were on-going and aimed at all the managerial tiers to improve their financial management skills. However, interviewees highlighted that these training sessions should be on a more regular basis.

*“We need to facilitate our managers by providing them with more training opportunities particularly financial management, provide them with transport facilities to improve their field inspections. We should also computerize our department and provide training to our staff to use it.”* (Interviewee 17-DDEO, CDGL)

#### **Theme 5: Transparency**

Interviewees agreed that the involvement of more channels achieved significant results: transparency of the system (Interviewees 9- (F) DEO; 11-DEO; 13-DDEO; 14-DDEO; & 15 (F) DDEO, CDGL). Overall, 50% of the third managerial level (DDEOs) expressed their satisfaction with the accountability arrangements and that the presence of multiple accountability arrangements kept the institutions on the right track, improved the performance of the education system, reduced the levels of corruption and that the overall system became more transparent. In the absence of such arrangements, people can waste resources, teachers and head teachers relax and schools do not show good results. Overall, interviewees had a consensus that the system was more transparent than before.

*“.....However, financial transparency has improved as there is the DCO, EDO, DEO, and DDEO to make it more transparent. In the system prior to provincial decentralization, the education secretary was responsible for the accountability of the entire system, now the sharing of accountability at the district level has made it more transparent.”* (Interviewee 1-EDO, CDGL)

### **10.7.3 Performance Management System**

One of the reform theme identified in public management literature was a performance culture. In order to identify, the extent developing countries are moving to have a performance orientation, the interviewees were asked:

1. What are the factors you look for performance: efficiency, effectiveness, or user quality?
2. Do you have clear performance indicators; what is the use of performance indicators in your organization?
3. Is more attention paid to performance for accountability or compliance of rules?

#### **10.7.3.1 Themes from CDGF**

The education Performance Indicators (PIs) as mentioned in the partnership arrangement between provincial and district governments were: % increase in enrolment (primary, middle, male/female); % reduction in the dropout rate (male/female); improvement in primary and elementary cycle completion rate to be agreed %; improvement in total expenditure on elementary education as a percentage of district budget / expenditure by A (to be decided); Reduction in the missing facilities; Viable closed/non-functional schools operationalized (CDF 2008). The question was to understand the role of these indicators on organizational performance.

#### **Themes 1: Clearly Documented PIs Linked to the Incentive Structure**

The researcher asked interviewees whether they had clearly documented work performance standards, and whether they were linked to the incentive structure. The majority of the respondents reported that the education department had clear performance standards which were circulated among all the schools. According to the interviewees, after decentralization more attention was paid to link performance with the reward structure. They also indicated that they used these performance indicators to

measure their performance and then rewarded schools on its basis. Interviewees emphasized the impact of the performance based reward system for improving the quality of education. According to them, teachers were now more motivated and schools had a sense of competition; schools competed to come in the top 20 schools to get the best schools and the best teacher's awards. Schools were being assessed not only on outstanding results but also on how much community participation they were able to mobilize, controlling costs, improving enrolment, maintenance of records etc. Another contributing factor in improving the performance of the education sector was the focus on improving teacher qualifications and providing more training and resources, and empowering the head teacher (Interviewee 2- EDO, 3-DEO; 4-DEO; 6-DDEO (F); & 7-DDEO (F), CDGF) .

*“Usually performance is assessed on multiple factors such as R&D, enrolment, funds utilization, community participation, results. There is a scheme of government which gives incentives –the best school award to the best performing school. The head teacher of that school receives 1500 rupees per month for one year, and then there are different incentives for the teachers as well.”* (Interviewee 6-DDEO (F) CDGF)

## **Theme 2: Two Parallel Systems of Performance Management**

According to some of the interviewees (Interviewee 5- DDEO & 8–DDEO (F), 4-DEO, CDGF), although the education department had clear PIs, they were not fully implemented. The reason explained by the interviewees for the lack of full implementation was the inability on the part of the education department to communicate these PIs to the respective schools. On the other hand, the Head of the education department (EDO) highlighted the existence of two parallel systems of performance measurements- a performance based reward system and the traditional system of writing Annual Confidential Report (ACR):

*“The main indicators that we employ for measuring the performance are dropout, enrolment, teacher results, and funds utilization. Even the provincial government was giving awards to the EDO for better performance up till 2008.*

*There are some problems in the proper implementation of performance indicators. For example, the ACR (annual confidential report) is quite often biased. But, still the system is better under decentralization.*” (Interviewee 2-EDO, CDGF)

One of the interviewees (6-DDEO/Head teacher (F), CDGF) explained the role of ACRs in performance management. According to her, the Head teacher is responsible for writing the ACRs of its teachers, while the managers of education departments (DDEO, DEO) write the ACRs of Head teachers. Head teachers, DDEOs and DEOs also act as Drawing and Disbursing officers (DDOs) and in that role are responsible for releasing teachers' salaries. Therefore, they exert more influence on teachers' performance because in the case of poor performance they can stop teachers' salaries and even give them warnings or suspensions. According to the DEO (Interviewee 3- DEO, CDGF) *“We can say in a way that we focus on both compliance with the rules and performance as well.”*

#### 10.7.4 Themes from CDGL

The education department, CDGL assessed the performance of schools against multiple factors: enrolment, student teacher ratio, funds utilization, community participation and students' results. The formula for calculating performance, used in CDGL is provided in Table 10-3.

**Table 10-3: Performance Indicators of Education Department, CDGL**

Indicators and criteria	Marks allowed
• Marks for quality of education (total students pass plus grade wise position of students – A, A <sup>+</sup> , B, C, D, etc)	40
• Marks for average % of students	25
• Increase in enrolment	05
• Co-curricular activities	10
• Projects completed through community participation	10
• Utilization of funds	10
• Dropouts (if dropout rate remains @ 14.62%, then 2 marks will be deducted from the overall score of the head teacher)	-3

Source: Education Department, CDGL

## **Theme 1: Clearly Documented Performance Standards (PIs) and Linked to Incentive Structure**

According to all the managerial levels, PIs were clearly communicated to schools and institutes were rewarded on the basis of their performance (Interviewee 9-(F) DEO; 11-DEO; 13-DDEO; 14-DDEO; 15 (F) DDEO; 17-DDEO, CDGL). The role of PIs was explained by one of the interviewees as:

*“We focus on multiple criteria such as the overall result of school, and then the quality of education such as how many schools got grades A, A+, B, C etc., co-curricular activities, community participation, and funds utilization. All these performance indicators are disseminated to all school head teachers. The incentive structure is linked to performance. Each year we send a Pro-forma to every school with all these performance indicators, schools fill in that form and attach all documents as proof to the district committee which is comprised of EDO, DEO, and head teacher etc. Then this committee physically checks the performance of each school. Then we award the top 20 schools for performing well. In case of poor performance, we transfer staff to far off areas as a punishment. In the past before decentralization, we had only one incentive- the letter of appreciation from the education board. These incentives motivate our people. Furthermore, salary scales have been raised and now the salary package is very good, which is an important factor in retaining and motivating good staff. If people are satisfied and feel rewarded for their performance, they put more effort into their work; it automatically improves the quality of education.”* (Interviewee 9-DEO, (F) CDGL)

The existence of clearly documented PIs also brought a positive impact on the school and their staff. For example, one of the interviewees (Interviewee 15, DDEO (F) CDGL) explained:

*“Everyone knows the indicators of performance. For example, we have ‘Dastur Ul Aml’, a schedule specifying the activities of each class on an annual and monthly basis. This schedule of activities is displayed in each class. Once we visit the school, we clearly know the topic of the day’s lesson and can ask children questions about that to know their level of understanding.”*

However, there were some inconsistent patterns shared by the third managerial level (DDEO), as some of them were of the opinion that PIs were not properly implemented while at the same time admitting that the incentive structure was linked to performance:

*“We do have performance indicators, but their implementation is not properly done. However, efforts are being made to link the incentive structure with performance.”* (Interviewee 16-DDEO, CDGL)

These perceived inconsistencies were also shared by the EDO. While acknowledging that their departments focused on both qualitative and quantitative aspects of performance, he also mentioned that “*rarely performance is the main focus*” which contradicted his previous statement:

*“There are both qualitative and quantitative aspects on the basis of which we measure performance such as: results of schools, extra-curricular activities, financial proficiency, academic performance, administrative control.”*

According to the Head of the Education Department:

*“The system should have components, accountability for finances and accountability for performance to make it more efficient and transparent”* (Interviewee 1- EDO, CDGL).

## **10.8 THE ROLE OF INSTITUTIONAL ENVIRONMENT ON ORGANIZATIONAL PERFORMANCE**

The service delivery organizations operate in a wider socio-political environment, and external institutional factors such as governance issues, policy environment, political and bureaucratic factor may impact their organizational performance. Therefore, interviewees were asked to identify constraints on their organizational performance. The main factors related to the external institutional environment consisted of: political and bureaucratic factor, adequacy of resources, policy environment, governance issues and local context.

### **10.8.1 Themes from CDGF**

#### **Theme 1: Political and Bureaucratic Factors**

All managerial levels indicated that political representatives (mostly belonging to the provincial government) influenced the decisions regarding transfers and appointment of staff:

*“Political factors considerably affect our performance. For example, if we want to transfer a teacher, or appoint someone, a reference will come from the top to stop it. There is favouritism in the transfers and appointments of teachers.”*

*Bureaucracy also hinders our performance by favouring their likes and dislikes.” (Interviewee 4-DEO, CDGF)*

According to the Strategic Operation Unit’s reports (SPU 2004) on CDGF performance, the provincial government was still determining administrative decisions regarding the hiring of teachers. The Education Department could fire staff but could not hire or post them on their own; this situation was worsened by the current provincial restriction on postings and transfers of teachers. Interviewees also highlighted that, because of the current economic and political instability of the local government system, they were facing uncertainty regarding the new educational set up. Everything was in a status quo and projects such as PPP Cell were inactive, as the staff was not being paid:

*“Governance issues are very significant as under the current economic instability we are facing financial constraints. Likewise, policies are not properly implemented. When there is a change in government, we experience changes in our policies. This all leads to only one outcome- a waste of resources.” (Interviewee 5- DDEO, CDGF)*

## **Theme 2: Policies are Consistent in Formulation but Lack Consistency in Implementation**

All the interviewees reported that policies in the education sector were mostly consistent in their content but lacked proper implementation. Frequent changes of the government also led to frequent changes in policies; they highlighted the need for coordination in policies and signified that every policy, before implementation, should be carefully tested for its effectiveness. The Head of the education department highlighted some practical issues related to policy implementation. He stressed the need for better coordination among policies in the education sector.

*“The main problem is that policies are not properly implemented. For example, a scheme was launched under the name of CPP (Community Public Partnership). Under this arrangement, it was proposed that primary schools should be converted into middle schools in the evening, middle schools should be upgraded to high schools and secondary schools should be upgraded to higher secondary schools. The government was supposed to provide the building while the operation and maintenance was to be performed by the community. The outcome of this scheme was that the people who participated in this*

*partnership could not bear the cost at the end. If it had been done step by step, it would have been better. The outcome is that at the moment, 21 schools are run by CPP and the rest are abandoned. It was a good policy but the government did not consider the feasibility of this. Another example is the policy of the government to turn all schools into English medium. We have 2800 schools in Faisalabad, and it is not possible to implement this scheme as it is. It would be better if we gradually adopted this policy, say in the coming five years we will move on to English medium.”* (Interviewee 2-EDO, CDGF)

### **Theme 3: Governance Issues**

The interviews revealed a general consensus that factors such as regime legitimacy, political, and economic instability determined their organizational performance.

### **Theme 4: Adequacy of Resources**

Interviewees were of the view that after decentralization, there was a significant improvement in the adequacy of resources. Mostly, schools had sufficient financial and human resources to meet their needs (Interviewee 8- DDEO (F), CDGF). However, managers in the education department reported that schools in remote areas lacked infrastructure and teaching staff; particularly primary schools in remote areas (Interviewee 5- DDEO; 6- (F) DDEO; 7- (F) DDEO, CDGF).

*“Particularly, in remote areas schools lack infrastructure. For instance, one of my schools has 200 children however it does not have a boundary wall, neither human nor physical resources are sufficient. The teacher/student ratio is not good. Mostly, schools in remote areas have poor hygienic conditions, lack electricity or heating provision. We should improve our facilities in these schools.”* (Interviewee, 5-DDEO, CDGF)

### **Theme 5: Local Context**

All the managerial levels highlighted that a supportive local environment, i.e., local councillors, Nazims, community etc., play a significant role in improving organizational performance.

*“The local context is supportive in terms of financing and helping us out to solve our problems. Even in some areas the community has provided land for the school building.”* (Interviewee DDEO, CDGF)

The EDO of the education department also highlighted the positive role of local context:

*“The Community has helped to provide missing facilities in 58 schools. The involvement of the community varies from area to area as people who are well educated are actively involved and in remote areas where literacy is very low, people are less active.”*

## **10.8.2 Themes from CDGL**

### **Theme 1: Political and Bureaucratic Factors**

As far as the factors affecting performance in the education sector were concerned, interviewees reported frequent political interference, particularly in the posting and transfer of staff. Bureaucratic interference was less frequent than political interference: *“Political interference is frequent which influences our decisions regarding appointments, transfers, and taking action against non performing schools (Interviewee 4- DDEO, CDGL).*

### **Theme 2: Policies are Consistent in Formulation but Lack Consistency in Implementation**

The majority of the interviewees were of the opinion that political instability led to frequent policy changes and in turn this affected their performance. Another concern of the interviewees was the uncertainty of the existing system. According to them once they have understood how to work under the devolved arrangements; they are now faced with the uncertainty that the old system will replace this existing structure which ultimately will affect their performance. According to the Head of the education department:

*“Political instability and frequent changes in the governance system are some of the main governance issues that are hampering our performance. There is uncertainty regarding the continuity of the local government system as it is going to end by 31 December 2010. This uncertainty has caused to delay main tasks as everybody wants to know the outcome of the system after its tenure. Ad-hocism of the system is affecting the performance.” (Interviewee 1-EDO, CDGL)*

### **Theme 3: Governance Issues**

There was a consensus among all the interviewees that governance issues such as political instability and lack of policy coordination affected their performance.

*“Governance issues such as rapid policy changes, political unrest, and economic instability all create uncertainty in our environment. This leads to a conflict/confusing environment- we do not know what to do and how to do it. This all affects our motivation and our interest is lost and many on-going projects are put on hold.”* (Interviewee 15-DDEO (F) CDGL)

Another factor in addition to the political unrest was the suicide bombings in Pakistan which were currently affecting the performance of schools.

*“Political instability, economic instability and the local context affect our performance. For example, currently, the country is facing suicide bombing which affect our education system. For the last year schools have been targeted which created a security risk and for this purpose schools were closed for weeks till all the schools had raised their boundary walls and arranged for security guards.”* (Interviewee 17-DDEO, CDGL)

### **Theme 4: Adequacy of Resources**

Interviewees also reflected that since decentralization there were less financial constraints, which was one of the reasons for the improvement of education service delivery. However, EDO showed concern regarding the rationalization of resources.

*“Resources are adequate but they need rationalization. In some places there are more resources than are needed but our dependence on the grant system makes us unable to rationalize them according to the needs. We need to have more financial autonomy to make rationalizations for better performance.”* (Interviewee 1- EDO, CDGL)

The third managerial level (Interviewee - 13-DDEO; 14-DDEO; 16-DDEO; & 17-DDEO, CDGL) also emphasized that for the last few years schools had sufficient resources to improve the infrastructure of their schools and overcome staff shortages, however, the only constraint mentioned was lack of transportation facilities for the third managerial level which led to problems in the supervision and management of their schools.

*“Schools have sufficient funds. The only resource constraint is that internally we do not have transportation facilities. This is a constraint on our performance. We are field officers and we need transport to visit the field.”* (Interviewee 8-DDEO, CDGL)

The second managerial level also highlighted the lack of transportation facilities as a major constraint on their managerial level to perform their jobs appropriately.

*“Internally, the only resource constraint is that my DDEOs do not have transport facilities which hinder their ability to make school visits. They should be facilitated in this regard as it will improve the monitoring of schools.”* (Interviewee 11-DEO, CDGL)

And that:

*“In reality we have to visit too many schools (345) which is not possible. Mostly, after I have visited a school, they relax and consider that for another 4-5 months we will not be able to check them. Some of the schools are in such remote areas that we are unable to make frequent visits to them.”* (Interviewee 7-DDEO (F), CDGF)

#### **Theme 5: Local Context**

The researcher also found a consensus among the interviewees that a local supportive context was very significant in improving their performance. The extent of community participation largely depended on local contingency factors such as support of the local community, local councillors, Nazims, demographic profile of a community etc.

*“A supportive local context significantly improves our performance. For example, in one of my communities in Shadrah, interest in the improvement of school buildings was shown. Political representatives such as local councillors, MPA and MNA have provided us with a school building and finances.”* (Interviewee 15- DDEO (F), CDGL)

The Head of the education department also highlighted the significance of the local context in improving organizational performance:

*“The local context such as Nazims and political representatives are very supportive in improving the performance of the education sector. Even under the uncertain environment, the system is performing better than the previous system. The presence of a Nazim in the locality is a positive factor as they can check our performance and can approach education monitoring committees or the district assembly to ensure accountability of the system.”* (Interviewee 1-EDO, CDGL)

## **10.9 SERVICE DELIVERY INITIATIVES**

One of the key objectives of national and provincial policies and the Devolution Plan 2000 is community participation through school councils and public private partnerships. The partnership is pursued to achieve access and quality of education. National policy documents, provincial policy papers and LG policy objectives define PPP as:

*“A collaboration among government and private sector companies, communities, individuals or NGOs in the funding, management, operation to support education in Pakistan. Collaboration can be between: Government owned institutions, Community owned sites, and Non elite private sector sites” (ESR 2001, p: 6)*

This section will examine the nature of service delivery techniques adopted at the district level to involve private sector participation.

### **10.9.1 District Government Partnership Initiatives**

The major PPP model for education service delivery adopted by the district education department at the local government level is: Adopt a School (AAS) program. This is also referred to as School Improvement Partnership (SIP) or Whole School Development Model (WSD).

### **10.9.2 Partnership Model in Adopt A School (AAS/SIP) Program**

#### **The Nature of the Partnership - Project Concept**

The basic concept of the ‘Adopt a School’ program was conceived by Professor Anita Ghulam Ali, in 1997. The project is also known as school improvement (SIP) or whole school development model (WSD) which aims to improve the quality of education of failing or low performing government schools through collaboration with for-profit or non-profit organizations or both, without a profit motive. Under this arrangement,

schools are adopted by partners through signing a Memorandum of Understanding (MOU) for a prescribed period of time, usually for a minimum three year period. According to the MOU, the government pays the salaries of government teachers; however, if additional teachers are appointed by the NGOs, their salaries are paid by the respective NGO. The government also pays the utility bills, and any funds allocated to the school under ADP or other funding arrangements such as Education Sector Reform (ESR) programs. The NGO can utilize school funds (provided by the government or raised by the school council itself). However, the NGO bears the cost of up-gradation of the school such as provision of missing facilities, teacher training, building of IT labs etc.

### **Actors and Their Interdependence in the Project**

The project involves a diversity of actors involved at various levels of participation. The main players involved at the district level are:

1. Public sector: the main player at the district level is the district government, and the Education Department.
2. Private sector: the private sector consists of:
  - Domestic organizations: for profit organization i.e., corporate sector; government sponsored non-profit organization i.e., Punjab Education Foundation (PEF), National Commission for Human Development (NCHD); individual Philanthropic organizations such as Cooperation for Advancement, Rehabilitation and Education CARE (Trust), Idara-e-Taleem-O-Aghai (ITA), a national level NGO such as the Pakistan Centre for Philanthropy (PCP) or
  - Foreign organization: international donor organizations such as USAID, OXFAM, World Bank etc.

Overall, LGs enters into partnership either with local NGOs/ intermediary NGOs. These intermediary NGOs get funds either from domestic organizations such as the corporate



## **Partnership Formation and Execution**

A procedural guideline for the selection of the partner organization is developed at the district education department. The education department collects baseline information about non performing schools. The partnership is either initiated by the respective NGO/private sector interested in working in a particular geographical area or it is initiated by the government sector. However, the Head of an NGO (ITA), explained that:

*“NGOs are rarely selected in the Adopt A School or School Improvement partnership program, they offer themselves if that is their interest. The only time they are selected is when there is an advertised expression of interest (EOI) in engaging NGOs for public private partnership. The education foundation does advertise these programs for EOIs and select NGOs for the respective programs which may vary from service to service or program to program.”* (Interviewee 19- NGO, Head of ITA)

In either case, the selection of an NGO by the government or a donor organization is based on various factors such as prior experience or financial strength of the NGO proposing to adopt a school. A similar finding is reported by (Bano 2011; Rose 2011).

According to one of the interviewees from one of leading NGOs:

*“NGOs are selected by their institutional strength, the repute of the head of the organization and the organization itself. Connections certainly play a vital role, but the scope and scale of work with substantial experience with multiple partners especially with government sectors at all levels are the most significant factors.”* (Interviewee- (A) NGO)

Another interviewee added that donor organizations based on specific interests in a particular geographical area, consider factors like which NGOs are already working in that area, check the background and operational strength of the NGO. However, one of the interviewees revealed that sometimes:

*“Sometimes the NGO first adopts a school (100-200) then starts looking for a donor organization who can provide them financial strength. Once this resource mobilization starts, it is no guaranty that the NGO can find a donor and NGOs can bring change in all schools. Sometime, they provide furniture in some schools, teacher training in others etc. In this situation, the education department start thinking that although schools have been adopted, there are no*

*real gains. This is how dissatisfaction starts among the partners.”* (Interviewee 2- NGO, [A])

Once schools are identified by the government sector/private sector, a negotiation process starts between the partners. Afterwards, a formal process of partnership begins. The terms of the partnerships are stipulated in the MOU regarding partners’ roles and responsibilities. According to the head of ITA, this MOU is not a contract in its true form, it is a kind of exchange, and:

*“Therefore I would call it not a contract but an agreement. The MOU sets the boundaries; it provides a basic framework for the partners.”*

After signing the contract, the first phase before the implementation of the partnership is the process of school mobilization, which is a very complex process. There are variations regarding how explicitly MOUs specify the roles and responsibilities of the partners. How an NGO deals with this process differs according to the NGOs philosophy. For instance, one of the leading NGOs (ITA) described this process a participatory planning approach, they even use the term ‘School Improvement Partnership (SIP)’ over ‘Adopt A School’ program. According to the head of ITA, during this phase they consult all the stakeholders- teachers, the head teacher, parents, to share with them the learning process; it is a kind of ‘open Katachery<sup>15</sup>’. This whole process is fully documented. Then after fully discussing the learning methodology, they start establishing School Councils and move to the implementation of the SIP. Therefore it is entirely a “participatory process.”

On the other hand, CARE uses a more interventionist approach and the department of education describes it as “less participatory”. The MOU signed between CARE and the public sector never spells out clearly the roles and responsibilities of the partners, how these are to be carried out, the partnership outcomes or the coordination mechanisms.

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<sup>15</sup> A local term used to refer to open forums for responding to the issues/questions of general public.

Another difference between the two MOUs is once ITA signs the MOU with the public sector it clearly outlines the coordination mechanisms, resources to be shared, and performance outcomes. In addition to this, ITA uses the term “collaboration” in its MOUs. However, CARE never refers to the term ‘collaboration or partnership’ in its MOU, it mentions that CARE will take over the operational management of public schools. Furthermore, CARE signs an MOU for a period of 10 years and is less reliant on donor organizations as it has its own funding base.

### **Management and Supervision**

Management and supervision should be a joint responsibility of the partners (Brinkerhoff 2002) however in reality the NGOs have to report not only to the public sector but also to the donor organizations. Although, MOUs stipulate the monitoring and evaluation procedures, there are some variations in the way adopted schools are managed by the partners. For instance, CARE itself performs performance appraisals of the teachers according to their MOU with the Education Department:

*“CARE must evaluate and prepare appraisal reports for all, including Government staff. Such performance & evaluation reports about the performance of Government staff would carry reasonable weight and importance both in CARE and District Government Education Departments..... Management of the entire affairs of the above-referred schools shall exclusively vest in CARE (through the committee constituted under clause VIII above) subject to the overall supervision and control of the “District Government” within the formalities of this agreement.” (MOU, clause, 18 & 19 [a])*

Hence, the MOU fails to stipulate how partners are going to be engaged in the management of schools. In addition to this, such a clause is not included in other MOUs signed by the Education Department. According to the MOU signed with ITA, it is the responsibility of the NGO to submit regular/monthly reports to the education department. In both partnership models, the MOU fails to stipulate the role of the public sector in the supervision of adopted schools. In addition to this, the MOU signed with ITA does not specify any formal mechanism for coordination among partners. After the

end of the contract period, schools are handed back to the public sector. However, NGOs have some reservations regarding the sustainability of such projects.

### **10.9.3 Themes from CDGF**

CDGF was the first district to institutionalize PPP as a policy goal on 31<sup>st</sup> December 2004 and established a PPI cell in the education department in 2006. The education department has been able to get into partnership with the third sector under the ‘Adopt A School’ (AAS) program. Since 2006, 52 schools have been adopted and linked to the WSD model. The community has mobilized \$20,000 to provide missing facilities in the adopted schools (DFID 2008). The Pakistan Centre for Philanthropy (PCP) is one of the active players in the promotion of PPP in Faisalabad. It was established in 2001 and has a philosophy of “public private partnership- facilitating corporate philanthropy for quality education”. To achieve this goal, PCP tried to create a link between public, corporate philanthropists and NGOs. The overall AAS model in CDGF is a tripartite partnership between “civil society organizations-government-corporate philanthropists.” The PCP is presently signing an MOU with the district Education Department. It developed school improvements and development plans for corporate philanthropists and engaged local NGOs to mobilize communities for the operation and management of the adopted schools. This will also build ownership among communities and improve government accountability. In Faisalabad, PCP and the Faisalabad Chamber of Commerce and Industries (FCCI) are working jointly to mobilize the business and community through FCCI trade bulletins.

#### **Theme 1: Role Clarity and Trust Among the Partners**

All the managerial levels were satisfied with the collaborative arrangements. According to one of the DDEOs:

*“Today, I visited one of the adopted schools, which was before adoption not in a good condition and adopters have provided the missing facilities, computer labs, and trained the staff to run the computer lab. We should not look to the state for every resource; we should try to find alternative ways of service delivery like PPP. These are very helpful in improving the quality of education service delivery.”* (Interviewee 8- DDEO (F), CDGF)

Interviewees considered that:

*“Partnership is another achievement of this system. The corporate sector, philanthropists, NGOs, all participate actively in service provision. However, if responsibilities are given to the department they can perform better than the NGOs. The relationship between NGOs and the public sector are based on mutual trust.”*(Interviewee 4- DEO, CDGF)

All the managers of CDGF were of the view that the PPP had significantly improved the performance of non-performing schools, and relationships are governed through formal (MOU) and informal arrangements (trust). They stressed that partners in collaboration have role clarity on every aspect of the partnership.

*“There is role clarity between the public and private sectors. Both parties sign the MOU which clearly spells out the responsibilities of the partners. A copy of the MOU is provided to the DEO and DDEO.”* (Interviewee 2- EDO, CDGF)

#### **10.9.4 Themes from CDGL**

The leading NGO in the city district of Lahore actively engaged in AAS is CARE. CARE started its work as a charitable trust in 1988 with a commitment to provide quality education to all. In 1998, the Lahore government (then Lahore Metropolitan Corporation) entrusted CARE with the adoption of 9 schools. Currently, CARE has adopted 170 government schools and runs 14 of its own schools. These schools employ 2000 government teachers and 100 of its own teachers. It cooperates with the education department in order to achieve its own objectives of quality education to less advantaged groups of society. According to the District Nazim, the main concept behind the PPP is to utilize the strong points of both sectors; flexibility and professional expertise of the private sector and infrastructure of the government sector to provide services in a more effective way.

### **Theme 1: Lack of Role Clarity, Cooperation and Trust Among the Partners**

The main questions were related to “how inter organizational dynamics are managed” among the partners. Interviewees’ perception about the management of inter-organizational dynamics revealed certain issues such as a lack of role clarity, mistrust and lack of cooperation and tolerance among the partners. Only one of the DEOs (Interviewee 11- DEO, CDGL) reported that both partners work on trust. Every DEO and area manager of that organization consults with each other for the smooth working of schools.

Another DEO (Interviewee 9-DEO (F) CDGL) highlighted that NGO-government relationships have evolved over time. Initially, when AAS was started, there were uncertainties among the staff of adopted schools and they perceived that NGOs were going to be another authority over them. But slowly and gradually, this perception was removed and now they are clear with respect to their role. Their (NGO) main purpose was to facilitate learning, provide missing facilities and improve staff shortage. However, NGOs started monitoring staff, which raised various problems as it was not their role to monitor. An interviewee explained that this issue had been clarified and both partners agreed that if the NGO is dissatisfied with any of government teachers, NGO representatives will first inform them about the issue and then the Education Department will look into the matter and take action accordingly.

Clearly, the general perception of the private sector in Lahore was not very optimistic particularly at the third managerial level. The main problems identified by the respondents were a lack of role clarity among partners, too much intervention in the learning environment and negative attitudes of the NGOs toward the public sector. This

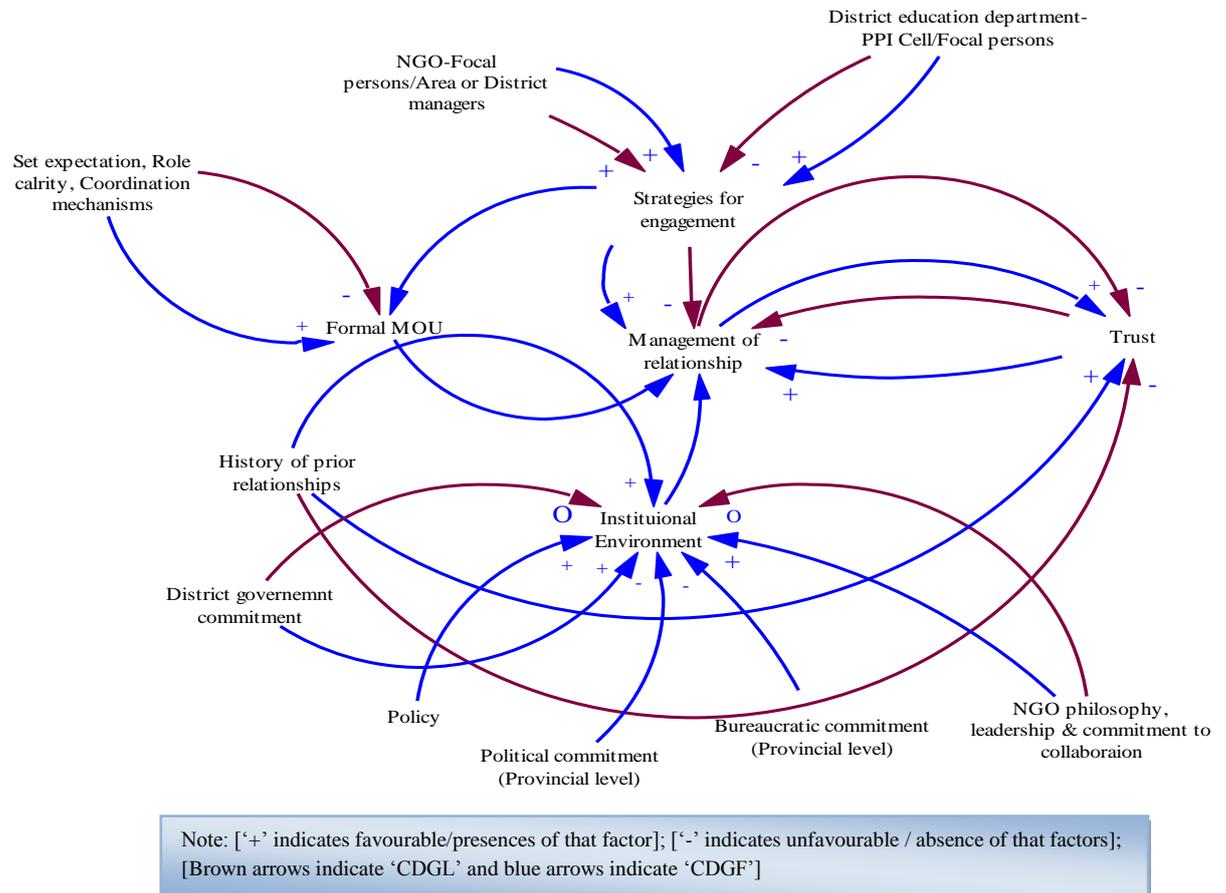
led to coordination issues and mistrust among partners with one of the DDEOs reporting that:

*“The involvement of NGOs has improved quality of education. But we cannot monitor the schools adopted by them. We want to run the institutions smoothly, without having any clash, that is why we need to cooperate with each other in order to improve the overall environment. However, this cooperation is one sided, from the government alone. The attitude of the private sector is very rude towards us. I have learnt that working in the government sector needs a lot of patience”.* (Interviewee 15-DDEO (F), CDGL)

In addition to a lack of cooperation, interviewees also highlighted the lack of role clarity among the partners as a major issue. “... *No role clarity, have to be careful while writing inspection reports of adopted schools*” (Interviewee 16-DDEO, LAHORE). Interviewees also stressed that the lack of role clarity led to mistrust among the partners. From the analysis, it can be inferred that the dissatisfaction was mostly found at the third managerial level, DDEOs. They lacked role clarity regarding the partnership arrangements which created mistrust between the public and private sector. They also highlighted that teachers of adopted schools felt insecure in these schools as adopters tried to closely monitor their activities such as providing them with lesson plans and daily performance of the staff. According to the EDO, they were trying to streamline the PPP by institutionalizing the PPP cell in the education department as has been done in Faisalabad. This will improve the trust and coordination of PPP and the department can vigorously pursue PPP as a service delivery option for optimal utilization of resources. The EDO also indicated that the Department was trying to adopt the WSD model in Lahore based on his prior experience in the CDGF.

### 10.9.5 Comparing the Management of Inter-Organizational Relationships (IORs)

Overall, the study found that the management of inter-organizational relationships depended on the structures and processes employed by the public and private sectors for joint working and the institutional environment as presented in Figure 10-3.



**Figure 10-3: Management of Inter-Organizational Relationships between Partners in AAS**

According to the Figure 10-3, CDGF was managing its relationships with the NGOs through having a PPI cell. The signing of MOU by the partners, which clearly set out the partners' expectations, led to a higher level of trust among the managers of the education department. Although the provincial level commitment was weak, the district government was committed to adopt collaboration as a strategy for service delivery, as reflected in the local government's initiative of institutionalizing PPP as a preferred strategy and the establishment of a PPI cell in the Education Department. On the other

hand, CDGL's institutional environment was weak both in terms of provincial level commitment and district government commitment to such initiatives, the relationships were managed through signing of formal MOUs, however, the Education Department had no focal person to coordinate with the third sector regarding school performance or resolving conflicts. Even, the MOU was unable to clarify the partners' role and suggest a coordination mechanism among the partners. The study confirmed that an informal understanding and commitment supplanted with formal institutional arrangements was the key to sustain such projects over time (Thomson and Perry 2006). In addition to this, this study further contributes that the implementation level is the most significant in making these collaborative models work.

#### **10.10 PRE-POST PERFORMANCE COMPARISON**

Performance was assessed on the perception of the managers within the Education Departments along with the assessment of archival data over performance indicators used in the Education Sector of Pakistan. Mainly archival data were collected along efficiency indicators such as the student/teacher ratio, and student enrolment; effectiveness indicators collected data on teacher's qualifications and the increase in the number of institutions as a measure of improved access to education.

##### **10.10.1 Themes from CDGF**

Interviewees expressed their satisfaction with the overall improvement of education service delivery. They highlighted that school enrolment improved, teachers qualifications improved and the salaries of teachers were linked to performance. In addition to this they also emphasized that the overall transparency of the education system was much better than before and community participation was significantly

higher under the devolved arrangements. Table 10-4 presents a comparison of performance data compiled from government statistics.

**Table 10-4: Comparison of Education Performance (2005-2008) of CDGF (1)**

Institutions	Number			Enrolment			Teaching staff		
	2006/7	2008/09	Change (%)	2006/7	2008/9	Change (%)	2006/7	2008/9	Change (%)
Primary Schools	1891	1886	-0.26	291724	295641	1.32	6987	6466	-7.46
Middle Schools	439	431	-1.82	161726	157238	-2.78	4300	4539	5.56
High Schools	337	346	2.67	241285	240746	-0.33	5983	6583	10.03
Higher secondary	32	46	43.75	6638	8085	21.79	283	450	59.0
Total	2667	2663	-0.15	701373	701710	.04	17553	18038	2.76

“-” Shows a decrease in percentage

Source: Adapted from Punjab Education Statistics (2007/2009)

The performance of the Education Department of CDGF illustrated in Table highlighted that since 2006-2009, the number of primary schools decreased while primary school enrolment increased (1.3%). The number of middle schools decreased from 439 schools in 2006-07 to 431 in 2008-09 (2.7% decrease in school enrolment). Likewise, though there was a 2.67% increase in the number of high schools, school enrolment at high schools decreased by 0.3% (see Table Table 10-4). The student teacher ratio in primary schools was approximately 46:1, in middle school the student teacher ratio was approximately 36:1, and in high schools this ratio was 39:1. In 2008-09, out of the total enrolment (701710), 42.1% were enrolled in primary schools, 22.4% in middle schools, 34.3% in high schools and 1.15% in higher secondary schools.

However, according to the district education profile of 2010-2011, presented in Table 10-5, CDGF has 2,515 institutions. The total enrolment was 603,964, out of the which, 47.3 % are enrolled in primary schools, 24.5% in middle schools, 12.7% in high schools and only 1.1% in higher secondary schools. The student/teacher ratio in primary school was 55:1 and 36:1 in middle schools. The main issue of the district is missing facilities- a lack of boundary walls, electricity, water, furniture etc. Out of the 2,515 schools,

2,506 schools had their own building, 2,122 schools had electricity, 2,177 schools had drinking water, 2,243 have the toilet facilities for students, and 2,150 have a boundary wall. As far as the condition of the school building was concerned, 161 schools needed major repairs, 937 minor repairs, and 102 were in a dangerous condition and only 1,302 schools had satisfactory building facility. This highlights the lack of facilities in schools.

**Table 10-5: Education Profile of CDGF (2010) (2)**

Institutions level	Number of institutions			Enrolment			Teachers		
	Boys	Girls	Total	Boys	Girls	Total	Male	Female	Total
Primary	940	723	1663	171,769	162130	333899	3554	2433	5987
Middle	145	309	454	94162	78603	172,765	1607	3160	4767
High	200	143	343	50,354	39048	89402	4167	2646	6831
Higher secondary	22	33	55	2847	5051	7898	977	934	1911
Total number of institutions			2515	Total enrolment		603964	Total number of teachers		19478

Source: Adapted from District Education Profile developed by NEMIS-AEPAM

Through a comparison of 2008 (Table 10-4) and 2010 (Table 10-5) performance data indicates that the number of institutions dropped from 2,663 in 2008 to 2,515 in 2010, enrolment dropped from 701,710 (2008) to 603,964 (2010). The major drop in enrolment was at high school level. In 2008, out of the total enrolled students, 34.3% were enrolled in high school, however, in 2010 this ratio dropped to 12.7%. There was also a decrease in the total number of teaching staff from 80138 in 2008 to 19,478 in 2010. The teaching staff increased in middle, high and higher secondary schools and decreased in primary schools. The data regarding the results of students was not available at primary and middle school levels, however, there was some data available at secondary school level. According to the data, a total of 111,049 students appeared in the 2009 Secondary School Certificate examination but only 69,730 passed (37% of the total number of students appeared in the exams).

### 10.10.2 Themes from CDGL

On the other hand, respondents from CDGL reported positive improvements such as improved teacher qualifications, training of teachers and managers, clear performance standards, merit based recruitment, incentive structure, focus on missing facilities and a more transparent system than before. On the whole, decentralization achieved positive outcomes and interviewees from all managerial levels agreed that the system, though having some shortcoming, was better than the previous one. Performance data were also compiled from the government statistics and presented in Table 10-6. According to the 2005-2008 statistics, the number of primary schools decreased by 9.10%, and primary school enrolment decreased by 6.41% while the number of teaching staff decreased by 12.31%. On the other hand, the number of middle schools decreased by 1.03%, middle school enrolment increased by 1.89% and the number of teaching staff also increased by 1.07%. At the high school level there was an increase of 2.24% in the number of institutions, and a 6.65% increase in the number of teaching staff but enrolment decreased by 0.22%. Out of the total enrolment in 2008, 29.6% were enrolled in primary schools, 18.2% in middle schools, 52.0% in high schools, and 1.24% in higher secondary schools.

**Table 10-6: Comparison of Education Profile (2005-2008) of CDGL (1)**

Institutional Level	Number			Enrolment			Teaching Staff		
	2006-07	2008-09	Change %	2006-07	2008-09	Change %	2006-07	2008-09	Change %
Primary	879	799	-9.10	150903	141231	-6.41	3899	3419	-12.31
Middle	194	192	-1.03	85055	86694	1.89	2491	2518	1.07
Secondary	262	268	2.24	248428	247872	-0.22	6552	7019	6.65
Higher Secondary	31	30	-3.23	5947	5915	-0.54	599	562	-6.18
Total	1335	1259	-5.69	484386	475797	-1.77	12942	12956	0.11

Source: Adapted from Punjab Education Statistics (2007, 2009)

Current statistics published in 2011 by the National Management Information System (NEMIS) and the Academy of Educational Planning and Management (AEPM) are compiled in Table 10-7. The total number of institutions in CDGL was 1,269. The total enrolment was 463187. Out of the total enrolled students, 51.7% were in primary schools, 30.56% in middle schools, 17.07% in high schools and only 0.63% in higher secondary schools. The student teacher ratio in primary schools was 79:1, in middle school 56:1, 10:1 in high school and 3:1 in higher secondary schools. Out of the 1,269 schools, 1,263 had their own building, 1,118 schools had electricity, 1,205 schools had drinking water, 1219 had toilet facilities for students and 1198 had a boundary wall. As far as the conditions of the school buildings was concerned, 59 schools needed major repairs, 315 minor repairs, 76 were in a dangerous condition and only 809 schools had a satisfactory building.

A comparison of the 2008-2010 data indicates that there has been a gradual decrease in enrolments since 2006-07. However, in 2010 the overall primary and middle level enrolment increased, but high school enrolment decreased from 52.0% in 2008 to 17.07% in 2010, besides an increase of teaching staff at this level. The researcher was also able to collect data of students' results at the Secondary School Certificate examination. According to the Punjab Statistics (2010), the total number of students that appeared in the examinations were 196,935 and the total who passed were 123,307, only 37% of the students passed their secondary examination. It also indicates that out of the total enrolment of 247,872 students, only 196,935 appeared for the exam

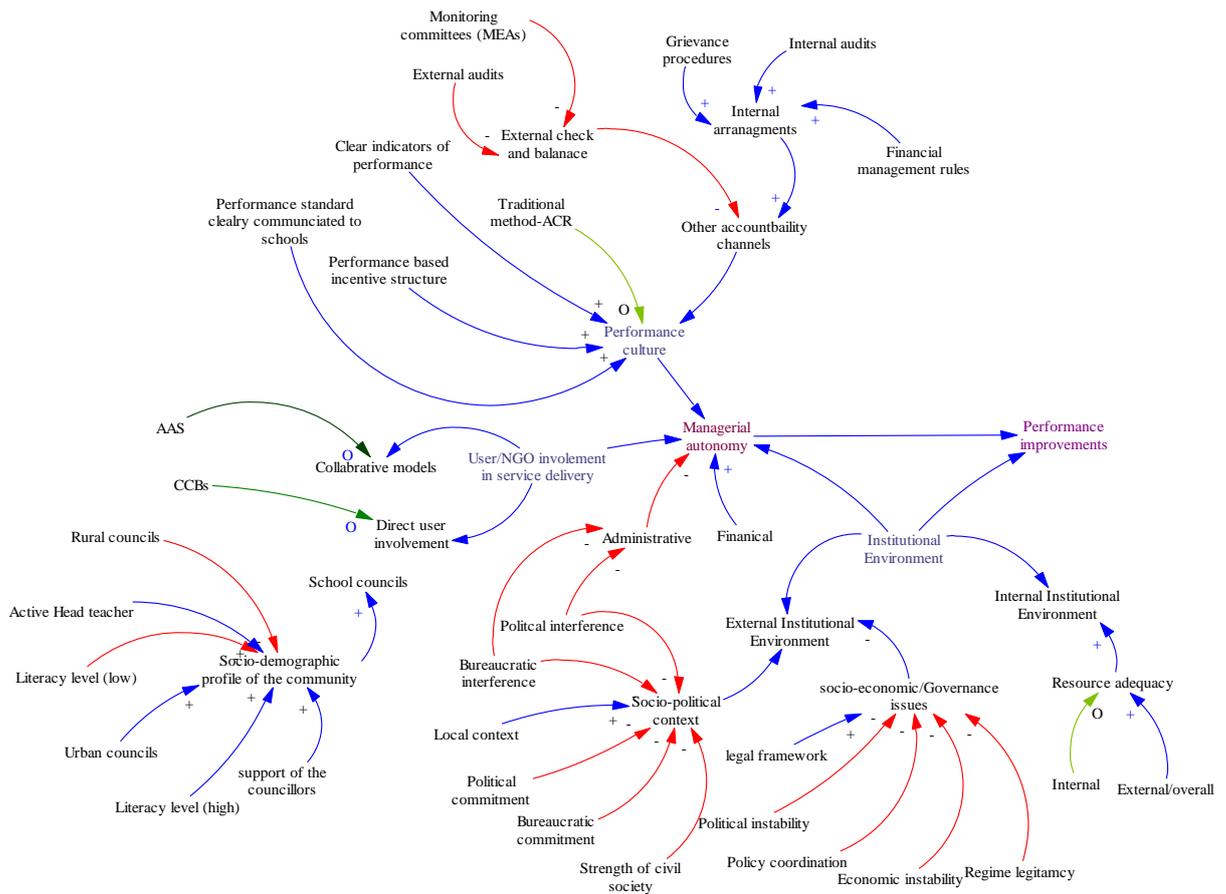
**Table 10-7: District Education Profile 2010-2011 CDGL (2)**

Institutions level	Number of institutions			Enrolment			Teachers		
	Boys	Girls	Total	Boys	Girls	Total	Male	Female	Total
Primary	413	326	739	107082	132424	239506	1782	1262	3044
Middle	75	117	192	70113	71544	141657	954	1573	2527
Secondary	155	167	322	40163	38932	79095	3606	4552	8158
Higher secondary	6	10	16	918	2011	2929	313	590	903
<b>Total</b>			<b>1269</b>			<b>463187</b>			<b>14632</b>

Source: Adapted from District Education Profile developed by NEMIS-AEPAM

## 10.11 CONCLUSION

This chapter presented findings from the Education Departments of the two case study districts. The findings focused on the themes: managerial autonomy, participation, accountability, institutional environment and performance. Chapter 5 suggested a framework to analyse the relationship between the key variables. Applying that framework, the research findings of this section are summarized in Figure 10-4. From the evidence presented in this chapter and mapped in Figure 9-3, it is clear that decentralization provided managers with autonomy over finances, improved accountability, community participation and performance of the education sector. The research findings indicate that managers had significant autonomy over finances, however, less autonomy over personnel management. Particularly, the decisions regarding transfers and postings were influenced by political factors. Interviewees indicated that there was a significant increase in the level of community participation in the form of CCBs and School councils after the decentralization reforms.



Note: ['-negative impact/unfavourable]; ['+positive impact/favourable]; ['o' mixed impact]

**Figure 10-4: Mapping Management Decentralization and its Impact on Public Sector Performance**

However, certain variations were noted with respect to CCB. They were more active in CDGF and less active in CDGL. There were some similar concerns across both CDGs regarding the active role of school councils in funds' utilization, resource mobilizations, and monitoring schools' performance. These factors consisted of local context such as the demographic profile of the community- literacy level, income level, social class, presence of retired people who could devote more time to school council affairs, commitment of Union Nazim - who is actually a member of the council or can delegate this task to any other member, and the role of the head teacher. Overall, the interviewees highlighted that school councils have been very effective in improving school performance.

The presence of multiple channels of accountability arrangements improved transparency of service delivery, yet, gave rise to certain issues such as lack of coordination among all these channels, duplication of resources etc. Mainly, external audits and the role of DMOs were criticized by the CDGs on the grounds that it was not fair. Interestingly, respondents from both CDGs had a clear idea of PIs and collected performance data on both, efficiency and effectiveness indicators. They also highlighted that PIs were linked to the incentive structure. However, there were some concerns that more attention was paid to complying with the rules and regulation and less to the accountability for performance. The researcher also found that the Education Department was unable to establish how well this information is utilized internally for long term planning purposes.

Institutional factors such as the nature of party politics at various tiers of government, economic instability, political instability and a lack of consistency in policy implementation were cited by the respondents as the most significant factors that affected their organizational performance. Managers also highlighted frequent political and bureaucratic interference as a major constraint in carrying out their responsibilities. As far as the internal institutional environment was concerned, interviewees indicated that they had sufficient financial resources after decentralization. Certain remote areas needed more infrastructures. Likewise, managers indicated the need for financial management training, particularly at school level to improve the budgeting process which is actually initiated at this level. Internally, CDGL stressed the need for transportation facilities and IT skilled clerical staff.

The research findings presented in Section 10.9, highlighted that partnership were the focus of both CDGs. In CDGL more than 300 schools were under the 'AAS' program

while CDGF had 250 schools under the 'WSD' program. Nonetheless, the CDGL seemed less satisfied with the partnerships. Particularly, the third managerial level (DDEO) had less role clarity leading to trust deficits among the partners. On the other hand, CDGF put more effort on building the capacity of the education department, community awareness and creating networks with the NGOs through its PPI cell. It seemed that this inclusive approach built trust among the partners.

The pre-post comparison of CDG indicated the interviewees' perception that the overall system performed better in terms of improved enrolment, teachers qualification, incentive structures, providing missing facilities, mobilizing community participation and redress. It facilitated decision making at the lowest possible level and increased access and manageability of schools.

## **CHAPTER 11**

### **SECTOR ANALYSIS-WATER AND SANITATION**

#### **11.1 INTRODUCTION**

This chapter presents research findings from the Water and Sanitation Sector (WSS). The analysis will be carried out in a cross case syntheses manner to identify similar patterns or divergent themes through interview and document analysis. Firstly, document analysis will be carried out to provide the context of reforms highlighting the devolved arrangements and the amount of autonomy transferred to the WSS. Subsequently, key themes are identified from the interview transcripts. These are: the extent of managerial autonomy (Section 11.5), accountability mechanisms and their impact on organizational performance (Section 11.7), the role of the institutional environment on the performance of decentralized service delivery organizations (Section 11.8), followed by service delivery techniques adopted by WASAs (Section 11.9), particularly focusing on how the Inter Organizational Relations (IORs) are managed among the partners. Then the last section (Section 11.10) concludes this chapter.

#### **11.2 INSTITUTIONAL ENVIRONMENT OF THE WATER AND SANITATION SECTOR (WSS)**

Before the Devolution Plan 2000, water and sanitation provision was the constitutional responsibility of the provincial government. The provincial government performed the function of:

1. Policy making within the national policy framework,
2. Financing

3. Ownership of assets
4. Approval of water tariff
5. Operation of water and sanitation provision in the provinces.

The main document of the devolution plan, the Local government Ordinance 2001 (LGO 2001) further devolved this responsibility from the provincial government to the towns/Tehsil Municipal Administration (TMA). Under the LGO 2001, ownership of water assets, collection of UIP tax (Urban Immovable Property tax), which was previously raised by the provinces, and the operation, maintenance and approval of water tariffs was devolved to LG level. For the management of macro functions and coordination across TMAs, responsibility was assigned to the City District Government (CDG). This section covers the institutional environment of the water and sanitation sectors, highlighting changes in the decentralized service delivery arrangement. A summary of the devolved arrangements is presented in Table 11-1.

**Table 11-1: New Institutional Arrangements after Devolution Plan 2000**

<b>Tier of Government</b>	<b>Role &amp; Responsibilities &amp; Major Initiatives</b>		<b>Concerned Departments</b>
<b>Federal government</b>	<ol style="list-style-type: none"> <li>1. Policy formulation;</li> <li>2. Setting standards</li> <li>3. Financing through National Finance Commission (NFC) to the Provincial government</li> </ol>	<p>The legislation and policies concerned with water and sanitation sector are as follows:</p> <ol style="list-style-type: none"> <li>1. <i>Vision 2030</i></li> <li>2. <i>National drinking water policy 2009</i></li> <li>3. <i>National sanitation policy 2006</i></li> <li>4. <i>National environment policy 2005</i></li> </ol>	<ol style="list-style-type: none"> <li>1. Ministry of Environment (MOE),</li> <li>2. Ministry of Water and Power (MOWP),</li> <li>3. Infrastructure Project Development Facility (IPDF)</li> </ol>
<b>Provincial government</b>	<ol style="list-style-type: none"> <li>1. Policy formulation within national policy framework</li> <li>2. Setting standards</li> <li>3. Financing to the local government through Provincial Finance Commission (PFC)</li> </ol>	<p>The legislation and policies concerned with water and sanitation sector at the provincial level is:</p> <ol style="list-style-type: none"> <li>1. <i>Punjab urban water sector and sanitation policy</i></li> </ol>	<ol style="list-style-type: none"> <li>1. Housing, urban development and public health engineering department (HUD&amp;PHED)</li> <li>2. Planning and Development P&amp;D</li> </ol>
<b>Local government</b>	<ol style="list-style-type: none"> <li>1. Ownership of the Asset of water resources</li> <li>2. Approval of tariff structure</li> <li>3. Operation/service provision</li> </ol>	<ol style="list-style-type: none"> <li>1. LGO 2001</li> <li>2. This level largely remains the implementing organization of water and sanitation provision</li> </ol>	<p>Development authority/WASA</p>

Source: Adapted from SDPP (2008)

### **11.2.1 Institutional Environment**

The main players in the water and sanitation sectors are the federal, provincial and local governments. This section highlights the roles and responsibilities of the key actors involved in service provision after decentralization reforms.

#### **11.2.1.1 Federal Government**

As presented in Table 11-1, the federal government sets the policy guidelines for the WSS. The main organizations involved at the federal level are the Ministry of Environment (MOE), the Ministry of Water and Power (MOWP), and the Infrastructure Project Development Facility (IPDF). The MOE oversees the urban water supply, sewerage and drainage projects of the federal government in order to ensure quality control of drinking water. The MOWP is responsible for the general supervision of irrigation, drainage, water logging and large scale water reservoirs for flood protection.

The IPDF was established in 2006 to develop the PPP in infrastructure development and to provide support services such as procurement etc. Its main functions are to promote PPP projects proposed by public organizations, supervise PPP projects at the time of preparation and implementation, support the implementing agency or private partner for the PPP project, and coordinate among the stakeholders.

#### **11.2.1.2 Provincial Government**

This tier of government is responsible for the budgeting of all sewerage and water projects. The federal government awards funds to the provincial government under the National Finance Commission (NFC). In the case of international loan projects, the federal government becomes the borrower and it finances the loan to the provincial government. The provincial government then allocates it to the LGs for project

implementation. Most projects are funded by provincial grants awarded through PFC to the LGs. Revenues such as water collection charges cover the O&M cost of the water utility.

The main organizations at the provincial level responsible for the WSS are Housing, Urban Development and Public Health Engineering Department (HUD&PHED) and Planning and Development (P&D). HUD&PHED is responsible for the supply of portable water and sanitation provision in big cities. The Lahore Development Authority (LDA) and Faisalabad Development Authority (FDA) are the statutory bodies under HUD&PHED and WASA is under LDA/FDA. According to LGO 2001, HUD&PHED were to be devolved to the local level, but because of certain interests (resistance from the bureaucracy and organizational staff), remained at the provincial level. The Planning & Development Department is responsible for the development, approval monitoring and implementation of foreign funded projects in the province. It has an Urban Unit which is responsible for the infrastructure development for water supply and sewerage, and city planning and implementation in five city districts and four districts of Punjab.

### **11.2.1.3 Local Government**

Local government ordinance (LGO) 2001 was aimed at decentralizing powers to the elected representatives of the District, Tehsil and Union level. The City District Government (CDG) is a devolved local government arrangement under this ordinance. As discussed earlier in chapter 2, CDG is headed by a District Nazim (DN) who is an elected representative, and other executive officers, to manage different departments at the local level. CDG does not work under the direct control of the provincial government, but in cases of approval from the provincial government for major

development schemes, it has to move its proposals through various concerned administrative secretaries. In case of water and sanitation, the concerned secretary is the secretary for HUD&PHED.

At the local level, the Lahore Development Authority (LDA) and Faisalabad Development Authority (FDA) are under the LG but are autonomous organizations; each has considerable administrative and financial autonomy as each has its own Board titled *Authority* which consists of elected representatives and representatives of government departments. Each WASA has its own Act- the LDA Act and FDA Act respectively. WASA is a semi-autonomous organization created under these development authorities that has the status of a board and serves water supply, sewerage, and drainage under their jurisdictions. The authority is a corporate body, the composition of its governing body is presented in Table 11-2:

**Table 11-2: Composition of the Governing Body of WASA**

<b>Governing Body</b>		
1.	District/ Zial Nazim (DN/ZN)	Member/Chairman
2.	Town Nazim	Member
3.	Director general of the authority (DG)	Member/secretary
4.	District Co-ordination officer (DCO)	Member
5.	Representatives of planning and development boards	Member
6.	Representatives of finance department	Member
7.	Representatives of HUD&PHED	Member
8.	Representative of the local government & rural development,	Member
9.	Managing director of WASA	Member
10.	Five members of the provincial assembly	Member

According to the LGO 2001, the district tier is responsible for policy setting and has supervisory role. Section 54.1 (h) specifies that the TMA is responsible for “*water supply and control....., sewage treatment and disposal and storm water drainage*” (p. 31) and shares this responsibility with the respective union councils, a third tier of the local government. According to section 36 of LGO 2001, the CDG has “*financial and administrative control over “authorities providing municipal services.”*” Section 54

(2) (a) of LGO, gives the TMA power to “*assign, contract out any of its functions to any public- private, public or private organization*” (p: 32), and (f) “*to set up a corporate body to perform any of its functions singly or jointly with other public or private bodies*” (p. 33). Sections 36 and 182 (3) of LGO 2001 establish the CDG’s financial and administrative control over “*authorities providing municipal services*” (p: 123). There is no recognition of PHED in the LGO.

According to the LGO, WASA was to be merged into the new institutional framework. However, in practice, WASA is under the city district government rather than the TMA. One of the reasons behind this, as explained by the interviewees, was the issue related to the capacity and manageability of the sector (Interviewee 4- Director Water & Distribution (WASA), CDGF). Therefore, in five CDGs in Pakistan, water and sanitation is provided by the district tier of local governments for better manageability, efficiency and coordination of water and sanitation provision.

The institutional arrangements as presented in this section indicate multiple actors involved in the water and sanitation sector and there is a lack of clear assignment of tasks within different divisions of the WASA organizations and across the relevant organizations. Under the LGO 2001, WASA was the responsibility of the TMA; however, considering the lack of management capacities, inadequate human resources, and financial resources, a lack of sound project planning and implementation, it is managed by the CDG.

### **11.3 CASE STUDY 1- WATER & SANITATION AGENCY, CDGF**

The Water & Sanitation Agency (WASA), CDGF is an agency of the FDA. Its service area is 75sq. Km of CDGF. People outside the WASA area are served either by the TMA or private service providers. The WASA is headed by a Managing Director (MD),

followed by Deputy Managing Directors (DMDs) and directors. It was established in 1978 as an agency of the FDA under the Punjab Development City Act 1976. The governing body is comprised of: District Nazim (DN), Director General (FDA), MD (WASA), and members of the Provincial and National Assemblies. After the decentralization reforms, WASA restructured itself internally according to the functions it performed. One of the interviewees explained:

*“Internally we have tried to reorganize WASA according to three main functions: construction, admin, revenue & finance. Four years ago, we only had 1 director, now we have 5 directors. Now Water Resources and Research Wings are separated from the Maintenance department. All these changes are more efficient than before.”* (Interviewee 4- Director Water & Distribution (WASA), CDGF)

#### **11.4 CASE STUDY 2- WATER & SANITATION AGENCY, CDGL**

Lahore is the second largest city in Pakistan and 87% of its population has access to safe drinking water. WASA (CDGL) was established in 1991 under the LDA act. Its organizational structure was reorganized in 2002 to achieve greater operational efficiency. It is headed by the Managing Director (MD). The MD is responsible for the formulation and implementation of operational policy, financial management, customer’s complaints measures and emergency countermeasures. The organizational chart of WASA is attached in the appendix (Appendix 2).

#### **11.5 THE EXTENT OF MANAGERIAL AUTONOMY**

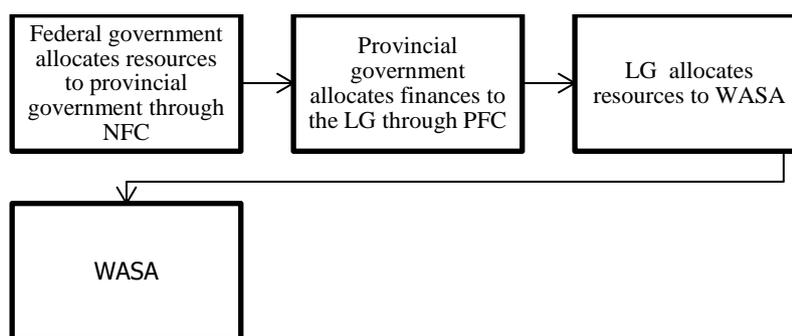
##### **11.6 THEME 1: LESS FINANCIAL AUTONOMY**

WASA is the responsibility of the local government, which under the LGO 2001 receives its funds through the Provincial Finance Commission (PFC). The PFC was established under the LGO 2001 for the allocation of funds from the provincial

government to the LGs. The PFC is a formula based award and is based on factors like population and poverty. The total local government budget consists of:

1. General purpose grants
2. Donor funded sources (development funds)
3. Own source revenues

The flow of funds is depicted in the Figure 11-1.



**Figure 11-1: Flow of Financial Transfers**

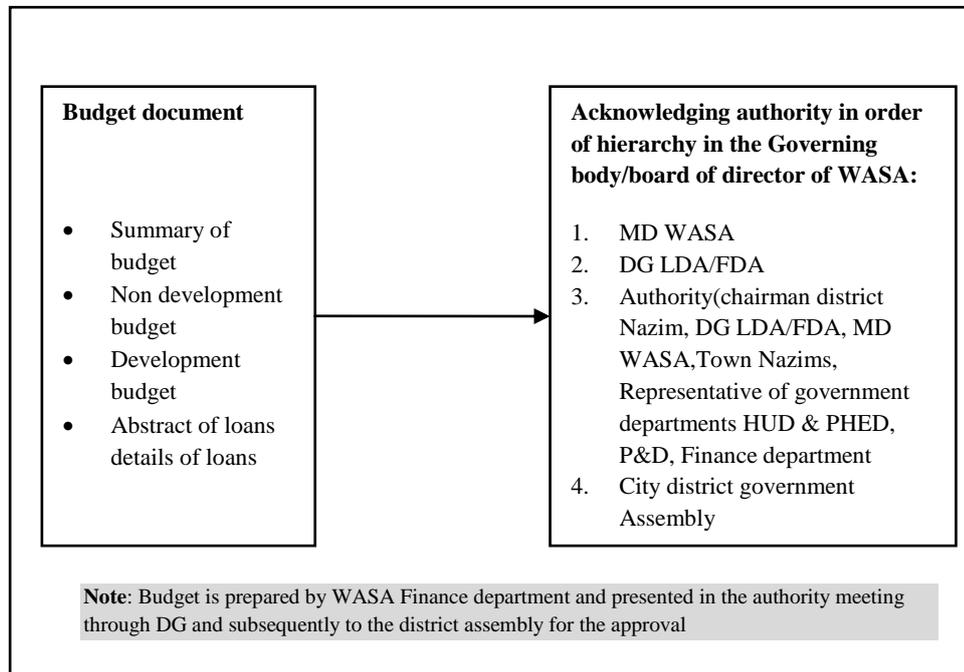
Source: Author, based on document analysis and interviews

In the case of the district government, the main sources of revenue are 2.5% of the General Sales Tax (GDST) and power to levy tax on Health and Education, whereas the main sources of revenue for TMA is the property tax (UIP tax<sup>16</sup>), fees and charges for Union administration (the fees to license professions and vocations). Before decentralization, the UIP tax was collected by the provincial government and directly transferred to the WASA account. Under the new arrangements, TMA receives 85% of the tax yield collected in their territory. WASA's share of this tax is 42.5% of the total receipts. WASA submits its annual development plan through the Director General (DG) of the authority in the governing body and after considerable discussion it is presented to the district assembly for its approval and then the budget is allocated to

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<sup>16</sup> Under the Urban Immovable Property Tax Act (1958) the UIP tax is levied on all urban plots of land, it is provincial direct tax and it formed 7.5% of total provincial government tax revenue. TMA receives 85% of the tax yield collected on their territory. The WASA share of this tax is 42.5% of the total.

WASA by the local government. The overall process of ADP preparation at the WASA is presented in Figure 11-2.



**Figure 11-2: Annual Budget Preparation**

Source: Author, based on document analysis and interviews

According to the LGO 2001, local councils are responsible for tariff approval. However, in practice, the approval of tariffs is subject to review by the provincial government without any clear legal basis of this review process. One of the reasons for this may be the financial dependency of the local government on the provincial government or due to the oversight role of provincial departments such as PHED. LGO 2001 clearly puts the responsibility of setting tariffs in the hands of local councils; however, it does not specify clearly the guidelines for determining tariff levels. It only states that tariffs should cover the operation and maintenance costs plus renewal and extension of the services. In practice, these guidelines are not enforced. Still, tariff rates are subject to provincial government approvals.

### **11.6.1.1 *Institutions Involved in Tariff Revision in Practice***

1. WASA gets Annual Rental Value (ARV) from the Ministry of Excise and Taxation for the preparation of tariff rises.
2. Application for an increase in tariff is approved by the MD WASA and is submitted to the LDA/FDA authority.
3. The Authority negotiates with other relevant actors like HUD&PHED.
4. It is submitted to the district assembly.
5. After its approval, the application is sent to the provincial government for its approval.
6. Final approval is determined by the government of Punjab.

As far as the monitoring role is concerned, monitoring committees which are described in section 138 of LGO 2001 were also not active with regard to the water and sanitation sector. District governments had these monitoring committees on paper (see Appendix 5), however, the researcher could not validate their active role through interviews of both CDG. WASA has two main forms of expenditure: 1) Operating expenditure and 2) Capital expenditure. WASA finances its operational expenses from two main sources of revenues: 1) Tariff revenue and 2) UIPT. On the other hand, capital expenditure is met through: 1) Provincial & Federal grants and 2) Annual Development Plans (ADP). WASA's finances are composed of: 1) Revenue receipts; water and sewerage charges, property tax (UIPT), 2) Capital receipts: provincial and federal government grants.

Tariff revenues are unable to meet the operating costs of water and sanitation providers in Pakistan. They remain dependent largely on subsidies from the federal and provincial governments. The federal government has the largest impact on the WSS by controlling the allocation of funds to the provincial government, which subsequently passes on these allocations to the LG through the PFC award. The impact of federal funding for the WSS is visible through an analysis of current 'Water Filtration Schemes' of the federal government. These filtration plants were to be installed in the district and tehsil

levels under the project “Drinking Water Initiatives” in 2007. WASA was responsible for the operation and management of these plants. However, it became a liability for the local government as issues related to its operation and management were not resolved in the details of this project. This scheme failed in CDGF (Interviewee 4- Director Water & Irrigation (WASA), CDGF). WASA’s financial autonomy was severely constrained due to the inability of WASA to revise its tariff structure during the period 1991-2004. In 2004, the tariff was revised; however, the local government only approved a 40% increase in tariff against a 100% demand from the utility (Table 11-6). This affected the ability of WASA to meet its operational costs and is one of the reasons for poor service delivery.

Besides federally funded projects, members of the provincial and national assembly also get funds from the respective government and it is usually spent on the water and sanitation sector in their constituencies. These schemes are presented to the governing body during the annual development planning process and discussed and approved there. However, the coordination of the use of these funds for different schemes is poor and in some cases WASA has tried to convince the members to pool these funds for bigger and more practical schemes.

*“Capital flows are primarily vertical. Day to day expenditures are borne by our revenue collection, we have sufficient to pay our salaries, electricity, utility bills, but for expansion in the network we need provincial resources which flow from the P&D department and then the politicians of the area have a massive say in what schemes are coming.”* (Interviewee 1- MD WASA & DG, FDA, CDGF)

Local governments are highly dependent on the provincial and the federal government for capital receipts. They receive most of their shares under the PFC award and have very limited power to mobilize revenues from its own taxes and user charges. It subsequently leaves these governments with limited capacity to absorb any shortfall in intergovernmental transfer/grants. Likewise, WASA has no independent board to revise

its tariff structure, as it has to be passed by the governing body, and then it is sent to the district assembly for approval. The District assembly then forwards it to the provincial government for its consent which is contrary to sections 36 and 182 (3) of LGO 2001 as discussed in section 11.2.1.3 of this chapter. Usually, provincial governments take a cautious approach in the revision of water and sewerage charges as they fear that it will have a negative impact on votes in their constituencies.

### **11.6.2 Themes from CDGF**

#### **Theme1: Limited Administrative and Financial Autonomy**

The managing director of WASA indicated that he had full autonomy while the second managerial level, the Deputy Managing Director, had less autonomy as he explained:

*“We have administrative and financial powers but because of some factors we are unable to exercise them fully. For instance, I am fully empowered to hire, fire and transfer personnel up to grade 17 but I cannot use it as I have to make a request to my MD for his approval, they have to communicate to others such as secretary, political leaders and in the end I will be informed by others what to do and who to hire. In WASA powers are centralized at the top like MD, people who are at the top of the hierarchy they have the powers.”*(Interviewee 3- DMD, Finance and O&M (WASA), CDGF)

Regarding financial autonomy, interviewees raised the issue of their inability to get approval of the tariff revision since 2004. Under section 27, subsection (1) of Punjab City Act 1976, WASA can revise its tariff subject to the consent of the district government and the provincial government.

*“We are responsible for service provision and collect tariffs from the consumers. If we want to increase the tariff, first the bill for revision of consumer charges will go to the DG, LDA for its approval, and then it will be forwarded to the district assembly for approval. Since 2004, there has been no revision of the water tariff. Political parties hesitate to increase the water charges as they think that their voters will not like this proposal. For tariff revision there should be a separate non-political board.”* (Interviewee 2- MD (WASA), CDGF)

## **Theme 2: The Need for an Independent Governing Body**

However, MD emphasized the need to change the composition of the governing body for responsive decision making. According to him, the governing body of WASA headed by Nazim, seems to be a fair idea, but these governing bodies were run by political priorities rather than pure professional organizational priorities. Politicians were good for representing public interests. But still, it is a non-diversifying representation because in a corporate entity like WASA, these were failing public sector organizations: ‘dying in their own inefficiencies’. To give these organizations a remarkable turnaround required a crystal clear clarity into the organizational issues, an orientation of procedures and strategies which could lead these organizations to SMART working, and result in ‘allocative efficiencies’ as well as ‘service delivery model efficiency’. He emphasized the need for incorporating subject specialists into the governing body:

*“-----There is a need to put subject specialists, such as sanitation specialists, waste water specialists, urban development specialists into the governing body.-----This requires a change in existing laws to incorporate more people and moreover we need to make these organizations more responsive toward the governing body, otherwise we will be including inefficiencies in the name of autonomy. So we need more people in the decision making.”(Interviewee 1- MD WASA & DG, FDA, CDGF)*

### **11.6.3 Themes from CDGL**

#### **Theme 1: Limited Financial and Personnel Management Autonomy**

According to the interviewees (Interviewee-6, DMD, O&M, (WASA), CDGL), the main effect was on the manageability of the water service provision as it was organized according to CDGL towns. There were some variations with respect to the exercise of managerial power compared to CDGF. For instance, the head of the agency (Interviewee 5-MD (WASA), CDGL) was of the opinion that *“all powers are exercised by the director general LDA. I cannot even transfer an employee. I cannot transfer my*

director.” A Deputy Managing Director (Interviewee-6, DMD, O&M, (WASA) CDGL), was of the opinion that he could fully exercise his managerial autonomy. Whereas, another Deputy Managing Director (Interviewee 8- DMD, Finance (WASA), CDGL) expressed:

*“We have no authority over setting compensation levels. Even we cannot decide what kind of meters to buy; this issue is decided by the Housing Department of Punjab (PHED & HUD). Any machinery that we need to buy is specified by the Housing Department. Although, we have more experience, yet we need their decision on these issues which either cause delays in decisions or the decisions are not based on field experiences and quite often prove wrong. Regarding financial autonomy, the tariff is controlled by the government. In 2004, we raised tariffs and afterwards it was never revised. At the same time our expenditures increased and budget is in deficit.”*

The WASA is a semi-autonomous organization under the CDG; however, according to the interviewees, WASA management cannot exercise their authority due to various institutional and political factors. Overall, the interviews revealed that the main impediments to the exercise of managerial autonomy were an insufficient legal framework, a top down approach to planning and political interference (Interviewee- 6, DMD, O&M; Interviewee 8- DMD, Finance (WASA), CDGL).

## **Theme 2: Need for an Independent Governing Body**

The Managing Director of WASA (CDGL) suggested the need for a fully autonomous board consisting of technical people for improving organizational performance. Clearly, mostly interviewees from both CDGS were of the opinion that they had less autonomy over personnel management and all of them had a general consensus that WASA has a weak financial autonomy.

## **11.7 ACCOUNTABILITY MECHANISMS AND THEIR IMPACT ON ORGANIZATIONAL PERFORMANCE**

The issue of accountability lies in having clear performance indicators and linking them with incentive structures to make people accountable. Institutional arrangements, as discussed earlier, indicate that different key institutions were involved at the federal, provincial and local level in the water and sanitation sector leading to a lack of clarity regarding their roles and responsibilities and specified coordination mechanisms in cases of conflict. The respondents were asked about the change in accountability relationships, auditing practices, financial management system, and performance improvements as a result of the improved accountability arrangements.

### **11.7.1 Themes from CDGF**

#### **11.7.2 Performance Indicators (PIs)**

Table 11-3 presents performance data, which was internally collected against efficiency and effectiveness indicators. According to the effectiveness indicators, WASA's water coverage increased from 50% in 2007/8 to 55% of the total population in 2008/9, sewerage coverage also increased from 65% in 2007/8 to 70% in 2008/9. Overall, water supply is intermittent, reflecting the poor quality of water provision (only 6 hours per day in winter), although it managed to improve its summer water supply, and now water is available for 24 hours. It managed to reduce the number of complaints from 500 per month (2006/7) to 153 in 2008/9. Poor water quality was one of the main problems of CDGF. In 2006/7 it could only treat 10% of its water; however, since 2007/8 its wastewater treatment plant can treat 70% of water. In 2005/6, WASA was able to give a surplus budget and cover its operating costs out of the revenue generated from WASA's revenue sources.

**Table 11-3: Performance of WASA, CDGF**

<b>Performance of WASA (CDGF)</b>				
<b>Effectiveness Indicators</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	
1.) Water and sewerage coverage				
1. Water Coverage (%)	55	50	55	
2. Sewerage coverage (%)	65	65	70	
2) Quality Of Service				
a) Winter (Continuity of services (hours/day))	8	6.25	6.25	
b) Summer (Continuity of services (hours/day))	16	24	24	
c) Complaints about W&S Services (% of W&S Connections)	12.5	6.3%	4.98	
d) Wastewater treatment	10%	70%	80%	
<b>Efficiency Indicators</b>				
<b>1) Water Consumption &amp; Production</b>				
a) Water Production (403 T/Wells, 40 Bulk Flow Meters working, Projections on average of working meters) ( <i>lpcd</i> )	44	44	44	
b) Water Consumption ( <i>lpcd</i> )	24	24	24	
c) Metered Water Consumption (%)	1.74	1.51	5.6	
<b>2) Unaccounted For Water (UFW)</b>				
a) Unaccounted for Water ( <i>UAW</i> )	25	32	31.9	
Accounted For Water( <i>AFW</i> )				
b) Non-Revenue Water ( <i>NRW</i> )	25	32.65	32.50	
Revenue Water (%)				
c) The proportion of Connections that are Metered %	.024	1.75	1.74	
<b>3) Metering Practices &amp; Pipe Network Performance</b>				
a) <b>Proportion of Functional Meter</b>				
- Proportion with Total Connections	.024	1.75	1.74	
- Proportion with functional Metered Connections	90	86%	86	
b) The proportion of water sold that is metered	2.43	3.66	2.69	
c) Pipe Breaks per Km/Yr	3	1.5	1.05	
d) Sewerage Blockages	14	9	7	
<b>4) Unit Operational Cost (Cost and Staffing)</b>				
• Staff (000) Water Connections	14	7.08	5.93	
• Salary Costs as a proportion of Operation Costs (%)	37	44.2	45.29	
• Power/Electricity Costs as a proportion of Operating Costs (%)	48	42.30	41.97	
• Contracted-Out Service costs as a proportion of Operating Costs (%)	-	13.49	12.73	
<b>Financial Performance</b>				
Working Ratio	86%	1: 1.28	1:1.19	

Source: Adapted from documents provided by Finance and O&M Department, WASA (CDGF)

However, according to efficiency indicators, WASA is facing the issue of Unaccounted-For Water (UFW) and Non-Revenue Water (NRW) leading to poor collection efficiency. Efficiency indicators also highlight that WASA has high operating costs; the main expenses are staff salary and electricity. Besides the increase in operational costs, it also managed to reduce its staff per thousand water connections. The main factors behind poor collection efficiency are non-metered water and illegal connections.

## **Theme 1: Poor Implementation of Performance Indicators (PIs)**

The process of developing Performance Indicators (PIs) was started in 2006. The data have been collected against those indicators but the organizational workforce still has no clear idea of their roles and responsibilities. PIs should have been used in financial management, policy planning, and making managers accountable for performance. The current PIs were not integrated in the organizational process to achieve these outcomes. Interviewees also highlighted that they were not given targets to achieve and this was one of the reasons that they could not be held accountable for any performance outcomes (Interviewee 3, DMD Finance and Operations & Maintenance; Interviewee 4- Director Water & Distribution (WASA), CDGF). One of the interviewees highlighted the contradiction prevalent in the application of PIs and his dissatisfaction with the overall performance management system:

*“We do have benchmarking/performance indicators, but the question is; are these standards being implemented? What is their use within the organization? The people, who are sitting in the organizations such as Planning and Development department of provincial government, or other technical departments of government, come and collect information but this data is not integrated into the organization. They will send us the target that water coverage should be 75%, but fail to provide funds to do so. Nobody knows how that information on benchmarking is generated and how the information collected is being utilized. We don’t have a system for collecting performance data on a routine basis and integrating that information for planning purposes. You will see progress in paperwork, but the public still is dissatisfied. It does not agree with the documented progress.”* (Interviewee 3- DMD Finance and Operations & Maintenance (WASA), CDGF)

The usual practice was that data against these indicators were collected for International donor agencies (such as the Asian Development Bank/World Bank) on the request of the provincial department (similar to the case study of WASA, CDGL), whereas, WASA itself lacked long term planning at its own end. The MD of WASA also

indicated that most schemes were planned at the provincial level without consulting the agency or other stakeholders or looking at the performance gaps of the organizations.

*“Schemes planned at the provincial level and reflected in the urban development programs may not be very need based so the need of the hour is that resource allocation should be guided by broad performance indicators or need assessment criterion.”* (Interviewee 1- MD WASA & DG, FDA, CDGF)

### **Theme 2: Performance contracting**

Overall, only the Managing Director of WASA was hired on a performance contracting arrangement for an initial period of 3 years, which was subject to renewal on the basis of his performance. According to the MD, he had considerable operational autonomy to restructure the organization and take actions to achieve organizational goals. He was the only interviewee who had a clear idea of PIs, however, he also expressed that the extent to which an organization implemented these PIs in their corporate planning process depended on the leadership of that organization.

### **Theme 3: Efficient Grievance Procedures**

The overall incentive structure was not linked to performance as reflected by the views of interviewees and the compensation structure of the organization. One of the performance indicators of ‘quality of service’ was the number of complaints received; WASA (CDGF) has made efforts to streamline its internal procedures and been able to reduce the number of complaints received each month (see Table 11-3). The interviewees also indicated that they had made significant improvements in their grievance procedures: *“We are able to reduce our complaints by having an efficient complaint cell”* (Interviewee 4-Director Water & Distribution (WASA), CDGF).

#### **Theme 4: Focus is on Compliance with the Rules**

Interviewees from CDGF highlighted that they had traditional channels of accountability such as auditing practices and writing Annual Confidential Reports (ACRs) of subordinates (Interviewee 3- DMD, Finance and O&M (WASA); 4- Director Water & Distribution, CDGF). However, interviewees were of the opinion that:

*“The concept of accountability comes when we have predefined targets for all individuals in the organizations. If as DMD, I am unaware of what my targets are, what my mandate is, then how is my performance going to be assessed? It needs to be clearly defined from top to bottom in our organization. If we define things at each level, then we can make people accountable for them. For instance, in my organization, the individual’s performance is reviewed in the annual confidential report (ACR) but we have not communicated to them what their performance targets are. Then, performance review becomes a routine activity. The people who are involved in service delivery, they should be given an assignment, and the procedure should be clearly prescribed to make them accountable.”* (Interviewee 3-DMD, Finance and O&M (WASA), CDGF)

One of the interviewees (Interviewee 2- DMD Finance (WASA), CDGF) commented *“how transparent an organization is depends on the head of the organization.”* He also mentioned that their organization’s main focus was on compliance to rules and regulations rather than on accountability for performance.

### **11.7.3 Themes from CDGL**

#### **11.7.3.1 Performance Indicators (PIs)**

In 2007, WASA developed its benchmark indicator based on a sample of 246 water utilities worldwide in 51 developed and developing countries and compiled information regarding the efficiency of the WASA, which is presented in Table 11-4. A comparative look at the financial performance of the organization as summarized in Table 11-4 indicated that over the years 2006-2009, expenditure increased leading to a budget deficit each year, while operations and maintenance costs were met through government subsidies provided by the provincial government. Overall, the income expenditure ratio

increased but still was not able to cover the operating costs, as shown by the working ratio.

**Table 11-4: Performance of WASA, CDGL**

<b>Performance of WASA (CDGL)</b>			
<b>Effectiveness indicators</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
<b>1) Water &amp; Sewerage Coverage</b>			
a) Water Coverage (%)	87%	87	87
b) Sewerage Coverage (%)	82.5%	84	84
<b>2) Quality Of Service</b>			
a) Continuity of services (ut hours/day):			
b) Winter	14	14	14
c) Summer	18	18	18
d) Complaints about W&S Services (% of W&S Connections)	7%	6.9%	6.9
e) Water treatment plant	NIL	NIL	NIL
<b>Efficiency indicators</b>			
<b>1) Water Consumption &amp; Production</b>			
a) Water Production (403 Tube Wells, 40 Bulk Flow Meters working, Projections on average of working meters) ( <i>lpcd</i> )	342	360	354
b) Water Consumption ( <i>unit: lpcd</i> )	242	242	242
c) Metered Water Consumption ( <i>unit: lpcd</i> )	230	182	182
<b>2) Unaccounted For Water (UFW)</b>			
a) Unaccounted for Water ( <i>UAW</i> ) ( <i>unit: %</i> )	36%	33.5%	31.6
b) Accounted For Water ( <i>AFW</i> ) ( <i>units %</i> )	64.2%	66.5%	68.4%
c) Non-Revenue Water ( <i>NRW</i> ) ( <i>units %</i> )	42.6%	40.2%	4..4%
d) Revenue Water ( <i>units %</i> )	57.4%	59.8%	59.6%
e) The proportion of Connections that are Metered %	48%	49%	51%
<b>3) Metering practices &amp; Pipe Network Performance</b>			
a) Proportion of Functional Meter			
b) - Proportion with Total Connections ( <i>units %</i> )	12%	12.4%	13.1
c) - Proportion with Metered Connections ( <i>units %</i> )	25%	24%	25.5
d) The proportion of water sold that is metered ( <i>units %</i> )	43%	42.6	42.6
e) Pipe Breaks ( <i>unit: breaks/Km./year</i> )	2.09	2.1	2.1
f) Sewerage Blockages ( <i>unit: blockage/Km/year</i> )	35.4	37	37
<b>4) Unit Operational Cost (Cost and Staffing)</b>			
• i. Rs./M <sup>3</sup> Sold ( <i>unit: Rs</i> )	Rs. 3.6	Rs. 3.8	Rs. 3.25
• ii. Rs./M <sup>3</sup> Produced ( <i>unit: Rs</i> )	Rs. 3.8	Rs. 4.0	Rs. 5.4
• Staff /(000) Water Connections ( <i>unit numbers</i> )	11.8	10.6	10.6
• Salary Costs as a proportion of Operation Costs ( <i>units %</i> )	28%	31%	31.3
• Power/Electricity Costs as a proportion of Operating Costs ( <i>units %</i> )	47.5%	43%	44
• Contracted-Out Service costs as a proportion of Operating Costs ( <i>%</i> )	Nil	NIL	NIL
<b>Financial Performance</b>			
1. Working Ratio (operating expenses/operating revenue)	1.4	1.48	1.67
2. Debt Service Ratio (total debt service/Operating Revenues) %	35%	NIL	NIL

Source: Finance Department, WASA

At present, no water treatment plant facility is available in CDGL resulting in waterborne diseases. Water supply is intermittent, reflecting the poor quality of service

provision. A review of the financial reports 2006-2009 reveals that operating expenses were higher than revenue receipts. The biggest expense was power and energy, and each year WASA had a deficit budget and relied on subsidies from the provincial government. The interviewees expressed that they did not have a long term/medium term business plan at the moment and the only planning was done in the form of Annual development plans. WASA collected data on benchmark indicators for the Asian development bank project. However, under the present circumstances, how these benchmark indicators were being used in these utilities for sound financial management and improved service delivery was an issue that needs to be addressed in the future.

### **Theme 1: Lack of Corporate Planning and Integration of PIs in the Planning Process**

WASA needs to provide set targets based on these indicators to all its departments and monitor progress against them at the end of each year. They also needed to link organizational performance with the incentive structure which at the moment is very poor. Overall, the result of a poor performance management system was lack of clarity in roles and responsibilities of individuals as if they were not very clear what was expected of them. In the absence of a performance management system and communication of performance targets to the managers, it would be difficult to make them accountable as well (Interviewee-9, Director & 6-DMD, O&M (WASA); 8-DMD, Finance CDGL).

### **Themes 2: Overlapping Accountability Channels**

The interviewees expressed that they had multiple and overlapping arrangements which affect their organizational performance. *“One issue is discussed on many forums. We have internal and external checks and balances which I think are more than we*

*require*” (Interviewee-6, DMD, O&M (WASA), CDGL). However, some managers (Interviewee-9, Director & 6-DMD, O&M (WASA), CDGL), further explained that the level of politics varies from department to department. For instance, the Operation & Maintenance, department was more exposed to political pressures because of its nature of tasks, whereas the finance department faces different kind of pressures from internal and external auditing checks.

*“We have multiple channels such as secretary housing HUD&PHED, Director General LDA, MD WASA, CM (Chief Minister), Nazim. The result is that at the end of the day we do not know what we have to do, whose orders we should follow? The Operation & management department is more exposed to the political interference from MPA/MNA etc., who can ask them to hire their people.”*

As far as auditing practices were concerned, the organization was of the view that it is transparent, however checks and balances were more than required. The agency had its internal auditing practices and at the end of the year, third party evaluation is also carried out by the resident auditor. The result of these overlapping accountability arrangements was the loss of productivity. There was no water and sanitation act to regulate this sector which might be one of the reasons for a lack of clarity in the rules and responsibilities, as mentioned by the respondents of both CDGs.

## **Theme 2: Clear Financial rules**

Interviewees also mentioned that the budgeting process was very transparent and financial rules were very clear to them. The MD of WASA also mentioned that his organization is computerizing the complaint cell and providing their end users with a Toll free number and SMS facility to register their complaints and take appropriate actions accordingly. The researcher then viewed current development in the establishment of complaint cell.

## 11.8 THE ROLE OF INSTITUTIONAL ENVIRONMENT ON ORGANIZATIONAL PERFORMANCE

### 9.1.1 Themes from CDGF

#### **Theme 1: Insufficient Human, Financial and Technical Resources**

According to the interviewees, WASA lacks sufficient human and technical resources. It is understaffed because of the provincial restrictions on recruitment as mentioned by the CDGL. The opportunities for training and progression are non-existent in the organization. The last tariff revision took place in 2007, still, WASA is unable to meet its O&M cost. However, according to the interviewees, it is able to meet 90% of its O&M cost at the moment through improving their collection efficiency (Interviewee 3, DMD Finance and Operations & Maintenance; 4-Director Water & Distribution (WASA), CDGF). The MD of WASA also highlighted that he faced problems of lack of recognition and ownership from the WASA employees as he was considered an ‘outsider’.

*“I am a finance and management professional. The biggest issue is that these organizations have cyclic patterns of problems. Once I joined the organization, it had managerial problems for a few years. Then, once managerial problems were streamlined, the technical problems dominated. So initially, we tried to do the right things. But primarily speaking, there is another problem. These utilities are chains of big bureaucratic set ups. When an outside manager comes, he faces lack of recognition, lack of ownership in higher up and faces difficulty in getting resources. And it all takes time to create a space for himself. So, professionally he may be very good, but he is an alien to the others. An insider manager is well accepted but he may be inefficient. We need to ring fence such organizations with their own built in mechanisms of efficiency monitoring and remuneration.”* (Interviewee 1-MD WASA & DG, FDA, CDGF)

Interviewees also explained that they were facing HR problems like shortage of staff, poor incentive structure and promotion criteria. Managerial autonomy of WASA was also restricted because of the provincial government restrictions on hiring. They also faced political influences on decisions regarding hiring and posting, which restricted them to hire on a merit basis. According to the interviewees, they tried to reduce the

staff to overcome staff/cost ratio (the biggest operating expense of WASA as reflected in Table 11-3). They have tried to lay off those daily wagers who were getting their salaries but were not working in the field (Interviewee 3, DMD Finance and Operations & Maintenance; 4-Director Water & Distribution (WASA), CDGF). According to one of the interviewees (4-Director Water & Distribution (WASA), CDGF), *“I, myself, monitored this and was able to reduce the cost from Rs.10 million to Rs.3 million. However, once we tried to discipline them we were approached by the political representatives to take a lenient approach.”* The staff shortage has severely affected WASA’s ability to detect illegal connections and has led to corrupt practices.

Interviewees also highlighted constraints on their revenue generation capacity. They explained that since January 2007, they were unable to revise tariffs because of political factors. In addition to this, the local government did not transfer their share of UIP tax to WASA. Interviewees also mentioned the lack of machinery as one of the resource constraints. Besides mentioning the constraints of the organization, one of the interviewees (4-Director Water & Distribution (WASA), CDGF) also highlighted that recently they had taken initiatives to solve their problems of bills recovery. Overall, WASA Faisalabad is one of the first organizations able to computerize its billing system using its own resources and was able to improve revenue collection because of timely billing. In addition to the human and financial constraints and technical constraints, the interviewees also highlighted the need for information management systems and technical training of the staff (Interviewee 3, DMD Finance and Operations & Maintenance (WASA) CDGF).

## **Theme 2: Lack of Coordination Among Different Tiers of the Government**

Institutional players lack coordination and clarity in roles and responsibilities. According to the interviewees, projects made by the provincial or federal level often

lacked the operational aspect and ignored the operation and maintenance cost which afterwards become a burden on the agency's ability to meet. Once again, interviewees gave reference to the recent installation of the filtration plant under federal funding arrangements. As WASA did not own these plants, it was not clear how the operation and maintenance costs were supposed to be managed in the long run (Interviewee 3, DMD Finance and Operations & Maintenance; 4-Director Water & Distribution (WASA), CDGF).

*“At times politicians started schemes without a long term planning approach, for instance, during this local government period, 3 mineral water plants were installed on the concept of cost free. Now none of the institutions own this project. We cannot run services free of cost, as everybody will start acting as free riders. The result is that people have even stolen the taps off these tanks.”* (Interviewee 4-Director Water & Distribution (WASA), CDGF)

However, WASA's MD added that in order to have an integrated planning approach and have sound operational schemes, he tried to convince the governing body through dialogue that only such schemes should be proposed that were on the need assessment basis and had operational sustainability as well.

*“---We successfully changed the whole paradigm of selection and execution of the project. It was a big pain and consumed lots of our energy. We spent massive time with politicians; we had meetings with them one by one, showed them maps of their constituencies, gave multimedia presentations and briefed the needs of those areas. We also requested the politicians to identify the needs of their constituencies and give us the list; we also provided them with our need assessment plans. When this was done, we convinced politicians that instead of having 'funny schemes', which will never be operative and will be a stigma to their reputation, it is much better to have successful operative schemes and they fully agreed. This way we ensured the sustainability issue and we got the consent of all stakeholders”.*

WASA gets funds from CDG. In 2006, under Sec. (2) of PFC, CDGF received additional funds for the water and sanitation sector in order to cover the budget deficit, and then in 2007 CDGF received Rs. 379 million for capital projects in the water and sanitation sector. However, CDG did not transfer these funds to WASA. Since then the dispute is with the finance department of CDGF and WASA for the release of their

share. Now, HUD&PHED (provincial organizations) are trying to resolve the issue. This is one of the examples of a lack of coordination among different tiers of the government which is directly affecting the performance of WASA. Similarly, WASA complains that their share of UIPT is not timely released from the TMA, which affects their performance (Interviewee-3, Director Administration; 4, Director Water & Irrigation (WASA), CDGF). MD (WASA) also explained that geography, the amount of change, the political clout, institutional strengths, and above all leadership of an organization are the most critical factors in determining the institutional performance. Planning cannot be done in isolation. It requires taking on board political leadership, management of the organization and other stakeholders.

### **Theme 3: Governance Issues**

Interviewees from CDGF were of the view that political and economic instability greatly affects their performance. Particularly, in the case of economic instability, they get less financial resources and if governments are rapidly changing, it also affects commitment to different projects. They further explained that each new government has their own projects and they abandon the old ones to implement the new ones which lead to a waste of resources (Interviewee 3, DMD Finance and Operations & Maintenance; 4-Director Water & Distribution (WASA), CDGF). According to the Managing director of WASA:

*“These factors severely affect our performance, we do not have adequate resources, we need to replace old machinery but simultaneously economic recession hampers the ability of our government to collect taxes and in a way to allocate more resources to us.”*

## 9.1.2 Themes from CDGL

### Theme 1: Insufficient Human, Financial and Technical Resources

According to the interviewees, WASA had inadequate human resources which were one of the reasons for its inefficient operational management. Recruitment was restricted because of provincial government restrictions since 1991, resulting in the deficiency of technically skilled staff, and training opportunities were very few: *“Personnel management training has not been organized for a long time. People are less qualified; therefore the overall quality of human resources is poor”* (Interviewee- 5, MD (WASA), CDGL), and in some cases training programs were not linked with the service structure: *“I attended a training course in Japan but I was never given any task to utilize this training course”* (Interviewee -8, Director/Xean (WASA) CDGL). The WASA academy vision was under the process of development by the Urban Unit to cater for the needs of all provincial WASA agencies. However, it was essential to link the training programs with job enrichment for the effective utilization of capacity building programs. Overall, the HR deficiency of WASA is presented in Table 11-5.

**Table 11-5: Existing Human Resources in WASA**

BPS	Name of Post	Budgeted	Existing	Vacant
20	MD	1	1	-
20	DMD	3	2	1
19	DIRECTOR	17	14	3
18	XEN-DyDirector	53	45	8
17	SDO-Asst Director	132	104	28
<b>Total</b>		206	167	39
11-16	Sr. Accountant, Steno, Sr. Sub Engineer etc.	362	253	109
5-10	Clerks, Filed Inspector Etc.	1096	897	199
1-4	JPO, Sewerage Man	4636	4392	244
<b>Total</b>		6300	5709	591

According to Table 11-5, against the total budgeted staff, WASA had a deficiency of 28 vacant seats at the grade 17 (managerial level), and 244 vacant posts at grades 11-16 (administrative staff).

In the previous section, it was mentioned that overall performance of the organizations was measured against benchmark indicators; however, individual performance of employees was appraised on an Annual Confidential Report method, except for the Managing Director. The post of Managing Director (MD) was appointed on a performance contracting for three years. The contract was subject to renewal on the basis of performance. One of the interviewees (9, Director, P&E (WASA), CDGL) emphasized the need for revising the incentive structure, providing a clear job description and performance targets, and reviewing performance against performance standards. Incentive structures also needed to be linked to the performance to improve the motivation of employees. Overall, the interviewees were dissatisfied with the existing incentive structure. However, they also mentioned that their organization was currently working on developing job descriptions and improving performance management systems by having clear performance targets for all departments and their staff (Interviewee-9, Director; 6-DMD, O&M (WASA); 8-DMD, Finance CDGL).

One of the Deputy Managing Directors, (8-DMD, Finance, CDGL), added that WASA was currently experiencing the problem of an ageing workforce that needs to be addressed. As there is no fresh recruitment, it was causing inadequate knowledge transfer across the organization and causing functional inefficiency in the organization. He also gave his own example that he is going to retire in the next few months; however, nobody is ready to take on his role.

*“Since the last 8-10 years we have had no direct induction of personnel. We are retiring knowledge without transfer. This is one of the major issues regarding HR. Employees have reached the retirement age but we are unable to transfer their knowledge to the next generation, for instance, I am going to retire in the next couple of months and no one is ready to take my place. We are retiring knowledge without passing it on to others.”* (Interviewee 8-DMD, Finance (WASA), CDGL)

According to the interviewees (Interviewee 8-DMD, Finance; 9-Director; 6-DMD O&M (WASA), CDGL) WASA was facing the issue of financial sustainability. It was unable to meet its operational and management cost. They mentioned that the provincial government was reluctant to increase tariffs as the majority of members of the provincial assembly (MPA) feared it would have an adverse impact on their constituencies. In 2004, WASA prepared the revised tariff structure proposal for a 70% increase; however, it was only increased by 40%. UIP is collected by Tehsil Administration and then WASA receives its share from TMA which is always late. Table 11-6 indicates that WASA Lahore proposed the request for revision of tariffs each year, however, it was never approved.

**Table 11-6: Proposal for Revising Tariff Structure to the Governing Body**

<b>Year</b>	<b>WASA's Proposal for Increase in Tariff</b>	<b>Approved Tariff</b>
<b>April 2004</b>	70%	40%
<b>June 2006</b>	70%	Rejected
<b>June 2007</b>	70%	Rejected
<b>June 2008</b>	70%	Rejected

**Theme 2: Lack of Coordination Among Different Tiers**

Interviewees from CDGL also highlighted the lack of coordination among different tiers of government, particularly in development schemes. Interviewees indicated that some of the programs which were federally funded were not properly evaluated from the operation and maintenance point of view and this resulted in a burden on WASA resources in the long run (federally funded Filtration Plant as mentioned earlier). Another impact of a lack of coordination as reported by the interviewees was a delay in decision making as a large number of actors were involved in service delivery and high coordination costs (Interviewee 5, MD; 9, Director , P&D (WASA) CDGL).

### **Theme 3: Political Interference**

Interviewees were of the view that they face frequent interference from the politicians which limit their administrative and financial autonomy. Mostly political interference was affecting the decisions regarding hiring, posting and transfers. Bureaucratic interference was from the LDA (Interviewee-5, MD; 6, DMD O&M; 8DMD, Finance (WASA), CDGL). However, they were of the view that bureaucratic interference is less frequent than political interference in their day to day operations. Another interviewee added:

*“The most influencing factor is the political interference. The provision of facilities is not being done on a needs basis. For example, one community already has a tube well and the political representatives will insist on having another in that community where it is not needed at all. We cannot transfer even one person, because if we do, we are being approached from the top not to do so. The system’s main drawback is that it works on references from very well connected people.”* (Interviewee-6, DMD O&M (WASA), CDGL)

### **Theme 4: Governance Issues**

Interviewees highlighted that political and economic instability adversely affects them. According to one of the interviewees (Interviewee- 5, MD (WASA), CDGL), policies are lacking consistency, however, it does not directly affect them. Others highlighted that the water and sanitation sector have an inadequate legal framework, they do not have a Water Act, and regulatory authority (Interviewee-9, Director P&D; 8, DMD (WASA), CDGL).

## **11.9 SERVICE DELIVERY TECHNIQUES**

The ‘National Drinking Water Policy, 2009’, ‘National Sanitation Policy, 2006’, and ‘Provincial Water and Sanitation Policy, 2006’, have stressed the importance of community mobilization in the identification of schemes, planning, implementation, monitoring and operation & maintenance after project completion. Following this,

district governments are experimenting with two main service delivery techniques in Water and Sanitation service provision:

- Community led initiatives-Changa Pani Program (CPP) &
- Outsourcing

The history of NGO-public sector collaboration dates back to 1998 when the first initiative, the Orangi Pilot Project (OPP), was carried out in Karachi, Pakistan. This program is reported as one of the successful community initiatives in the World Bank report of 1998. Later on it was adopted as a policy strategy in the National Sanitation Policy 2006. This project is replicated in 248 other locations in Pakistan. In 1996, a local NGO known as ASB replicated this model in Punjab province and was able to improve access of poor communities to water and sanitation in the Hassan Pura community of CDGF. Then it expanded its work and collaborated with local government (CDGF) for providing assistance in GIS (Geographical Information System) for surveying the geographic area and mapping purpose. Outsourcing is mainly adopted in billing distribution and operation and maintenance in order to reduce the operational cost involved and overcome the shortage of staff and skills. It also has a different success rate in both CDG depending on how they are planned, implemented and managed in these local governments. However, a competitive bidding process was adopted to award these service management contracts.

### **11.9.1 Changa Pani Program (CPP-Clean Drinking Water)**

#### **Project Concept**

Changa Pani Program (CPP) is the first manifestation of the implementation of such policy goals. This program aims to improve water and sanitation access to the communities that are not served by the Water and Sanitation Agencies and where the cost of service provision is high. This project involves multiple levels of participation

and diverse actors involved in the formulation and implementation of these projects. It is a collaboration between public sector organizations at the regional (Urban Unit) and local level (WASA) on one hand and community (union council) and a local NGO (ASB) on the other hand. The aim of the project is to provide an efficient, reliable, affordable and environmentally sustainable water and sanitation system in low income communities. This strategic initiative aims to provide an Integrated Water and Sanitation Service (IWSS) through building up the self-reliance of the community to operate and maintain the water and sanitation provision in their areas. The overall project is divided up into two main components:

1. External component: it refers to the development of the main infrastructure such as trunk sewers, pump stations, tube well, service reservoir, distribution lines, and meter etc. and treatment plants. This is designed, built and maintained by the Water and Sanitation Agency.
2. Internal component: it consists of sanitary lines inside the house, underground sewers in lanes (streets), water supply fitting and fixtures inside the house etc. It is designed, built and maintained by the community itself.

After the completion of the project, overall maintenance and operation is handed over to the community. For this purpose, a water and sanitation committee referred to as the 'WASCO Society' has been established. The membership of this committee consists of all the clients of the area served. It has a management committee which is elected by the direct users and consists of 7 elected members of the community. The memorandum of WASO clearly stipulates the role of the managing committee. It also has an account committee which consists of one community member, one representative from the NGO and WASA to oversee accounts and ensure transparency. The Management committee can make a purchase of Rs.50, 000. In case of a purchase above that limit, it needs the approval of the accounts committee. Overall, this process ensures transparency.

## Actors and Their Interdependence in the PPP

The project involves diversity of actors involved at various levels of participation. The overall project design and implementation is interplay among the national and regional policy makers and implementation tier at the local level. Table 11-7 lists the actors involved in the CPP project.

**Table 11-7: Actors Involved in the CPP Project**

KEY ACTORS	ROLES
Urban Unit (Provincial Government)	It is a provincial department responsible for coordination and facilitation among the partners, conducting research for the policy learning of this models in other parts of the cities and ensuring quality in this process
Water And Sanitation Agency (WASA)	Line agency responsible for the design, implementation and operation and maintenance of the external component of the project, establishing a project support office and financial management of the projects
Union Council 60 (UC 60)	It is the union council. Union Nazim represents community voice , ensures transparency of the financing of the internal components, facilitates the work of ASB in community mobilization
Anjuman Samajhi Bahbood (ASB)	It is a local NGO with prior experience of component sharing model in the Hassanpura community of CDGF. This is responsible for community mobilization, mapping, surveying and facilitating the communication among partners.
WASCO Committee	WASCO committee is created for the future operation and maintenance of the project. it consists of 7 members, elected by the simple majority of the eligible general body (which consists of direct consumers). In addition to this, a representative of WASA and ASB will be part of the committee to oversee and monitor its functions and provide facilitation on any related issue.

These partners in the project have signed a Memorandum Of Understanding (MOU), which articulates how the project will be executed, explicitly delineating the responsibilities of the partners, mechanisms of consultation and conflict resolution (such as formally setting up a Steering Committee). The selection criterion of this NGO was based on its extensive prior work on development of such projects in other cities. It has extensive technical knowledge and required skills for the social mobilization of the community. Prior to this project, ASB had a similar project in Hassanpura, a community of Faisalabad district. The local community provides the knowledge of the local context, resources and demands for new projects. A steering committee, Water and Sanitation Committee (WASCO), is being set up for coordination and conflict resolution through dialogue and consultation. The members of this steering committee

consist of government representatives, NGO representatives, and local government representatives. In this way, each partner brings its own competitive advantage to the partnership portfolio.

### **Pre-Partnership Stage**

As Sullivan and Skelcher (2002) highlighted the pre- partnership stage is characterized by a network mode of governance. This was evident from the initial interaction pattern among the partners. This project was initiated to their political leadership at the request of the community. At the request of the political leadership, the public sector initiated the field survey to assess the work of the ASB. They discussed the concept of the project and visited the areas where this low cost project was undertaken by the NGO. The ASB received a formal request to visit the local community (UC 60) in 2006. This is how the process was initiated. According to the NGO:

*“Once we visited the site, we faced various issues, language barriers, and above all a lack of local knowledge of that area. It is our understanding that development can only be possible with the support of that area; nobody from outside can bring a change. During our visits we tried to look for the activists who can bridge the gap between us and the community and facilitate our process by organizing our meetings with the community.”* (Head of ASB)

### **Partnership Formation and Execution**

ASB conducted a preliminary needs assessment of the union council 60 and presented its finding regarding local demands to the Urban Unit in 2006. Later, in March 2007, the MOU was signed among the partners clearly specifying the roles and responsibilities of the partners. In this way, line agencies added the third sector into the community sharing model and developed an organizational structure. The total cost of the project was Rs.122.8 million and government funding was Rs.104.85 million. The government funding was inclusive of the external component cost. The total contribution from the community was 36% of the total cost of the component sharing model. This was an effective strategy to learn how community can be mobilized to pay

for the internal component. Poor households were facilitated through interest free instalments.

The strength of this model lies in the fact that the public sector has formally acknowledged the role of the third sector and has institutionalized their role not only in the service delivery model at the local level but document analysis also reveals that NGOs' role has been also formally channeled in the policy formulation process at the provincial level, ASB is part of the Water and Sanitation Regulatory Authority Committee<sup>17</sup>, which is responsible for the development and implementation of the first water act in Pakistan and National Sanitation Policy Implementation Committee (NSPIC, 2007)<sup>18</sup>. Organizational directives also indicated that the provincial government is advocating line agencies and city district governments to capitalize on the knowledge of the CPP model and use it as a strategy for efficient and cost effective solutions to service delivery, considering the limited resources available to them.

### **Partnership Exit**

After the project completion in 2010, its operation and maintenance was handed over to the WASCO. This body was awarded the contract for a period of 10 years. Public and Third sector representatives assumed a monitoring and facilitating role under the MOU of WASCO. The roles and responsibilities were clearly set out in the MOU, which further ensured transparency of the entire process (Interviewee-9, Director (WASA), CDGL; Head of ASB).

### **Partnership Outcome**

One of the assessments of a partnership can be a focus on the process indicators- level of engagement and commitment of partners (Sullivan and Skelcher 2002), clear purpose

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<sup>17</sup> According to the Notification issued by provincial secretariat of government of Punjab, 2009

<sup>18</sup> According to the notification issued by the ministry of environment, Pakistan

and need for partnership, high level of trust (Harrison 1999), accountability arrangements (Amery, 2000), and also a focus on outcome indicators- efficiency and effectiveness (Burch, Borland 2001). By employing both, we can have a true picture of performance. According to the efficiency indicators, this project ensured 24/7 hours water supply compared to 6-7 hours intermittent water supply through public sector provision. There is no non-metered water compared to the public sector which is facing the biggest issue of non-revenue water. Interviewees also suggested that an overall partnership was an outcome of trust and a clear set of goals and increased transparency in project delivery. Another success of this project is increased trust in the public sector to initiate such arrangements and acknowledgement in the water and sanitation agencies' official goals that such initiatives should be the part of the annual development plan (Interviewee-9, Director (WASA), CDGL; Head of ASB). Faisalabad district has initiated such project with the same NGO.

### **11.9.2 Perception from the CDGF**

According to the interviewees (Interviewee 2, DMG; 4, Director (WASA), CDGF) it was not a very successful scheme as it could not achieve long term sustainability.

*“At the tertiary level, we had a mega project, Changa Pani Scheme; it could not work efficiently. We tried to involve the community and once the project was approved, it became politicized because of certain interests.”* (Interviewee 5-Director, WASA, CDGF)

When the researcher referred to various reports published regarding it as a success story, the MD was cautious to describe it as a success story and said that there should be a third party evaluation of this project. However, he was of the view that such interventions were workable only in small communities where there is no water and sewerage coverage by WASA. According to him:

*“It is a very weak form of partnership and has sustainability issues and is limited in scope. Such community linked interventions add to efficiency but to sustain it for a bigger area is still a question”*(Interviewee 1-MD, WASA, CDGF).

There seem to be some elements of distrust among the partners regarding this model. According to the MD, the CPP did not have regulatory backup and also did not have a dispute resolution mechanism, in addition to this, it had avenues of corruption. Moreover, the NGO was not legally bound and there was a risk that the community could back out of the partnership. The Deputy managing director also highlighted that, *“We have some projects with Anjuman-e-Samaji Behbood (ASB) to involve the community but results are not satisfactory.”*(Interviewee 2-DMD (WASA), CDGF)

One of the interviewees explained that CPP could not work as the project became politicized because of certain interests (Interviewee 4-Directot Water and Irrigation (WASA) CDGF). The Deputy managing director said that there should be ways to involve the community as it could be a very cost efficient approach to reach those areas where it was expensive for WASA to provide water and sanitation coverage. In integrated models, both the community and WASA could share the cost of service provision.

According to the Managing director of WASA and Chairman of FDA, the policy environment for PPP was favourable as there was a sufficient legal framework, PPP act, PPP cells etc. however, the process is stuck with the initial problems such as standardized documentation for implementation, criteria etc. There is no big achievement in this regard. There is a central PPP cell at the provincial level. The question is how to reach different departments, especially utilities like WASA.

*“You have to have an outreach set up and identify PPP options. It all requires a lot of collaborative work and this aspect is lacking so far”* (Interviewee1-MD (WASA); Chairman FDA<sup>19</sup> CDGF).

In response to the question, if PPP is a viable option for service delivery or if it just remains policy jargon, the MD (WASA) responded:

*“Honestly, it is more jargon that politicians often talk about. There is less political will, because if there is political will, resources must follow.”*

The Managing Director of WASA and Chairman of FDA also explained that the primary investor requires stable cash flows and reasonable returns. This requires a very congenial investment framework. These things are missing. So, it is more a jargon than a meaningful attractive reality. PPP as a viable option requires a lot of base work in terms of sector analysis, financial analysis and technical aspects of each project. There are rudimentary cells and a policy framework. However, the government is facing the challenge of picking up the right options and converting them into suitable investment propositions.

Interviewees also reflected that ‘Policies and Laws’ advocate having PPP nodes at the district or department level; however, these were not formed at the time of this research. Bureaucratic commitment, like political commitments is very weak. *“Bureaucracy is not a big risk taker and usually once a department comes to learn that it will take 10 years to complete this project, they become disinterested”* (Interviewee1-MD (WASA), CDGF). Until and unless the whole organization has the same level of commitment and shares the themes among themselves, there are low chances of success. According to MD, WASA (CDGF):

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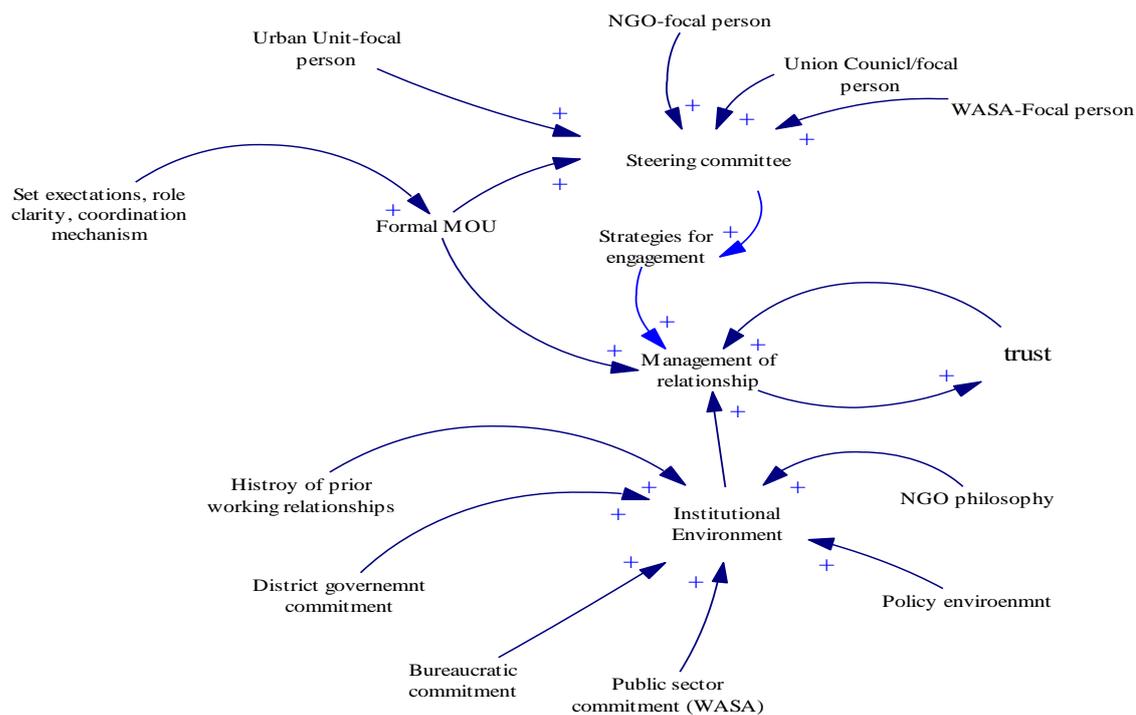
<sup>19</sup> Follow up interview with Chairman FDA, at the time of follow up interview, he was promoted and placed in the Public Partnership Cell at the Planning and Development (P&D) Department. This department was mainly responsible for PP policy formulation and its implementation at the regional level. And providing support to the local government.

*“It is necessary that you take on board not only the contractors but also the field staff when policy making. Usually, policy making is a behind- the- door process and the implementation tier is not involved in this process.”*

This concern that planning is centralized was also highlighted by the DMD (Interviewee-2, (WASA), CDGF). They were never involved in the policy decisions. The follow up interview with the Managing Director (WASA) revealed that WASA (CDGF) established a WASCO committee in the beginning and preferred to sign a contract with them rather than an NGO. According to him, for the sustainability of these projects, these projects need to be small, fully independent and self-contained for the management of cost. Community representation should be of an extensive nature having representation of every section of that community. The role of NGOs would be to maintain coordination between the community and WASA and the mobilization of the community. WASA also created a new post of ‘social mobilizer’<sup>20</sup>, a person with a background in social sciences to facilitate the coordination between the community and WASA in projects like CPP. This person will be assigned a team of people for this task. An overview of how IORs are managed between partners in CPP project is provided in Figure 11-3. According to the Figure, The creation of new roles and structures seems to show organizational commitment to improve organizational efficiency. Overall, partnership experiences suggest that successful outcomes of partnerships are based on the institutional context, organizational factors and the local context (Batley 2011)

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<sup>20</sup> This post will be function by July 2011.



Note: ['+' indicates favourable/presences of that factor]; ['-'] indicates unfavourable / absence of that factors]

**Figure 11-3: Management of Inter-Organizational Relationships in CPP Project**

### 11.9.3 Themes from CDGL

Interviewees from CDGL indicated that CPP is a successful project and could be replicated elsewhere, in particular in those communities where the cost of service provision was high. However, they want to see the sustainability of this project in the long run as the “*issue is whether the CBO will be able to generate the cost to run it or not*” (Interviewee 9-Director P& D (WASA), CDGL). Another interviewee added:

*“It is too early to say something about performance; we are closely monitoring the project. It has been only three months since it was handed over to the community for operation.”* (Interviewee-6, DMD (WASA), CDGL)

### 11.9.4 Themes from the NGO

According to the head of ASB, the basic ingredient of partnership is ‘Trust’. However, he explained:

*“Trust is based on how transparent the relationships among partners are. In order to build trust, it is very significant that every individual should know what is expected of them. If roles and responsibilities are very clear to everyone in the partnership, then trust builds up over time. We were four partners in this partnership and every partner’s roles and responsibilities were clearly described in the MOU and we tried to meet our expectations and perform according to our roles. In case we had a conflict, we all sat together in the steering committee and through dialogue, open discussion and consultation with each other, we tried to reach an agreement.”*

This was also confirmed by WASA that overall, the project was a joint collaboration of the community (contributing 36% of the total cost), an NGO (for social mobilization and technical support to the community) and WASA (for financing the external component and overall supervision and management). The Head of the NGO explained that the entire CPP project was handed over to the community’s committee- WASCO, responsible for its operation and maintenance costs. In this way, WASA does not have to incur any further costs in service provision. According to him, throughout this process partners were jointly responsible for all the decisions and their implementation. The CPP project closely resembled the concept of ‘co-production’ (Brandsen and Pestoff 2006) discussed in the Public management perspective (Section 4.4.2.2).

## **11.9.5 Outsourcing**

### **11.9.5.1 Themes from CDGF**

#### **Theme 1: Local Context**

In 2006, WASA outsourced revenue collection. However, according to the interviewees, it could not achieve success because of certain internal and external factors. According to one of the interviewees (Interviewee 4- Director, CDGF), one of the main reasons was that WASA targeted a difficult area to start with (for outsourcing), where service quality was already very poor, the collection rate was only 10-12% and even WASA was unable to collect revenues from this community. This community had

no industry and was politically very active (in some cases they even protested and blocked the main roads). Overall, this community became a liability for the WASA regarding revenue collection. Therefore, WASA outsourced it to the contracting firm. According to the service management contract, the firm was supposed to collect the arrears and payment was to be made on collection of all arrears. Overall, WASA did not share any risk in this partnership arrangement. However, this was not successful because of the contextual factors of the community.

## **Theme 2: Private Sector Capacity**

Another interviewee (Interviewee 2-DMD (WASA), CDGF) explained that the company, who was awarded the contract, alleged that WASA staff failed this project as they were against this outsourcing from the very beginning. Instead WASA employees generally had the perception that the company was not competitive enough. There were some internal organizational factors involved, such as the fear that an outside organization will benefit from this arrangement whereas benefits should be applied to all WASA staff. There were also issues of the internal capacity of the organization to manage outsourcing activities; some elements were resistant to change. There were also issues related to the capacity of externally contracted organizations as well.

*“WASA has its own perception with respect to outsourcing, as most of the people do not want change; they want to run the system in the old ways. We tried to outsource the distribution of bills, which was unsuccessful. The company who was given the contract had the perception that WASA staff failed this project. WASA’s employees are of the opinion that the company was not competitive enough. Another reason for the failure of outsourcing is that we lack internal organizational capacity to perform this activity. We do not have our own independent department which handles outsourcing activities; we receive instructions from the urban unit of planning and development regarding outsourcing. This unit gives us different instructions each time. In WASA, people do not want to accept change. They do not want to work on any creative idea. This idea was new to them, and that is one of the reasons for its failure.”*(Interviewee 2-DMG (WASA), CDGF)

### **Theme 3: Internal Organizational Factors**

According to the MD, WASA, a partnership in its true form has a joint management board, but the sharing of risks and rewards among the partners were not present in CDGF.

*“What we are doing is an informal way of sharing certain operational risks with the private sector. The Directors are themselves managing these projects. There is no dispute resolution forum.”*

According to the MD, there were certain profits earning options. However, these were the cash cows of the organization. If organizations receive Rs.100 million in lieu of bill collection, there is a possibility that 50 million go into their own pockets. This is the black economy within the cash cow segment. So, there is always internal organizational resistance to outsource profit earning centres to the private sector. Regarding the organizational capacity to manage the process of contract design, development, implementation and evaluation, MD, WASA explained that outsourcing was at a very small scale, therefore the internal organizational capacity with respect to the designing of the contract was also limited. However, they received consultations from other relevant agencies such as HUD&PHED in this regards. Overall, interviewees highlighted that now there is an institutional framework for PPP, the PPP Act, Laws and by-laws. The provincial department (P&D) is trying to develop standardized PPP modalities and documentation and provide support to the CDG departments.

### **Theme 4: Response of WASA to Manage Outsourcing Effectively**

In the follow up interview, MD (WASA) highlighted that they had outsourced billing and collection and detection of illegal connections to the private sector through an open tendering process. However, based on their prior experience, they had piloted it in one of the areas. The contract is performance oriented as WASA will pay the private sector not on the detection of illegal connection, but upon revenue collection from those areas.

He also highlighted that most resistance comes from those people who were previously monitoring these activities. Therefore, if you put those people in charge of such activities, they would try to fail such projects as their interest is involved in it. Therefore, considering such factors, they had created a new post- Director of Implementation & Coordination. This person will directly coordinate the PPP project- whether outsourcing or community led initiatives.

Furthermore, in order to overcome the fear of job losses among employees, WASA tried to convince its people that they should not have such fears as those who were doing these jobs before will be reallocated to new posts. However, according to the MD, the problem is not only a fear of job loss, it is about the loss of authority as well. The person previously monitoring these functions, had authority in the organization. Therefore, departments that are most affected by such ventures are the most resistant.

### **11.9.6 Themes from CDGL**

#### **Theme 1: A Phased Approach**

WASA is facing the issue of rising operational costs and increased collection inefficiencies (Table 11-4). To overcome these problems WASA Lahore outsourced two main activities in the Revenue Generation and Operation and Maintenance divisions. In the Revenue Division, the printing, distribution and collection of bills were outsourced in four selected towns. The Operation & Maintenance division outsourced detection of illegal connections in order to reduce the Unaccounted-For-Water (UFW).

#### **Theme 2: Involvement of More Than One Firm for Managing Competition**

Another strategy of WASA was to outsource these functions to more than one firm in order to induce competition. Therefore, it outsourced to four firms for a period of one

year, subject to revision on satisfactory performance. The main objective behind outsourcing was to reduce the operational cost and improve collection efficiency (Interviewee 9-Director P&D; 6-DMD, O & M; 8, DMD, Finance (WASA), CDGL). According to the interviewees, this is still at the pilot testing phase, and if it is successful, they are planning to outsource the operation of water tube wells in the Operation & Maintenance division.

### **Theme 3: Internal Organizational Factors**

However, interviewees identified certain internal organizational factors and concerns about the capacity issues of the contracted organization as the main issues to be handled in order to achieve successful outcomes of contracting.

*“The main challenges of outsourcing are not that we lack the technical skills to design contractual arrangement. Instead, we face resistance from the staff who were previously performing these functions because of two reasons: fear of job loss and break-up of the monopoly of certain internal organizational factors as they will have less control over matters. With respect to NGOs, we have the issue of integrity, as they do not report to us. This is one of the reasons that we have not employed one organization but rather try to develop competition among these organizations in order to make performance comparisons among these organizations. Currently, WASA has service management contracts with 4 firms for the detection of illegal connections. So far, more than 10000 illegal connections have been identified and verified by WASA. For the outsourcing, a competitive bidding process was used.”*(Interviewee 9-Director P& D (WASA), CDGL)

### **Theme 4: Initial Efficiency Gains**

Interviewees explained that outsourcing of these functions will help them to reduce their operational costs and to improve their collection efficiency. For instance, according to the interviewees (Interviewee 9-Director P& D; 6-DMD, O & M; 8, DMD, Finance (WASA), CDGL) prior to the outsourcing of billing distribution, the revenue department was responsible for meter reading, billing and collection. It had 100 meter readers, 20-30 persons for billing, and 150 delivery clerks. WASA needed a projected number of 1,000 meter readers, 200-300 staff members for billing and 1,500 clerks for

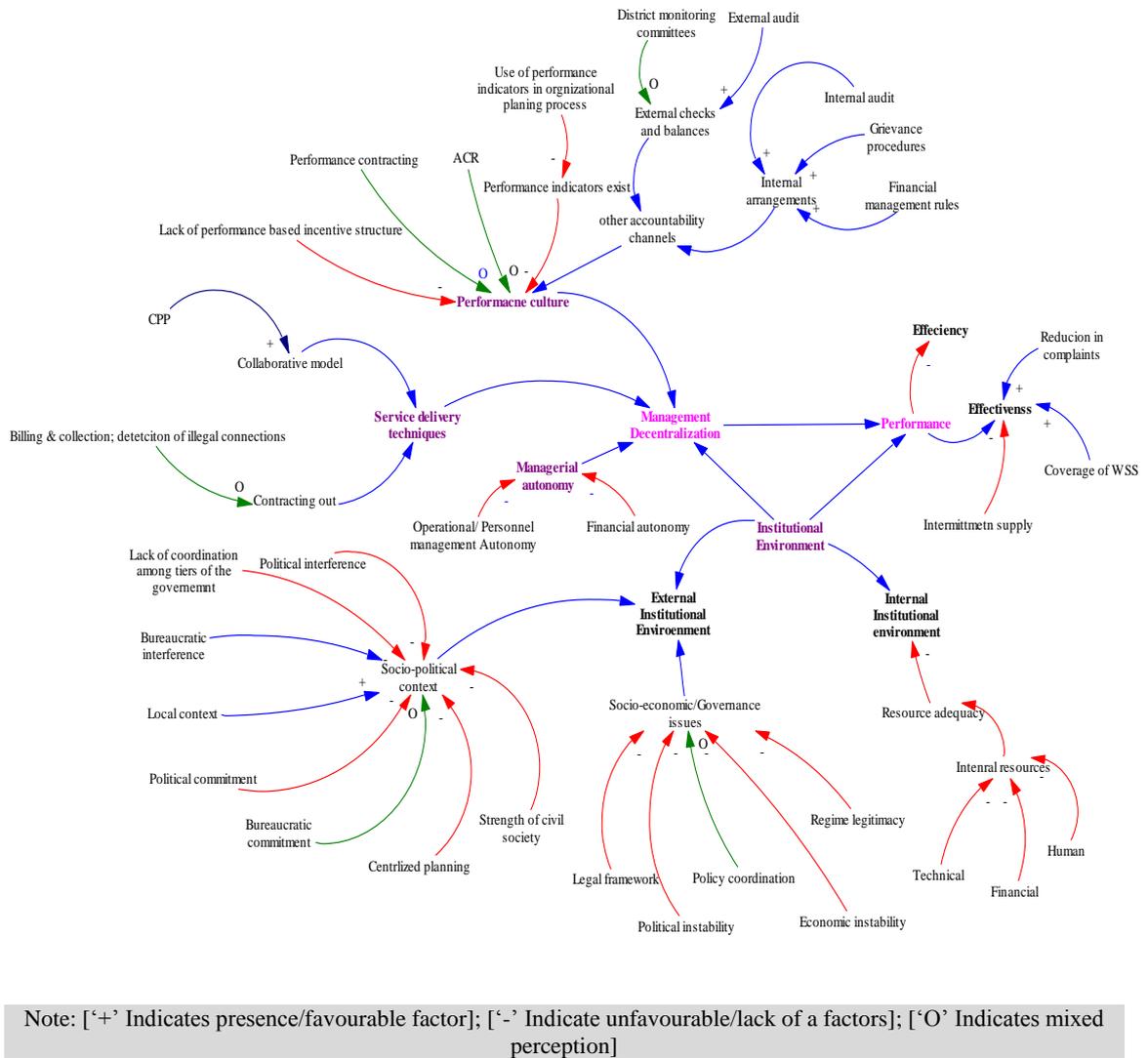
delivery. In order to reduce these operational costs, printing and billing distribution was outsourced and it is projected that in this case the contracted organization will be paid Rs. 4.00 for printing and billing distribution costs (WASA was spending Rs. 4.00 on printing alone).

### **11.10 CONCLUSION**

Overall, the institutional framework gives water and sanitation provision to the TMA, and gives the TMA the right to contract out any of its services to any public or private body; however, considering the nature of the sector, there may be issues of coordinated planning leading to the danger of diffused accountability and poor service delivery in big city district governments. Therefore, this sector is managed by the third tier of LG - City District Government. Interviewees from case study 1 and case study 2 identified that their managerial autonomy was constrained because of the insufficient legal framework, lack of clarity in roles and responsibilities, lack of coordination among different institutional players, weak accountability arrangements by not implementing performance standards to hold organizations accountable, and political interference in day to day operations. A summary of the main themes is presented in the Figure 11-4.

The financial autonomy of WASA heavily depends on the grants of the provincial government which has a strong impact on WASA operations as reflected by the interviewees. Both of the organizations stated that although LGO 2001 delegated tariff approval to the district assembly, in practice it is reviewed by the provincial government before final approval. There needs to be a proper legal framework to streamline this ambiguity in the institutional framework. Other factors which influence the decision on tariff revision are political considerations as water and sanitation is a big social sector and politicians are afraid of the fact that any revision in tariff will affect their

constituencies. Therefore, the WASA cannot achieve financial autonomy unless it is given the status of a corporate entity.



**Figure 11-4: Analysis of Management Decentralization and Performance**

Both of the case study organizations collected data against benchmarking indicators but none of the organizations confirmed their actual internal usage in that organization. The interviewees- from both CDGs, had a consensus that performance data was collected for the projects funded by international organizations like the Asian Development Bank (ADB), but they could not highlight how was integrated into the planning process. Even one of the case study organizations, CDGF, indicated that they had no idea how data

was collected against these indicators. This information needs to be used for the planning and management of service provision and for making people accountable against their assignments.

The internal institutional arrangement of both case study organizations indicated that an organization needed financial and human resources for effective service delivery. The quality of human resources was poor as there were no training opportunities and the incentive structure was not linked to performance. They needed to streamline their human resource strategies which could not be achieved unless organizations were given sufficient administrative autonomy to hire adequate staff and attract a highly skilled workforce with a competitive salary structure. Although devolution transferred administrative powers to the local government, the service structure is still maintained by the provincial government. For instance, a provincial government restriction on any kind of recruitment affects the local government department's ability to fill the vacancy.

Partnership models suggest that WASA can reduce its costs and improve service delivery by properly managed Public Private Participation. However, WASA Lahore started these options in 2007 and it is too early to see their effectiveness as a service delivery option. On the other hand, in CDGF the results were not very positive because of internal resistance to change and poor planning and execution of these service delivery options. In order to make PPP more successful, the organization needs a shift in its organizational culture, management commitment to these service delivery options and communication across the organizational members of the possible gains of efficiency. It also requires that management be provided proper orientation of the viability of PPP options so that it can be managed in an ingenious way according to the needs of the sector. The usual practice is that the provincial department provides technical support to WASA in contract design and development, while implementation

and evaluation are left with WASA. As these proposals or initiatives are not based on knowledge of the local context and the implementation agency WASA is not included in the initial planning process, these initiatives lack the commitment of WASA employees. If schemes are developed at the local level, there are more chances of success and responsiveness.

## **CHAPTER 12**

### **DISCUSSION - CROSS CASE SYNTHESIS**

#### **12.1 INTRODUCTION**

This chapter aims to present a cross-case synthesis of the case study district governments and the literature presented in Chapters 2, 3 & 4 and attempts to answer the research questions relating to the link between decentralization and the institutional performance of local government. However, it is not any easy task to give a precise answer regarding the effect of decentralization on performance. Some problems relate to the collection of reliable data before and after the reforms (Pollitt 1995) and there are issues in terms of defining performance. An effort has been made to adopt a mixed method approach to collect data and assess the perception of key stakeholders (political heads of CDG, departmental heads of service delivery organizations, NGOs acting as partners in service provision and end users). However, performance changes cannot be attributed to decentralization alone. Bearing this in mind, some plausible explanations or attribution of performance outcomes as a result of decentralization reforms in Pakistan can be inferred. However, the overall results are based on people's opinions and perceptions. The researcher has tried to ensure validity and reliability of the case study as discussed in the research methodology.

This study adopted an integrative approach to explain the complexity and diversity inherent in the design and implementation of decentralization reforms. This literature was organized around three main perspectives on decentralization and institutional performance. Each perspective offered valuable insight into the phenomenon of

decentralization by emphasizing a different focus, which, once taken together, offered a more comprehensive view of decentralization. Therefore, the discussion is organized along these perspectives. A summary of research findings is presented in Table Table 12-1.

**Table 12-1: Summary of Research Findings**

RESEARCH QUESTIONS	SUMMARY FINDINGS	IMPLICATIONS
<p><b>Research Question 1. What has been decentralized and has decentralization really taken place?</b></p>	<p>The research findings support that considerable political, fiscal and managerial autonomy has been transferred to the local authorities under the LGO 2001.</p> <p>1) <b>Political perspective</b> assessed the level of participation at two levels: Institutional level- the role of local councillors in local policy making and its implementation process. Grassroots level- election results, level of citizen participation in the local association and meetings, quality and quantity of contact between the public, elected representatives and the officials of decentralized institutions.</p> <ul style="list-style-type: none"> <li>• Overall, political analysis indicated that political representatives had considerable influence on local policy making and its implementation process. However, although, participation is able to increase representation of the marginalized groups, these groups have to make a strong effort to make their voice heard in local council meetings.</li> <li>• The decentralization reforms in Pakistan attempted to extend participation and give citizen avenues of voice in local decision making process. The empowerment strategies were a mix of representative democracy infused with participatory democracy, giving direct user involvement in community development projects (CCB) and giving them control over the decision making process such as delegated authority (School Councils). The findings suggest that there is a significant improvement in the quantity and quality of participation. The local government elections (2001 &amp; 2005) were considered as fair and competitive as the elections of national and provincial assemblies and voter turnout was more than the national and provincial elections (Section 12.2.1: p. 432).</li> </ul> <p>a) <b>Fiscal Perspective</b> assessed the nature of fiscal autonomy by examining the intergovernmental fiscal arrangements.</p> <p>1. Fiscal analysis of intergovernmental fiscal transfers revealed that local government relied heavily on intergovernmental fiscal transfer under PFC award. However, as the transfers were in the form of block grants, local governments had sufficient spending autonomy (Section 12.2.2: p. 438).</p> <p>b) <b>Managerial Perspective</b> assessed three types of</p>	<ul style="list-style-type: none"> <li>• The reforms in developing countries tend to be more towards structural decentralization. The findings suggest that local government needs sufficient political, fiscal and managerial autonomy to provide responsive local services.</li> <li>• This study contributes that the implementation level is the most significant in making these collaborative models work. Overall, it is evident that partnerships evolve over time. Partners, through engagement and re-engagement, overcome their differences, find strategies for better coordination and try to work together for successful outcomes. However, it depends on the willingness of the partners to work together, strategies employed and the institutional context.</li> </ul>

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reforms: organizational restructuring, service delivery techniques and performance based incentive structure.

- 1) **Extent of managerial autonomy:** The focus of the reforms was to create independent operational units but not so much on the financial devolution and control of resources (Section 12.2.3.1: p. 445).
  - 2) **Service Delivery Techniques:** The research found that service delivery organizations were collaborating with third sector for service provision. In the education sector such a collaborative model was known as Adopt A School (AAS) program. On the hand water and sanitation agencies were engaged in co-production and contracting out some of its activities to the private sector/third sector (Section 12.2.3.2: p. 449).
  - 3) **Performance Based Accountability:** The organizational survey and sector analysis validated that education departments have clear PIs and a performance based reward system. However, WSS showed a lack of both. Although, organizations collected information against PIs, however, it was not clear how these were used in the planning process (Section 12.2.3.3: p. 458).
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**Research Question 2:  
Has decentralization  
been able to improve  
institutional  
performance of local  
government?**

**Measures of Performance:** The study assessed the performance through internal perception of political heads of the local government and managers of service delivery organizations and external measure of perception such as community survey and archival data.

**Internal measures of performance**

1. According to the political heads of local government, the service delivery framework is much better under the local government system as it is more responsive to local needs. Local government allocated a major share of the budget to development activities, and sectors such as education and water and sanitation were given priority. The document analysis of budget documents also supported these research findings that local governments were allocating resources to its set objectives (Section 12.3.1: p. 462).
2. According to the organizational survey, the managers of service delivery organizations reported that the performance of their organizations is better than the previous arrangements. The sector analysis supported these findings (Section 12.3.2: p. 468).

**External Measures of Performance:** The study assessed the performance of local government along three dimensions: responsiveness, user quality and effectiveness through a community survey. Research findings from the survey indicated that decentralization has been able to improve the institutional performance of local government in terms of responsiveness, improved transparency, accountability and improved level of community involvement in service delivery (Section 12.3.1: p. 462). These findings were supported by the qualitative analysis (political analysis and sector analysis).

1. **Effectiveness** was assessed by comparing the objectives of the reforms set under devolution plan 2000 and the actual outcomes of reforms. The key objectives of devolution reforms were: improved user involvement, responsive and accountable local government. Local government elections (2001 and 2005) were considered fair and competitive. The findings of community and organizational survey

- The research findings suggest that there is a relationship between participation, increased autonomy, and better accountability arrangements. A mix of all these lead to improved institutional performance.
- It also supports the assumption that decentralization is a context specific phenomenon. Decentralization can lead to improved performance if there is improved level of user involvement in service provision, strong accountability mechanisms and sufficient local government autonomy.
- The study found that countries like Pakistan have a strong bureaucracy and suggests that centralized planning and bureaucratic layers are unable to deal with the inefficiencies of the public sector. There is a need to bring change in the developing countries public sector paradigm, delegating more responsibilities to the local level and more efforts should be

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provided evidence of enhanced participation and its positive significant impact on organizational performance. This was also supported by the qualitative analysis. The community survey also suggested improved accountability in terms of reduced level of corruption, better grievance procedures, improved level of employees attendance, and overall a transparent local government system.

focused on building the capacities of the local governments.

2. **User quality:** the community survey indicated that community is satisfied with the services provided, particularly education and water and sanitation sector.
    - Education: community survey indicated improved access to education, satisfaction with the quality of service provision, and better service delivery performance compared to pre-devolution arrangements.
    - WSS: the community survey also indicated that the overall access to WSS improved after the LG system. However, community satisfaction was higher for water provision than for the sewerage provision. There was also a significant association between improved access and satisfaction level with the type of local government. It was higher for CDGL than CDGF.
  3. **Responsiveness:** community survey also indicated that the local government system is responsive to local needs.
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**Research Question 3: Do accountability mechanisms affect the institutional performance of local government?**

**Traditional Accountability Channels:**

The organizations had a mix of vertical (Provincial oversight and audits) and horizontal accountability arrangements (local council monitoring committees, local council itself, political heads of local government).

- The organizational survey indicated that internal audits and grievance procedures were more effective in both education departments and WASA (CDGF), while grievance procedure were less effective in WASA (CDGL). Interview data also supported the survey findings that respondents considered internal audit transparent and financial rules were very clear to them. However, managers of the education departments seemed less satisfied with the external audits, provincial monitoring committee and financial management rules. While the organizational survey and interview analysis reported that these multiple accountability channels were playing an effective role in improving organizational performance, interview analysis also indicated that they were leading to issues such a coordination, delays etc. However, political analysis and community survey indicated no significant role of monitoring committees (Section 2.5.2).
- Both organizations were having two parallel performance models: traditional Annual confidential reports (ACRs), and performance indicators. However, the education department was clearer of their targets and schools performance was assessed and rewarded against the performance indicators. While managers of WASAs indicated that although they collect data against performance indicators, these performance indicators were not used for the planning purpose. Overall, the research found evidence of positive impact of improved

It was revealed that new accountability relationships emerged between citizen and local representatives, & between political representatives and public officials. As local councillors live in those communities, they are, therefore, under constant pressure of that community, and as a result tend to be more responsive to the community issues as they need their vote for the next elections. It also provided communities an indirect mechanism to exert greater influence on government officials through their local representatives. It is apparent that the local government system is able to create citizen oversight and electoral accountability to some extent.

There is a need to shift the focus on performance based accountability model for better performance outcomes.

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accountability channels on the performance of public sector organizations

- Community survey also indicated that there is a change in accountability mechanisms. Communities indicated increased access to information, reporting of corruption incidents and improved complaint procedures. Respondents indicated that was a visible change in the improvements of employees attendance, and local government system was more transparent compared to the previous system as a result of improved accountability mechanisms (Section 12.3: p. 462).
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**Research Question 4:  
What are the institutional factors that affect the link between decentralization and institutional performance?**

**At the institutional level:**

- 1) Commitment to reforms: The study found that the commitment of provincial and federal government to the LG system is a significant factor as lack of commitment of these two players not only had an adverse effect on the flow of resources. It also affects the bureaucratic commitment as it is contingent on the level of commitment expressed by the federal and provincial governments.
- 2) Coordination and party politics: At the local government level, the most significant factor was the coordination among tiers of government, lack of an integrated planning approach and party politics (Section 12.4: p. 473).

**At the organizational level:**

- 1) The sector analysis indicated that managers of the education departments perceived political and bureaucratic interference as the main constraint on their autonomy. The organizational analysis also supported these findings that the education department faced more political and bureaucratic interference than WASA. However, there were some variations across sectors and CDGs. The education department (CDGL) faced more political interference compared to the education department (CDGF). On the other hand, respondents from WASAs reported frequent political interference and less frequent bureaucratic interference.
- 2) The study found local context very significant in determining the performance of schools. However, water and sanitation agencies were more concerned with their internal organizational factors. The interview analysis also supported organizational survey findings that WASA had inadequate resources. Overall the sector analysis revealed that WASA had weak internal and external institutional environment, weak accountability arrangements, and a weak social-political context compared to education departments. The education department, besides having a weak external institutional environment, had a strong local context, better internal institutional environment and better accountability system (Section 12.4: p. 473).

**The service delivery models**

- 3) The extent to which partnerships are of collaborative in nature in terms of joint decision making and accountability depends on the commitment of both partners. It also suggests the significance of the institutional environment, particularly local context, organizational commitment and strategies of the partners in determining the successful outcomes (Section 12.2.3.2: p. 449).
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- These findings suggest the significance of the context, particularly the local contingency factors in determining the overall performance of public sector organizations.

The first research question of this study examined the nature and extent of decentralization reforms under the Devolution Plan 2000, in particular how far the actual decentralization has been implemented followed by examining the effects of decentralization on institutional performance of local government. The third research question aimed to assess change in accountability arrangements and its impact on local government performance. As this question was related to performance, in order to provide a more integrated response, it is partly answered in Q1 and combined in Q2.

## **12.2 Q1. WHAT HAS BEEN DECENTRALIZED AND HAS DECENTRALIZATION REALLY TAKEN PLACE?**

This question was partly addressed in chapter 1. At the local government level, considerable political, administrative, and financial autonomy was transferred to local authorities under the Local Government Ordinance (LGO) 2001. Chapter 1 provided a snapshot of significant political, administrative and financial reforms being devolved to the local government level. This section provides a brief review of these reforms and the perception of the key stakeholders regarding their realization.

### **12.2.1 Political Perspective**

The political perspective focused on assessing ‘how far the LG was able to articulate participation in local decision making processes’ and provided a political analysis of local government. The political perspective provides an understanding of the relationship between different forms of participation and local government performance. The political perspective argued that a locally elected government is closer to the people with a better understanding of local issues, which is reflected in the decisions. Therefore, political decentralization will lead to more responsive and efficient service delivery outcomes. It focuses on voice mechanisms, such as free

election, political parties, formal procedures, public meetings, and opinion surveys to assess the link between participation and responsiveness.

At the institutional level, participation was assessed by examining the role of local councillors in local policy-making and its implementation process (Chapter 9). The political reforms introduced a local government system consisting of three tiers: District council, Tehsil Council, and Union Council. Local elections were held on a non-Party basis. The union council was the only directly elected tier of the local government, which then became the Electoral College for the election of the Tehsil and District Councils. The Nazim and Naib Nazim of the Union Councils became part of the District and Tehsil council respectively. The new electoral reforms also introduced a quota system for the representation of peasants, worker, minorities and women. The District Council indirectly elected the District Nazim (DN). Therefore, there was a considerable accountability problem at this level as his re-election was dependent on the majority of District Council votes.

Fair and competitive elections are one indicator of participation (Devas 2003). So far, two Local Government elections have been held, LG election 2001 and 2005. The local government elections were considered as fair and competitive as the election of National and Provincial assemblies (HASNAIN 2010). The overall voter turnout in the LG 2005 election (47.38%) was higher than the in the National Assembly Election 2008 (44.11%). A comparison of the voter turnout<sup>21</sup> in the province of Punjab revealed that the turnout for the LG 2005 elections was higher (53.45%) than the National Assembly elections (48.18%). However, according to the political perspective, although elections may increase representation through a quota system, it may not empower disadvantaged

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<sup>21</sup> Collected from data of Election Commission of Pakistan available at: <http://www.ecp.gov.pk/Misc/ReportGeneralElection2008Vol-II.pdf>

groups (Blair 2000). It is also argued, that ‘representative democracy alone cannot result in responsive and accountable local government. Representative democracy needs to be strengthened with empowerment strategies such as ‘participatory democracy and extending democracy’ (Burns, Hambleton and Hoggett 1994; King and Stoker 1996). The research findings of this study confirmed that although the election improved the representation of marginalized groups in local councils, these groups have to make a strong effort to make themselves heard during the council meetings (Secion 9.3, p: 299). The interviews with female councillors (Town and District) indicated that they had little influence in the policy making process and development funds were not allocated to them. Even the female councillors’ honorarium was less than that of male councillors; however, the continued effort of the female councillors resulted in the increase of their honorarium in the 2008/09 budget and more allocation of resources in the second tenure of the local government. This confirms that disadvantaged and marginalized groups may not be able to exert influence unless they make consistent efforts to make their voice heard in local council meetings.

The research findings also showed that the profile of the individual local councillors such as education level, networking skills, leadership capacities may be very significant in exerting influence in the policy making process. For example, one of the female district councillors (Interviewee 8-female district councillor) had a professional degree, a political background, was an active member of the youth lawyers’ forums and contested on general seats in the LG election 2005. On the other hand, a female Tehsil councillor contested on the quota system, her husband was the Union Nazim and her appointment was based on family connections. The female District councillor was found to be more active in organizing the female voice and continually made efforts to solve issues in the community. Similar evidence was found regarding male councillors’

levels of participation. Councillors who had a higher education degree, a determination to bring change to the system and a desire to solve community issues were more influential (Section 9.2.2).

The study also found that party politics at the local level played a strong role in the allocation of development funds among councillors (Crook 2003; Francis 2003; Olowu 2003). Although the local government elections were contested on a non-party basis, local councillors had affiliations with the major political parties at the provincial and national level. This was strongly evident from the interviewees' perception that, if they belonged to the opposition, they had problems in the allocation of funds (Section 9.4.1, p: 308).

LGO 2001 also made provision for citizen participation in service provision, financing, and oversight of local service providers through oversight monitoring committees, School Councils (SCs) and Citizen Community Boards (CCBs). A brief overview of all these participatory arrangements was presented in Chapter 1. However, oversight monitoring committees only existed on paper and remained mostly inactive. It can be inferred that infusing representative democracy with participatory democracy as proposed by Burns, Hambleton & Hoggett (1994) remains an ineffective strategy. In the CDGL the main factors highlighted, by the political representatives, for their ineffective role were: lack of proper training of councillors regarding their role and resources such as staff and transportation. On the other hand besides CDGF efforts to organize training for councillors on monitoring committees working, they remained ineffective due to a lack of commitment of the councillors and their inability to devote time to these monitoring roles (Section 9.3.3, p: 303). It also suggests that, as the role of monitoring committees was only to monitor and submit reports to local councils, the members felt that they lacked control to take action to solve problems. This led to dissatisfaction with

monitoring committees. They remained consultative bodies with representation remaining at the level of 'tokenism' as suggested by Arnstein (1969).

However, the research did find evidence of the effective role of School Councils in improving the quality of education. The effectiveness of SCs also confirmed that empowerment strategy - extending democracy through direct user involvement (Burns, Hambleton and Hoggett 1994) gave citizen's greater control over the decision making process. This is the most effective participatory strategy for meaningful participation (Arnstein 1969). The case study LGs (CDGL & CDGF) reported positive outcomes of these participatory arrangements such as improved teachers' attendance, transparent utilization of funds, improved quality of education and mobilization of resources for small scale school projects. However, the effectiveness of SCs was found to be dependent on contextual factors such as the socio-demographic profile of the community, the role of the head teacher and the involvement of political representatives. Overall, SCs were less active in rural areas, where the literacy rate was low and socio-economic conditions were weak (Section 10.6, p: 336 Figure 10-4, p: 375).

The evidence with respect to CCB was mixed. The basic concept of CCB was to be a non-profit organization with 20% of the funds generated by the community and 80% contributed by the LGs, being exempted from tax. The document analysis indicated that mostly funds allocated to CCBs remained under-utilized. The reasons for their under-utilization were procedural and technical requirements to obtain project approval and implementation (Section 9.3.2, p: 300). Besides CDGs initiatives to streamline the process of project approval, facilitate community and reduce delays, the actual allocation of funds to CCB schemes and actual utilization of funds remained quite low.

According to the political perspective, underlying much of the debate for local democracy is the importance of active involvement of citizen in local politics. The decentralization reforms in Pakistan attempted to extend participation and give citizens avenues of voice in local decision-making processes. The empowerment strategies were a mix of representative democracy infused with participatory democracy, giving direct user involvement in community development projects (CCBs), and giving them control over the decision making process such as delegated authority (school councils). The findings of this research suggest that there is a significant improvement in the quantity and quality of participation on the one hand and accountability relationships between political representatives and public officials on the other (Table 8-2, Table 8-3 & Table 8-4). This is reflected in the key themes from the community (Table 8-13, p: 281): local government has improved accessibility to local representatives, resulted in the accommodation of diversity of local needs, and offered the community to solve problems at the grass root level in a more participatory manner. Accessibility of the local community to local representatives was the key consideration in ensuring responsiveness and accountability. As local councillors lived in close proximity and had social ties with the local community, the local community could pressurize them to solve their issues and make them accountable for local government performance. Local councillors remained the main avenue for expressing community concerns, and as the community reflected, they were able to pressurize local councillors and in turn government officials. It also emerged that the concept of political accountability was very strong and that local councillors are an effective mechanism to mobilize community support for community problems. However, it can be inferred that effective participation remains dependent on contextual factors (Table 2-4, p: 48)

### **12.2.2 Fiscal Perspective**

The fiscal perspective on decentralization was mainly concerned with matching revenue and expenditure assignments. Their assumption was that expenditure assignment should match revenue assignments to make local government accountable (Chapter 3). The political perspective stressed that local governments need adequate resources as well as autonomy to decide allocations according to local preferences. The fiscal perspective stressed that political decentralization is a prerequisite for decentralization and local governments should have sufficient resources to finance their expenditures. Hence, both of these perspectives build upon each other. It was therefore essential to analyse inter-governmental fiscal relations to fully grasp the nature of local government autonomy in service provision. To achieve this objective, an analytical framework was outlined in the fiscal perspective (Figure 3-1, p: 88).

According to the framework, in order to assess the relationship between fiscal decentralization and service delivery performance, attention should be paid to the Intergovernmental Fiscal Transfer system (IGFTs), the regulatory framework and prerequisites of decentralization (political decentralization, enabling environment, accountability). Considerable attention should be paid to the institutions of coordination among different tiers by examining IGFTs, which address the design of transfers and institutions of accountability to hold local government accountable for what they do with the resources they have been allocated.

As mentioned in Chapter 1, under the Devolution Plan 2000, local government was assigned a range of tax bases to create some incentives for LGs to raise their revenues. As illustrated in Table 12-2 (p: 439), while the district tier had been assigned various taxes and the right to levy various user charges, these were not very buoyant tax bases and some of the charges would be very hard to impose, such as fees for schools and the

use of health facilities, considering the fact that these services were already subsidized. In Pakistan, primary and elementary education is provided free in all the provinces (World Bank, DFID). Compared to this, the Tehsil/Town administration had been assigned more buyout tax bases such as Urban Immovable Property Tax (UIPT). According to the reports of the World Bank (2004), the new taxes and user charges remained underutilized.

**Table 12-2: Local Government Revenue Structure under LGO 2001**

District Council	Tehsil Council	Union Council
<ul style="list-style-type: none"> <li>• Education tax</li> <li>• Health tax</li> <li>• Tax on vehicles other than motor vehicles</li> <li>• Any other tax authorized by the government</li> <li>• Local rates on lands assessable to land revenue</li> <li>• Fees in respect of schools, colleges, and health facilities maintained or established by the district government</li> <li>• Fees by specific service rendered by the district</li> <li>• Collection charges for recovery of taxes</li> <li>• Tolls on new roads, bridges, within the limits of the districts other than the national and provincial highways</li> </ul>	<ul style="list-style-type: none"> <li>• Local tax on services</li> <li>• Tax on immovable property (UPIT)</li> <li>• Fees on advertisement and billboards</li> <li>• Fees for fairs, agricultural shows, cattle fairs, industrial exhibition, tournaments and other public events</li> <li>• Fees for approval of building plans, and erection of buildings</li> <li>• Fees for licenses or permits, and penalties or fines for violation of the licensing rules</li> <li>• Charges for execution and maintenance of works of public utility like of lightening of public places, drainage water supply</li> <li>• Fees on cinemas, dramas, and other entertainment</li> <li>• Collection charges for recovery of any taxes on behalf of the government, district government, union administration etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Fees for licensing of professions and vocations</li> <li>• Fees on sale of animals in cattle market</li> <li>• Market fees</li> <li>• Charges for specific service rendered by the union council</li> <li>• Rate for execution and maintenance of any work of public utility like lightening of public places, drainage and water supply</li> </ul>

An analysis of the LGO 2001 revealed that although it specified the LG's autonomy to set tax rates, it did not suggest 'how' it should be done. A comparison of LG functions (Figure 1-4) and fiscal resources (Table 12-2, p: 439), illustrated a mismatch between the expenditure and revenue assignments of LGs, particularly with the district tier heavily dependent upon transfers. Some studies (Kaiser 2006; Kardar 2006) on the fiscal autonomy of Local government in Pakistan indicate that the total expenditure of LGs were less than 1% of the total combined expenditure of local, provincial and federal governments compared to India (4%) and in advanced countries (20-35%).

According to the IMF's Government Finance Statistics (GFS), the ratio of Pakistan's LG revenue to the total GDP is only 0.9%, compared to 3% in Ethiopia, 3.1% in Nigeria and 6.15 in India (World Bank 1994). However, as mentioned in Section 3.4 (p: 78), GFS data had certain limitations. It does not reflect the true amount of local government autonomy as it does not provide any information regarding the LGs' 'Own Revenue Sources' (OSR) and conditional or non-conditional tied grants. The structure of OSRs and the nature of grants reflect how autonomous LGs are in utilizing their local resources (Alm, Martinez-Vazquez and Bird 2002; Bahl and Johannes 1994; Ebel and Yilmaz 2002).

In comparison to other developing countries, which rely heavily on conditional grants as indicated in (Table 3-2, p: 75), the LGs in Pakistan were primarily dependent on fiscal transfers, which were usually one block transfers, giving LG's spending autonomy. LGs were autonomous to spend these grants according to their priorities, as no conditions were attached to the grants (see Table 1-4, p: 23). However, the local government Own Source Revenue generation was far behind other decentralized countries (Cyan 2007).

Institutions of coordination and regulatory framework play a significant role in the transparent and predictable transfer of financial resources to local governments (Dillinger 1994; Litvack, Ahmad and Bird 1998). The main institution for fiscal coordination was PFC. The initial support for establishing a PFC was low (DFID, ADB and World Bank 2004) and transfers to the LGs were not formula-based (Cyan, 2001). The statutory provisions for establishing a PFC were made in the amended ordinance of LGO 2001. The PFC award adopted a formula based transfer to LGs. According to Section 120 D of LGO 2001, the fiscal award was to be based on fiscal capacity, fiscal need, fiscal effort and performance. Article 4 of the LGO 2001 lays down the formula of distribution among District, Tehsil and Union administrations - 83.8%, 12.5%, and

3.69% respectively in the form of block grants. The details of general-purpose grants, equalization grants and tied grants have been provided in chapter 1 (Table 1-4, p: 23).

Overall, PFC awards were based on a need-based formula:

*“..... The PFC (2006-09) prioritized the under developed districts. They were given relatively more funds for the development of health, sanitation, water supply facilities, and education”* (Tribune, 2010).

This was also confirmed by Shah (2003) investigating the merits of the PFC of Pakistan and concluding that PFC had a transparent formula; it is based on indicators of expenditure and better information about LGs, wage transfers to cover administrative costs. Demerits of PFC included: it has one size fits all approach; some of the indicators like tax effort and backwardness are questionable, there is no result culture; inappropriate incentives for responsive, responsible and accountable governance. This study found similar demerits of PFC, as political representatives highlighted that they had no incentives to improve the tax collection efficiency as there are no appropriate incentives to reward their efforts.

Nevertheless, LGs transfers under PFC were more in the form of general purpose grants. Therefore, it can be argued that theoretically local governments had a higher spending autonomy (Musgrave 1997). As explained in chapter 3 (Section 3.3.3, p: 71), transfers on the basis of a formula not only make them predictable, a divisible pool also ensures that an increase in taxes will automatically increase the IGFTs (Bahl and Johannes 1994; Bird and Wallich 1993; Boadway and Shah 2007). This study found that PFC awards had the merits of predictable, formula based transfers from a divisible pool as recommended by fiscal federalism (Dillinger 1994; Litvack, Ahmad and Bird 1998) and supported by other studies on fiscal decentralization in Pakistan that these transfers meet the criteria of a ‘transparent’ grant system (Bahl and Johannes 1994; Cyan 2007; Shah and World Bank. 2004; Shah 2005).

Faguet (2004) based his study on the fiscal federalism perspective and measured the impact of decentralization on responsiveness by assessing the change in resource flow. He examined the pattern of public investment at local government level and whether indicators of need (level of literacy, access to services) change these investment patterns. This study was mainly interested in understanding the Inter-governmental Fiscal Transfer (IGFTs) system and expenditure autonomy of the LGs in the allocation of resources for development and non-development funds according to local priorities. As has been argued earlier in this section, LGs had far greater spending autonomy, theoretically. The question was to assess how far, in reality, local governments were exercising this spending power by providing locally responsive services. Therefore, the researcher carried out an analysis of district government budgets focusing on 'development and non-development expenditures' to understand the spending patterns of LGs.

The second PFC award for the year 2006-07 allocated Rs.112 billion to LGs. The provincial sources were divided into 1) a provincial retained account and 2) provincial allocable amount. A 2.5% GST was added to the provincial allocable amount to be transferred to the LGs. An analysis of district government budgets revealed that spending pattern changed over time and local government spending on development increased after 2003-04. For instance, the analysis of the CDGL budget indicated that in 2003-04, the total district budget was Rs.4913.302 million, out of which Rs.893.105 million were allocated to development expenditures. In 2008-09, CDGL announced a budget of Rs.30.73 billion out of which Rs.16.72 billion was allocated for development expenditures and Rs.12.98 billion for non-development expenditures. It also indicated that over the years, the size of the LG budget not only increased, but that a major proportion was allocated to development expenditures. Even the budget of the CDGL

indicated that education was given the first priority in the expenditure (Rs.322.60 million in 2005-06 and Rs.1.59 billion in 2008-09 was allocated for development expenditure alone). In 2005-06 district budgets, CDGL's allocations for the education sector were purely from its Own Source Revenues (OSRs) indicating that increased spending on education was not related to tied or conditional grants and reflects a significant autonomy of local government in spending patterns.

However, in 2009-2010 CDGL only announced its non-development budget and there was no allocation for development expenditure. The Nazim of CDGL explained that as the provincial government froze local government accounts and started rolling back of the LG system, it was neither appropriate nor possible to announce development budgets. Likewise, the Nazims of CDGF also explained that in 2009-2010 the local government could not continue its development projects because of frozen funds by the provincial government (Section 9.6, p: 314). Kardar (2006) reported that LG transfers were hardly able to meet salary expenditures let alone to spend on development needs. However, this study based its conclusion on the data collected between 2001-2004, which was the first tenure of the local government. The researcher found evidence of the opposite.

Overall, a fiscal analysis of the IGFTs revealed that LGs mainly relied on the provincial government for funds through PFC awards. The transfers were in the form of block grants giving local government sufficient spending autonomy. However, the dependency of LGs on transfers resulted in an inability to allocate any funds for development activities once the provincial government either did not release funds or froze local government funds in their accounts. This has impacted the performance of the Education Sector particularly, whereby projects like PPP Cell in CDGF became non-functional because of lack of funds.

The analysis of fiscal reforms under decentralization supports the argument from a political and fiscal perspective that LGs need a sufficient fiscal autonomy in the form of Own Source Revenue (OSR). The reliance on grants leave LGs at the mercy of provincial or federal governments, particularly in developing countries like Pakistan, as provincial or federal governments use the grant structure as a controlling mechanism. So far, there is considerable progress in political decentralization, but fiscal decentralization has not been given substantial importance by the provincial governments. Under these circumstances, LGs cannot be held accountable for service delivery outcomes.

### **12.2.3 Public Management Perspective - Public Sector Model**

The NPM model provides a managerial view of local government and how the public sector should be organized for the efficient provision of services. The decentralized framework proposed by NPM focused on three main changes: structural decentralization, performance orientation, and service delivery techniques such as market or collaborative models of service provision. The level of analysis moved from political institutions to organizational structures and processes. The focus became to explore and examine how the public sector is structured and engaged in local service provision. Therefore, the study examined the extent of managerial autonomy over financial and personnel management, the mix of service delivery techniques and the nature of the accountability model. As every perspective argued that decentralization is a context specific phenomenon, a comprehensive assessment of the institutional environment was carried out in order to understand the context of service delivery organization.

### **12.2.3.1 Managerial Autonomy**

Walsh (1995) argued that so far the emphasis has been on the creation of an independent operational unit but not so much on the financial devolution and control of resources. This study also found a similar evidence of the limited administrative and fiscal autonomy of LG. An analysis of managerial autonomy of the LG revealed that political and fiscal reforms were followed by devolving various functions previously performed by the provincial governments, such as education, health, water and sanitation, infrastructure etc. to LG level. As discussed in chapter 1, the executive branch of a district was divided into 10-13 departments, each headed by an Executive District Officer (EDO). Section 18 of the LGO (2001) gave the district governments authority to *'change the number of posts of officials and employees of the decentralized offices of the district administration and tehsil and town administration'* (pp: 12-13). In practice, the provincial government exercised considerable influence on local authorities' decisions regarding appointments, postings and transfers - most noteworthy there was a provincial restriction on recruitment. Even if LGs wanted to recruit for vacant posts, which were going to be paid from local revenue sources, the provincial restrictions on recruitment prevented them from filling these posts (Interviewees 1 District Nazim-CDGF & 6-Union Nazim & 7-Town Nazim-CDGL).

To deal with the provincial restrictions, LGs started hiring staff on a contractual basis particularly in the Education and the Health sectors. In Particular, CDGF established resource centres in education and health for updating HRMIS in 2008. It was found that CDGF considered hiring teachers and doctors, a strong exhibition of district autonomy and authority (Interviewee1-District Nazim, CDGF). At the district level, CDGs had a district recruitment committee to fill the previously vacant positions. Authority over career management such as promotions and transfers varied across sectors. Overall, the

appointment authority for Grade 19 rested with the Nazim, for Grade 18 rests with the DCO, and for Grade 17 with the EDO (LGO 2001). However, although the EDOs report to the DCOs, their promotions and transfers are determined by the provincial governments. External influence over postings and transfers comes from two sources: provincial headquarters and Members of National (MNA) and Provincial Assemblies (MPA). Hence, LGs had limited financial and administrative autonomy and the role of central and provincial governments remained influential in key decisions.

The focus of the service delivery reforms was to have a decentralized organizational structure giving managers operational and financial autonomy, user involvement, focus on PIs, political and managerial accountability models. The organizational and document analysis revealed that both the Education and Water and Sanitation (WSS) sectors were delivered by the provincial governments before the local government reforms. Under the local government ordinance, both of these functions were devolved to the local government and policy making and oversight was left to the provincial and federal government. Both sectors had the freedom to prepare their own annual development plans, prepare budgets and spend them according to their needs.

Across sectors, the Education Department was devolved to CDG and transferred considerable administrative and financial autonomy (see Table 10-2, p: 326) compared to the WASA. The organizational survey (Table 7-2, p: 210) also highlighted that the Education Department had more financial autonomy over budget execution and resource mobilization and less over resource allocation. The interviews with the managers of the Education Departments corroborated that they had more financial autonomy than administrative autonomy (Section 10.5, p: 332). The reason for less autonomy in resource allocation was that this was further delegated to schools to identify their needs and the resources they wanted. The Education Department was

using a school based budgeting approach. Therefore, schools became more autonomous as they prepared their own budget. The Head teachers also had the powers of Drawing and Disbursing officers and releasing teachers' salaries. It also gave them a mechanism to manage the performance of their staff. Once budget requests were submitted to the education department, the education department verified them and after approval, they were submitted to the District assembly. Once approved by the district assembly, the Education Department simply passed these allocations on to schools. That is why managers of education were of the view that they were more autonomous in budget execution and in case of dissatisfaction with a school's performance, they could stop its funds. The researcher's informal conversations with head teachers of schools during field visits found that they were autonomous over recruitment and career management of teachers (Chapter 9). Overall, the Education Departments enjoyed considerable fiscal autonomy and a need-based or school-based budgeting approach was used to prioritize the schools' needs and allocate resources accordingly. Decentralization was able to decentralize decision-making authority to a large number of actors both horizontally and vertically (Mintzberg 1979).

The Water and Sanitation Sector (WSS) was managed by semi-autonomous organizations known as WASAs in each district. However, it was placed under the control of the City District Governments (CDGs). The main impact on organizational restructuring was the change in the composition of the Board of Directors and the budget approval process. Overall, interviewees from WASA indicated less financial and administrative autonomy (Section 11.5, p: 384). The findings from the organizational survey also indicated that WASA had more administrative autonomy than financial autonomy (Section 7.2.1, p: 209). There were even variations in the amount of administrative autonomy, which WASA managers could exercise. For instance, CDGF

had significant administrative autonomy except for setting compensation, while CDGL only had significant autonomy over firing and transfers. The main issue faced by managers of WASA was limited financial autonomy. They were unable to revise its tariff structure. Under the LGO 2001, WASA was to be devolved to the TMA (2<sup>nd</sup> tier of the LG) however, it was retained at the district level in five city districts of Pakistan because of the problems of manageability and other capacity issues at the TMA level (Section 11.2.1.3 , p: 381). It had undergone internal organizational restructuring under local governments. However, its managerial autonomy was severely hampered by its inability to raise the tariff structure. The WSS was devolved to local government. However, provincial governments maintained control by not allowing the transfer of technical staff transfer from its provincial department (HUD & PHED) to the district level and by controlling the tariff revision, which was under the constitutional arrangements a local government mandate.

Overall, the research findings of this study indicate that authority over the local administration, budget preparation, recruitment, career management, pay policy and performance management was limited. It was also found that there was a reluctance to devolve control over personnel and financial management. Larbi (1998) and Russell, Bennett and Mills (1999) reported similar findings from other developing countries. The study also found that services which are politically sensitive such as WSS face more frequent interventions from politicians to control access and tariffs. The managerial autonomy in such organizations is subject to frequent political interventions as reflected in provincial governments' efforts to control tariff revisions in the WSS.

### **12.2.3.2 Service Delivery Models**

According to the New Public Management (NPM) literature, the public sector is adopting various service delivery options ranging from direct provision, to contracting out and collaborative arrangements such as partnerships (Chapter 4). Contracting and collaborative arrangements require a different set of organizational arrangements. The literature on collaborative service delivery models explains that the key feature of collaboration is mutuality (joint decision-making and reciprocal accountability) and considerable attention should be given to the institutional environment, organizational structures and processes for managing inter-organizational relationships (IRO). It also emphasized that partnerships evolve over time through a process of “*engagement, feedback, adjustment and reengagement*” (Brinkerhoff and Brinkerhoff 2002, p: 12). The research found that service delivery organizations were collaborating with third sector organizations for service delivery. Two indigenous models of partnership emerged: the Adopt A School (AAS) system and the CPP. The researcher employed Sullivan and Skelcher’s (2002) continuum to identify the nature of collaboration. According to that continuum, AAS falls in the middle of the continuum as the mode of governance is formal MOU. CPP is the strongest form of partnership as a formal governing body was constituted for governing the partnership. Both partnership models (AAS and CPP) illustrate that there was some degree of formality and mutuality- such as the partners signed the MOU in both models. CPP also had a governing body to resolve conflicts and provide a smooth functioning of the partnership, whereas AAS partnership was managed through the PPP cell in CDGF. CDGL had no key person from the public sector to coordinate these partnership programs.

There is a limited analysis of the Inter-organizational (IOR) dynamics between the public and private sectors and the factors that affect such collaborations (Batley 2011).

Therefore, the study focused on how the public sector managed its relationship with the private sector. The main issues examined were; the nature of partnerships, the management of IOR and the role of the institutional environment on the performance of such collaborations. In the education sector, the two main NGOs involved in AAS partnerships were CARE and ITA. However, the nature of partnership was quite different. The analysis of the MOU signed by these third sector organizations with the Education Department indicated that the MOU signed by ITA was more explicit in assigning roles and responsibilities among the partners compared to CARE. An analysis of these two organizations working with the public sector had indicated that absence of clear roles and responsibilities, leads to confusions and in turn coordination issues and confirms the findings of Roseanu (2000) and Thomson and Perry (2009).

According to the ITA chairperson, the relationships are managed by '*trust, shared approach and participatory decision making processes*' as well as by the formality of the MOU to ensure that the school and the Department Of Education agree to the clauses of the MOU which provide an elaborate institutional framework for managing the partnership. However, some disagreed with this view and stated that although the MOU did carry some instructions, there was no coordination between planning and execution (Interviewee-NGO [A]). This was more evident in the MOUs signed between CDGL and CARE. In the case of the Education Department (CDGL), the managers expressed that there was no element of joint decision-making and shared approach (Section 10.9.4, P:365). For CDGF, the relationships were managed through trust and the MOU. They also indicated that roles and responsibilities were very clear to them. One of the contributing factors to this enhanced coordination and trust was CDGF's established PPI cell for the management of partnership initiatives. There was no prior history of distrust between the public and third sector as was the case of CDGL.

However, CDGL lacked an appreciation of the NGO- public sector relationship. CARE has worked with CDGL since 1999, when CDGL was a Metropolitan city under provincial control. However, so far, both partners were unable to overcome the element of distrust. Therefore, it can be inferred that the prior history of relationships is a significant element in generating trust (Batley 2011) and if both partners are not willing to adopt strategies to manage the trust deficit, it will remain there. In addition to this, as the MOU failed to establish partners' expectations and mechanisms of joint working, it led to a lack of role clarity among the managers and teachers of adopted schools which highlights the significance of a clear set of goals as a starting point for collaboration and fostering trust among the partners (Huxham and Vangen 2005).

A comparison of the MOUs (CARE-Education Department & ITA- Education Department) also indicated that the word 'collaboration' was only mentioned in the MOUs signed by ITA with the public sector. Care adopted schools for a 10 year period and had their area managers for coordination with the public sector, however, there was no focal person appointed from the public sector to coordinate with the third sector regarding management of schools. The interviewees mentioned that in case of conflicts, they meet the area managers to sort out the issues. However, the managers seemed cautious to report anything against such large NGOs who are influential and well connected. Overall, there was no evidence of joint decision-making or a defined mechanism of coordinating in the CDGL-CARE model. The Education Department reflected variations with respect to their perception of partnership managements (Section 10.9, p: 358). Indeed, the partnership model adopted in Pakistan is different from the partnership literature as proposed in section (Section 4.4.2.2, p: 109). These are service delivery partnerships and differ from PFI. However, the element of mutuality was found in both forms with varying degrees and, much depends on the

NGO's philosophy and the willingness of the public sector to engage with each other. NGOs in the education sector perceived that these PPP forms are emerging in the unique context of Pakistan. NGOs acknowledge that these are a weaker form of partnership but nevertheless a very structured and shared approach to service delivery. However, from the comparison of partnership models (CDGL-CARE, and CDGF-ITA), it can be inferred that the extent to which such partnership are of more collaborative nature in terms of joint decision making and accountability, depends on the commitment of both partners (Figure 10-3, p: 368).

Partnerships have hidden costs in their interaction and communication exchange. This seems to be one of the reasons that public sector managers do not have incentives to commit themselves in the coordination of such projects. NGOs also reflected that the public sector did monitor or visit adopted schools as they lacked any intrinsic or extrinsic motive to engage in such activities. Another plausible explanation may be that as partnership needs new competencies such as effective communication to create shared purpose, understanding, empathy, networking, conflict resolution, creativity and innovation and the ability to build trust among partners (McGuire 2006) and Education Departments lacked such capacities to work with the third sector.

The literature on partnership, particularly from a developing country context, highlighted the significance of the institutional environment in determining government-private sector collaborative arrangements (Batley 2011; Rose 2011). In this study the researcher found that the implementation tier plays the most significant role in the outcome of partnerships. NGOs also reflected that the district might not be very involved in the policy making process, as it was the operational tier. Therefore, it was very important for them to work jointly. It was found that the extent to which partners adopt a collaborative approach varies from district to district. In some districts, the

Education Department was very active, and the DCO and EDOs were fully engaged with the private partners. In these cases the outcomes of partnerships were better, decision making was shared and partners jointly monitored the progress of the adopted schools. Therefore, this study suggests that the commitment of the operational tier to such service delivery model is a very significant factor to make these choices work. If the implementation department or agency does not have any incentive or commitment to collaborative or market based service delivery models, these initiatives fail to realize their desired objectives. Therefore, there is a need to bring change in the commitment level of the implementation tier to achieve the intended outcomes.

Overall, the provincial and the district tiers are the main players in the institutional environment. The management of inter-organizational dynamics between the partners is affected by frequent postings and transfers in the public sector. NGOs explained that in the public sector people keep on changing. Even the change of a personal assistant affects the relationship management dynamics. These key individuals were playing the role of boundary spanners in relationship managements. This confirms that boundary spanners are the key to managing inter organizational relationships (Williams 2002). Therefore, the frequent transfers of key individuals involved in collaborations affected the outcome of such project. NGOs have to initiate the process of negotiation and consultation from the beginning with the person newly appointed to the job. The level of involvement in a partnership depends upon the commitment level of each partner and even each individual involved. Even NGOs had varying levels of commitment in this process.

The literature also highlighted that in developing countries like Pakistan there is an element of trust deficit between government and third sector collaborations (Bano 2008). This study investigated this aspect and tried to understand why it remains a

problem. NGOs provided two different explanations. For the Head of ITA, it was very convenient for the public sector to say there is a trust deficit as it gives the public sector a reason not to work on such projects:

*“the trust deficit between the institutions/schools and ITA narrows in no time but the departmental trust deficit and more so the provincial level is conveniently and painfully in a status quo mode, although the conversation or otherwise. Double speak is thus there by design to keep partners at bay”* (Interviewee-Head of ITA).

Another interviewee of an NGO (Interviewee-NGO representative) mentioned that the element of distrust was always there from the signing of the MOU to the execution of projects through public private partnership (Section 10.9.2, P: 358). According to him, sometimes NGOs adopt a large number of schools without securing any financial assistance. Afterwards, NGOs start looking for a donor. If NGOs are unable to find a donor, they cannot deliver the outcomes. The result is that the education department cannot see any visible change in the adopted schools. This is how dissatisfaction starts building up within the public sector. Another reason for poor service delivery outcomes in the adopted schools is that NGOs take up a large number of schools and expand themselves in many areas. Already there are gaps in the MOU. NGOs usually have one project team which is looking after all the projects. An increased number of projects also affect their performance. In addition to this, one of the interviewees highlighted:

*“We can have better outcomes of the partnership, if both parties are engaged in every phase of the partnership and there is a shared approach to problem solving, project implementation and its evaluation”* (Interviewee-NGO representative).

Overall, the study found that management of trust depends on the structures and processes employed by the public and private sector for joint working and the institutional environment as demonstrated in (Figure 10-3, p: 368).

Compared to this, the Water and Sanitation Sector (WSS) partnership in CPP was a highly formal arrangement as not only MOU explicitly specified the roles and

responsibilities, financing, accountability and coordination mechanisms but also stipulated the formation of a governing body for joint decision making and coordination problems. According to the head of ASB, the basic ingredient of a partnership was ‘trust’ and they resolved their conflict through dialogue. This was confirmed by WASA that overall projects were a joint collaboration characterized by joint decision making and joint accountability (Section 11.9.1, p: 408). ASB had the advantage of community mobilization and WASA had the advantage of technical skills. CPP was very close to the concept of “Co-production” (Brandsen and Pestoff 2006). Co-production refers to a process in which all the parties determine that they will provide resources and labour in the actual delivery of services (White and Robinson 1998). In CPP project all the partners - public sector, third sector and the community were jointly involved in determining the type of service to be produced (co-determination), and how much finance the public sector will be contributing and how much finance the community can raise for the project (co-financing).

Bano (2011) highlighted that in the OPP project (in Pakistan) NGOs did not sign any formal contract with the Government or WASA and its strong feature was community embeddedness. However, in this study, the researcher found that the strong features of CPP modalities in CDGL were having a joint steering committee, the appointment of focal persons to coordinate the partnership and a formal MOU between the partners. These factors led to the fostering of a clear set of expectations and a higher level of trust among the partners. There were elements of joint decision making and accountability in CPP. This study also found that institutionalization of these projects in terms of policy goals and departmental strategies significantly improved the success of such projects. For instance, ASB tried to work with WASA (CDGF) in 1994 in the Hassanpura community. At that time the CPP approach was not recognized at policy level and the

public sector signed no formal contract with the WASA (just like OPP). It was more like an informal community driven project; this led to mixed results regarding the success of that initiative. However, the CPP initiative in CDGL had the political and bureaucratic support, therefore resources followed. In addition to this, the success of CPP in CDGL further builds the trust of policy makers on such cost effective initiatives and the government allocated more fund in the annual development plans for CPP projects to improve water and sewerage coverage in communities which demanded a huge investment to link with WASA's main system for water and sewerage provision. Even organizations were creating new structures. For instance WASA (CDGF) created a new post of 'social mobilizer'<sup>22</sup> a person with a background of social sciences for coordination between the community and WASA in projects like CPP. The creation of new roles and structures seemed to allow organizational commitment to improve organizational efficiency. Overall, partnership experiences in this study suggest that the management of IORs depends on the institutional environment, organizational strategies and the local context (Figure 10-3, p: 368, Figure 11-3, p: 417).

The NPM literature has documented evidence of service management contracts in the Water and Sanitation sector. It also highlighted that the institutional environment, organizational capacity and resistance from various stakeholders are significant factors in determining the outcome of such initiatives (Larbi 1998; Russell, Bennett and Mills 1999). This study also found that the WSS had a service management contract for billing and the collection of bills. Initial attempts to contract out in these services in CDGF were unsuccessful because of internal organizational resistance, a lack of capacity of WASA to monitor such contracts and the inability of the private sector to offer the outcomes. In addition, WASA adopted outsourcing in communities which

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<sup>22</sup> This post will be function by July 2011.

were very poor and politically sensitive (Section 11.9.5, p: 418). Hence, this study found that not only the internal institutional environment such as organizational resistance and a lack of capacity to perform new roles (Larbi 2001; Russell, Bennett and Mills 1999) but also the local context such as the socio-demographic profile of the community (Batley 1996) is very significant for successful outcomes of contracting. The organization (WASA-CDGF) learnt from experience. Now, the contract has performance incentives and it would be easy to monitor the performance of the private sector (Walsh 1995). In addition to this, WASA (CDGF) has also appointed a focal person to look after the partnership projects.

WASA agencies are trying to contract out certain support activities. However these initiatives are part of a national agreement with international donor agencies and the implementation tier is not involved in the policy making process. It is obvious that the internal work force of agencies feels that they are excluded from the planning process and therefore they are less committed and resisting these efforts. The interview with MD (WASA-CDGF) also highlighted that mostly policy process *is a "behind-the-door process and the implementation tier is not involved in this process"*. This nature of policy process in developing countries is also highlighted (Batley 2006). Overall, CDGL seemed satisfied with the outsourcing of bills and the detection of illegal connections. The main strategies for the management of such initiatives in CDGL were: the appointing of a focal person, outsourcing activities to more than one actor in different communities and a performance oriented contract. It would be advantageous to solve the issues of coordination between the partners, which may prove problematic in the future. Follow up interviews with the MD (WASA, CDGF) also revealed that the organization, learning from their previous experiences with contracting, created a new post for the coordination of CPP and contracting out initiatives.

The contracting out experience suggest that the public sector needs to take a cautious approach as contracting out brings new transaction costs like drawing up contracts, monitoring, and new roles of regulating and coordination such arrangements. So far, both WASAs are provided with support from the central agencies in drawing up contracts, whereas the rest of the roles are delegated to the implementation tier. Considering the weak organizational capacity in the design, monitoring, and coordination of contracts, internal organizational factors such as a shortage of skilled workers, a lack of a performance culture and internal organizational resistance can further affect organizational efficiency. On the other hand, collaborative experiences suggest the significant role of the local context, organizational commitment and strategies in determining the successful outcomes. The overall institutional environment in terms of Laws and Policies seems favourable, however, partnership remains a policy goal which lacks political and bureaucratic commitment.

#### ***12.2.3.3 Accountability Model***

The NPM performance model stressed having clear Performance Indicators (PIs), a client focus, and accountability for performance. It has brought in a new regime of performance management systems ranging from agreed performance targets, clearly stated PIs, performance contracting, complaint procedures and consumer surveys to ensure who is doing what and how efficiently (Hughes 2003). The research found that in developing countries like Pakistan there are two parallel performance models, Annual Confidential Reports (ACRs) and the use of PIs. The most common way to assess performance was by writing ACRs. However, many of the managers in the Education Departments considered writing ACRs an ineffective and less robust mechanism to measure performance. They insisted that to have a performance based reward system, it is important to ensure accountability and better performance outcomes (references).

However, there were certain variations. The overall schools' performance was assessed against clear PIs and schools were rewarded according to the performance outcomes (Section 10.7.3, p: 348).

Likewise, WASA's overall performance was assessed against clear PIs. However, there was no clear link how this information was actually utilized (Section 11.7.3.1, p: 396). Interviews from WASA (CDGF) highlighted that there were no given targets to achieve and therefore they could not be held accountable for any performance outcomes. A similar theme was evident from CDGL. The reason behind poor performance management systems was a lack of clarity in roles and responsibilities, as the individuals responsible did not know what was expected of them. Only the top management level, the Managing Directors of WASAs, were hired on performance contracting on a market based salary for a period of three years and their contract was renewed on the basis of performance. Therefore, this study found evidence of a weak performance culture in WASA.

The organizational analysis section also verified that there were significant differences across sectors with respect to a performance model. It was evident that the Education Sector had a higher proportion of respondents indicating that they had a performance based reward system and individuals were rewarded on the basis of performance (Table 7-6, p: 218). WSS was of the view that they did not have a performance based reward. Therefore, both interviews and survey findings validated that the Education Department had clear performance standards, and a performance based incentive structure. WASA showed a lack of both. PIs remained on paper. The organizations were collecting and compiling data against PIs at the request of international donor organizations such as the World Bank, however, there was no clear use of PIs internally in WASA. It seemed that the top management was not motivated to use PIs for their planning approach and was

just passing this information on to other organizations. The interview analysis revealed that along with traditional methods of performance assessments (writing ACRs), service delivery organizations were focusing on the attainment of PIs. However, ACRs are still the main mechanism for assessing performance and the incentive structure is not linked to performance, particularly in WASA. The focus is not on accountability for performance but accountability for compliance to rules and regulations.

Public sector organizations were making an effort to improve their grievance procedures. The Education Department (CDGF) had Toll free numbers for complaints, and a biometric system to monitor employees' attendance. Interviews from CDGL highlighted that they had an efficient grievance procedure. The organizational survey also validated interviews that the Education Department had efficient grievance procedures in both CDGs. Interviews from WASAs also highlighted that they had an efficient complaint cell. However, the organizational survey indicated that a higher percentage from CDGL felt that they had an efficient grievance procedure compared to WASA (CDGF).

The managers of service providers are not only accountable for results; they also have to be accountable to multiple channels. Other accountability channels include political accountability, internal and external audits, financial management reporting systems, and monitoring committees. According to the LGO 2001, the DCO is accountable to the District Nazim. However, the relationships between these two players are more complex. A strong difference between these two roles could lead to serious consequences for LG performance. According to political representatives (Chapter 9) they enjoyed a very good working relationship until 2008. However, from the perspectives of the TMO of both CDGs, the relationship between bureaucracy and politicians was a characteristic of the history of LG in Pakistan, as briefly discussed in

Chapter 1. It can be argued that political representatives enjoyed a strong political accountability over the public officials until public officials considered their political heads legitimate and supported by the upper tiers of the government. However, the provincial governments centrally controlled transfers, promotions, and appointments of public officials. Local political heads had less control over the bureaucracy towards the end of the LG system. This is an example that the politics of central-local relations significantly affect LG performance (Crook 2003).

The political perspective stresses the need for political accountability, whereby citizens can hold their representatives accountable. The managerial model of accountability adds a client focus. However, political accountability still exists, but managers are now accountable to the politicians and the public for the performance of their organizations. It is not only accountability for fairness and finances but also for performance (Hughes 2003). The decentralization reforms were able to bring a change in the accountability model. Now managers of service delivery organizations are accountable to the administrative as well as the political heads of the LG who in turn are both accountable to the district councils. In this way both political and managerial accountability is established under the LG system. However to make managers accountable for performance, it is necessary to clearly specify what is expected of them by having clear performance indicators. One of the limitations found in service delivery organizations, WASA in particular, was the lack of having clear PIs with a link between performance and planning and then linking it to an incentive structure.

### **12.3 QUESTION 2 & 3: HAS DECENTRALIZATION BEEN ABLE TO IMPROVE INSTITUTIONAL PERFORMANCE OF LOCAL GOVERNMENT? HOW DO ACCOUNTABILITY MECHANISMS AFFECT THE INSTITUTIONAL PERFORMANCE OF LOCAL GOVERNMENT?**

#### **12.3.1 Political Perspective**

From the political perspective, local governments' closer proximity to the people will enable them to make responsive local policies and people can hold them accountable in case of poor performance. The empirical studies have examined the relationship between participation and performance. This study assessed the performance of LG along three dimensions: responsiveness, user quality and effectiveness. The effectiveness of the decentralization reforms was assessed by comparing the objectives of the reforms set earlier in the Devolution Plan 2000 and the actual outcomes of the reforms. One of the goals of decentralization was to improve participation. It was assessed by examining the set of activities aimed at engaging with or influencing public institutions such as voting, contacting and pressurizing local representatives (Crook and Manor 1998). Young (In Goldsmith 1986) argued that local councillors' accessibility to people is an important consideration for ensuring responsiveness and local councillors are more accessible to the community than nationally elected representatives. They are an important avenue for expressing local opinions and complaints. The study found that for political representatives, accountability to the electorate was the most significant mechanism to hold LG accountable. This was also shown in the frequency of contact with their community. Local councillors seemed to manage a high level of contact with their constituency and made an effort to solve local issues. The findings of the community survey also indicated that the community contacts their union councillors or Nazim more frequently than the other tiers of local, provincial or federal government (Section 8.2.1, p: 256) for reporting complaints or community problems. The open

ended responses of the community survey substantiate these findings. They emphasized that LG has been able to create awareness among people, the system is more transparent than before, and the overall attendance of local government employees has improved.

However, there were some variations across CDGs. In case study 1, the City District Government Faisalabad (CDGF), the community survey indicated that the frequency of contact with the councillors was (Section 8.3.1.1, p; 283) significantly higher than in case study 2, the City District Government Lahore (CDGL). It is interesting to note that the community's first point of contact is the union councillor compared to other tiers of government for their local issue or problem (Table 8-2, p: 258). It also confirms Beetham's (In King and Stoker 1996) argument that in order to be responsive, councillors should regularly consult with communities in the local decision making process. The community survey found positive evidence of councillor's regular consultations with the community to seek their input in development projects.

One of the outcomes of enhanced participation is a change in the accountability relationship between elected representatives, the community and political representatives and the managers of service delivery organizations. Improved accountability arrangements are indicators to measure the process dimension of performance in this study (Table 4-4, Section 138, p: 138). This was examined by looking at the quality of the relationship between the general public and their representatives and public officials (Crook and Manor 1998). The community survey (Table 8-14, p: 284) highlighted that there were significant variations with respect to the level of satisfaction of community meetings with their councillors and public officials across CDGs. Indeed, both CDG indicated a high level of contact between 1) community and councillors and 2) community and public officials for their local issues, 3) a high level of satisfaction with their meetings with the respective person and 4) the

majority of them found their dealings to be fair and honest in both CDGs. However, this level of satisfaction was significantly higher for CDGF than for CDGL.

Similarly, more respondents from CDGF seemed to contact local government employees for their problems, were more often satisfied with their meetings and reported them as honest and fair in their dealings than CDGL. The change in accountability was also assessed by looking at community access to information, reporting of corruption incidents and complaints procedures. It was found that the majority of the respondents from both CDGs indicated that they had access to local government offices for information, reporting corruption incidents, and that there was a change in complaints procedures. The effect of improved accountability was that the community considered that their complaints were heard and that the attendance of LG employees improved. The statistical analysis section indicated a significant association between the improvement of employees' attendance and the type of LG, and this was found higher for CDGF. The accountability dimension was also assessed in the organizational survey. It was found that monitoring committees were an effective way of improving organizational performance, which was opposite to findings of the community survey and perception of political representatives (Table 7-18, p: 232).

The section of the community survey (Section 8.3.2, p: 288) measuring the overall performance of the LGs indicated significant differences across the two case study CDGs. It was found that these percentages were significantly higher for CDGF than CDGL. The respondents from CDGF indicated that decentralization significantly improved community participation and overall transparency of the system improved, reduced corruption and improved the attendance of employees. This illustrates that local governance is able to improve not only the level of community participation, but also has a significant impact on public accountability mechanisms.

Another measure of impact of participation on performance was to assess the responsiveness of the LG which was defined as the degree of congruence between community needs and their solutions (Fried and Rabinovitz 1980). To assess this dimension of performance (Section 8.2.6, p: 276), the community was asked to rate their local issues followed by the extent LG was able to resolve these issues. The respondents from both CDGs indicated that to some extent local government has been able to solve these issues. Overall, respondents from both CDGs also indicated that LG service delivery performance was a little better than the pre-post devolution. However, no significant association was found with respect to pre-post devolution performance or responsiveness of LGs across the CDGs. Clearly, respondents from both CDGs were of the opinion that the CDGs are more responsive and the system is 'a little better' than the pre devolution arrangements.

The interviewee analysis section with the political heads of local government illustrated two clear periods of local governance: 2001-2008 and 2008-2010. The first election of local government was held in 2001 when newly elected local authorities started their first tenure. In the beginning, there were problems regarding getting familiarized with the new system. The federal government organized training programs for councillors to build their capacity. However, the system had the strong support and commitment of the federal and provincial governments at that time. The political heads' perception regarding 'to what extent they could exercise influence in policy making processes' was that they considered themselves fully empowered to make decisions. For instance, CDGF's efforts on the organizational restructuring of local authorities, initiatives such as a performance based budgeting system, improving the complaints procedure by having toll free numbers, biometric attendance, streamlining information management systems and facilitation in CCB are evidence of the LG's desire to bring change and

improve service delivery frameworks. The political perspective also advocates that local government offers avenues for experimentation and innovation (Goldsmith 1986). The research findings support this argument. The LG provided an opportunity to look for an indigenous solution to local problems and in this pursuit local government tiers were found collaborating with each other to solve the problems requiring a collaborative approach (Section 9.3.1.1, p: 299).

Crook and Manor (2003) have explained the significance of central-local relations in determining local government performance. They argued that the political commitment of central government in the form of funding and the local government commitment to implement pro-poor policies with the support of local employees and social activists, were significant variables for the successful outcome of decentralization in west Bengal and Brazil. This study found that the central government commitment to decentralization reforms was significant in the implementation of decentralization reforms. After the 2008 National and Provincial Assembly elections, local representatives felt they had less autonomy to make decisions as the newly elected federal and provincial government were not in favour of LG and considered it as the brainchild of the Martial Law regime. This situation resulted in a lack of support and commitment from the upper tier of the government for the LGs during the period 2009-2010. It subsequently had an adverse effect on LG autonomy both administrative and fiscal. Therefore, in the 2009-2010 local government budgets, CDGL allocated no funds for new development schemes. Both CDGs expressed that the provincial government also froze local government accounts and was reluctant to transfer the funds generated from LG's Own Source Revenues. Another impact was on the accountability of public officials to the political heads and the relationship between the senior bureaucracy and political representatives. As these senior officials were appointed by the provincial

government and their career management was also determined by the upper tiers of LG, their loyalty remained to the provincial governments from 2008 onwards.

Against this backdrop, interviewees felt that before 2008 they were more autonomous and had a better accountability relationship with public officials. However, marginalized groups were less influential in the policy making process. It subsequently led to elite capture (Blair 2000; Crook 2003; Olowu and Wunsch 2004) as it affected the allocation of development funds to those who were either in opposition or belonged to marginal groups, such as females. Therefore, party politics were significant not only at the upper tiers of government, but also at the LG tiers, particularly in the allocation of funds. These findings support the argument that to fully understand the performance of local government, it is necessary to pay attention to the politics of decentralization reforms (Crook 2003).

The organizational survey of selected sectors also provided evidence of enhanced participation and its significant impact on improving organizational performance (Table 7-3, p: 213). The findings of the organizational survey suggested both CDGs had high levels of community or user involvement in service provision. However, a higher proportion of managers from CDGL reported not only the significant level of community participation, but also a significant impact of this participation in organizational performance. The organizational survey also revealed that monitoring committees were playing an effective role in improving organizational performance. However, the community survey and political analysis did not find these committees playing an active role and only the school councils were found active. Overall this study supports the argument that there is a link between improved participation, better accountability arrangements and improved performance (Section 2.5.2, p: 43).

### **12.3.2 New Public Management Perspective (NPM)**

As mentioned at the beginning, it is very difficult to give a precise answer to this question. This study assessed performance through the perceptions of key stakeholders (internal and external). Internal assessment was based on the key stakeholders' perception of reform outcomes in terms of improved managerial autonomy, participation, the accountability model and institutional factor that may affect the performance of service delivery organizations. In addition to this, archival data on the efficiency and effectiveness of organizational performance was collected. There were considerable achievements in the education sector since the LG reform. The main performance outcomes included: an active role of School Councils, greater autonomy of schools and the Education Department, clear performance indicators and involvement of the private sector. These changes significantly improved organizational performance in terms of transparent utilization of funds, improved attendance of teachers and reduced number of 'Ghost schools' (Section 10.7, p: 340). Furthermore, teachers were recruited on merit and their qualifications were improved. This was also validated by the community survey. It indicated improved access to education, satisfaction with the quality of service provision, and the education service delivery improved after the LG system. There were variations across LGs with respect to access to schools, and improved attendance of teachers. It was much better in CDGF compared to CDGL.

Prior to devolution, one of the most common problems in the Education sector was the presence of 'ghost schools' and 'ghost teachers'. The interview analysis of the Education Departments and the community survey supported the findings that these practices were considerably reduced as a result of monitoring committees, an active community and the presence of local councillors. The City District Government budget also revealed that education was given priority in the development budget. CDGF was

receiving federal and provincial tied grants for education and took several initiatives at the local level to improve the education service delivery. On the other hand, CDGL had no provincial and federal grants and allocated the major share of its budget to education from its own revenues (Section 9.5.1.1, p: 314), Ministry of the Education report (2007) also indicated that CDGL provided funds to the education sector from its source revenues. It also indicates that as CDGL was the provincial capital, it had better Own Source Revenues (OSRs) than CDGF.

Water and Sanitation Agency in CDGL had shown some improvements in WSS performance since 2006 (Table 11-4, p: 397), and the performance of WASA, CDGF had shown improvements in WSS coverage, metered consumption of water, improved network performance, and quality of service provision (Table 11-3, p: 393). The organizational survey also indicated that managers of WASA comparing pre-post devolution performance perceived that the performance was better under decentralized arrangements. Archival data indicated that although organizations were able to perform better on the effectiveness indicators such as improved WSS coverage and reduced number of complaints. However, the efficiency indicators revealed a poor performance of these organizations. These organizations were hardly able to meet their operational costs because of Non-metered connections and consequently low collection efficiency. Another reason of poor collection efficiency and on metered connection was corrupt practices. To improve the collection efficiency and detect illegal connections, organizations outsourced these activities to the private sector. It is interesting to note that NPM type reforms were not initiated in the developed countries to control corruption, on the contrary at times they were criticized for promoting corruption (Lane 2000). The developing countries experience with reforms such as outsourcing suggest

that they are undertaken with various motives such as the influence of the donor, controlling cost and even corruption as in the case of WASA in this study.

The findings of the community survey also indicate that the overall community access to WSS improved after the LG system was introduced. However, the community level of satisfaction was higher for water provision than for the sewerage system. There was also a significant association between improved access and satisfaction level with the type of CDG. It was found that improved access and satisfaction level for water provision was higher for CDGL than for CDGF. One of the reasons (Table 8-8, p: 269 and Table 8-9, p: 270) for these differences may be that much of the development work in Lahore was completed in WSS, but in CDGF most of the development work was still in progress. Likewise, communities from CDGL seemed less dissatisfied with the sewerage coverage than from CDGF. It was also interesting to note that WASA performance of CDGF (Table 11-3, p: 393 ) indicated that complaints about WSS reduced from 2006 to 2009, which was validated by the community survey findings, where the majority of respondents from CDGF indicated their satisfaction with the complaints procedures (Table 8-9, p: 270).

As referred in sector analysis (Section 11.9.1, p; 408) partnership can be assessed by focusing on the process indicators- level of engagement and commitment of partners (Sullivan and Skelcher 2002), clear purpose and need for partnership, high level of trust (Harrison 1999), accountability arrangements (Amery 2000), and also a focus on outcome indicators- efficiency and effectiveness (Burch, Borland 2001). By employing both, we can have a true picture of performance. As far as the outcomes of service delivery techniques such as AAS and CPP were concerned, it cannot be said precisely how much the performance targets were achieved. One limitation was lack of comparable data to draw any generalization.

However, efficiency data were available on CPP alone. According to the efficiency indicators, the CPP project ensured 24/7 hours water supply compared to 6-7 hours intermittent water supply through public sector provision. There was no non-metered water compared to the public sector which is facing the biggest issue of non-revenue water. Interviewees also suggested that an overall partnership was an outcome of trust and a clear set of goals and increased transparency in project delivery. Another success of this project is increased trust in the public sector to initiate such arrangements and acknowledgement in the water and sanitation agencies' official goals that such initiatives should be the part of the annual development plan (Interviewee-9, Director (WASA), CDGL; Head of ASB). Faisalabad district has initiated such project with the same NGO. While, AAS showed mixed outcomes against process indicators. In case of AAS model between CARE-CDGL, there was no element of joint decision making, reciprocal accountability and clear goals. While ITA-CDGF, had clear goals, shared decision making and reciprocal accountability. As far as the contracting out of billing, its distribution and the collection of bills is concerned, WASA (CDGL) was optimistic and if successful, intends to outsource the operation and maintenance of tube wells. On the other hand, WASA (CDGF) had devised a new strategy based on previous experiences and it will take time to show any results.

The organization had a mix of vertical (provincial oversight and audits) and horizontal accountability arrangements (local council monitoring committees, local council itself, political heads). The organizational surveys revealed that internal audits and grievance procedures were more effective in both Education Departments and in WASA (CDGF) and less effective in WASA (CDGL). On the other hand, the interviews with the managers of WASA in CDGL indicated that the internal audit was transparent and financial rules were very clear to them. One of the reasons for the ineffective grievance

procedure may be that WASA (CDGL) was restructuring its complaints procedures providing users with toll free numbers and an SMS facility and WASA (CDGF) already had a toll free number.

The organizational survey and interviews with the managers of the Education Department indicated that managers seemed less satisfied with the external audits, provincial monitoring teams and financial management rules. They also highlighted that they had multiple and overlapping accountability channels (Section 8.3.1.2, p: 284). The interviewees from the Education Department highlighted that they were less clear regarding financial management rules, particularly schools lacked capacity to prepare their budgets, and at times they could not utilize all of their funds because of the fears of audit objections. The interview data and organizational survey highlighted that respondents from WASA also indicated that they had multiple overlapping accountability channels and the result was loss of productivity. Regarding financial management reporting, CDGL was of the view that they had clear financial guidelines than CDGF which indicated that financial rules were not very clear to them (Section 7.4.3.3, p: 252). The main concern in WASA was the lack of PIs and a performance based reward structure clearly reflected in the key themes as well (Table 7-21, p: 235), which was greatly affecting their performance. On the other hand, the Education Department had better accountability arrangements and subsequently reported a significant positive impact on performance outcomes (Figure 10-4, p: 375).

Overall, political analysis, sector analysis and the organizational survey indicated satisfaction with the internal auditing practices and dissatisfaction with the external auditing practices describing them as unfair and corrupt. The organizational survey, interviews with the political representatives and managers of service delivery

organizations has emphasized that there is change in the accountability relationship and the system has become more transparent than before.

#### **12.4 Q4. WHAT ARE THE INSTITUTIONAL FACTORS THAT AFFECT THE LINK BETWEEN DECENTRALIZATION AND INSTITUTIONAL PERFORMANCE?**

The political perspective identified many constraints that affected local government performance (Table 2-4, p: 48). Three explanations dominated: lack of adequacy of resources, lack of accountability and insufficient fiscal decentralization (Section 2.6, p: 61). The study found that these three factors are dependent on the commitment of provincial and federal government to the LG system. As lack of commitment of these two tiers not only had an adverse effect on the flow of resources - both financial and technical, it also affected the bureaucratic commitment as it was contingent on the level of commitment expressed by federal and provincial governments. The history of LG reforms in Pakistan has seen political and bureaucratic resistance (Cheema, Khwaja and Qadir 2005; Paracha 2003). Democratically elected federal and provincial governments considered LGs a threat to their political base and a brain child of the Martial Law regime. Therefore, once in power, the political parties tended to marginalize the role of LGs and promised to hold LG elections. To date, after the end of the second tenure of local government in Pakistan, the High Court instructed provincial governments to hold local body elections, but the provincial governments are using delaying tactics<sup>23</sup>. The Punjab provincial government approved the ‘Local Government Bill 2012’, and proposed to hold a non-party election. However, no election has taken place so far<sup>24</sup>. Likewise, during this period, appointed administrators (civil servants) are running the administration of the District governments. Therefore, politicians and bureaucrats are

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<sup>23</sup> <http://www.thefrontierpost.com/article/179345/>

<sup>24</sup> <http://tribune.com.pk/story/386808/local-bodies-punjab-cabinet-decides-to-hold-elections-on-non-party-basis/>

the two main groups that affect local governments. At the LG level, the most significant factor was the coordination among tiers of LG and the need for an integrated planning approach to avoid the waste of resources (Section 9.4.2, p: 310). Considerable efforts were visible in CDGF to avoid the duplication of resources by having a GIS network, HRMIS, and a performance based budgeting system (Section 9.5). However, these steps were in early stages of operation.

The public management perspective argued that a shift to devolve budgets through the creation of semi-autonomous organizations needs a break from the traditional hierarchical control (Walsh 1995). Research from other developing countries suggested that agencies had no real power on personnel management and a centralized control remains the main barrier to the autonomy of local managers (Russell, Bennett and Mills 1999). This study found similar evidence of centralized control over administrative autonomy in both sectors. The provincial government restrictions over recruitment were the main impediment to hiring new staff to fill the vacant posts in WASA. The studies on performance contracting suggested that these contractual models depend on the separation of politics from day to day operations (Batley and Larbi 2004; Larbi 2001). This study found that the autonomy of the service delivery organization is mainly affected by political and bureaucratic interference. It also depends on the skills of the head of the organization and how well he is able to establish control over the organization and take on board all the stakeholders to achieve the goals of the organization. For instance, Managing Directors of WASA were appointed on performance contracting. However, the MD (WASA) in CDGL was facing more political and bureaucratic interference on the day-to-day operations and was of the view that he had no real power. On the other hand, the MD (WASA) in CDGF was able to exert more influence on the policy making and implementation process. One of the

reasons may be that CDGL was the provincial capital of Punjab and more politicized. This research found the organizations lacked the capacity for corporate planning and information management system (Larbi 2001; Russell, Bennett and Mills 1999). However, it does not support the argument that increased autonomy is linked to increased corruption (Batley and Larbi 2004; Nickson 2008). The managers and community were of the view that the overall system was able to reduce corruption as it is more transparent than before. The managerial perspective on the factors that affect institutional performance also indicated that governance issues such as political and economic instability had a significant impact on institutional performance.

The Sector analysis (Chapter 10) illustrated that managers of the education departments perceived political and bureaucratic interference as the main constraints on their managerial autonomy. The organizational analysis also confirmed that Education Department faced more political and bureaucratic interference than the WASA (Table 7-12, p: 225). Other significant variables were lack of consistency in policy implementation and coordination among different tiers of the government (Table 7-11, p: 224). However, there were variations across sectors and CDGs. For instance, the Education Department (CDGL) reported frequent political and bureaucratic interference, while the Education Department (CDGF) reported infrequent political or bureaucratic interference. On the other hand, respondents from WASAs reported frequent political interference and less frequent bureaucratic interference compared to the Education Departments. One interesting element was the local context. It was very significant in education sector compared to WASA (Table 7-13, p: 226). This study found local contingencies were very significant in determining the performance of schools in local communities (Figure 10-4, p: 375). Water and Sanitation Agencies were more concerned with their internal organizational issues such as adequacy of resources

(Table 7-20, p: 234). The interview analysis also supported the view that WASA had inadequate human, financial and technical resources. The Water and Sanitation sector highlighted that the institutional capacity, political support and leadership of an organization were critical factors in determining the institutional performance of these agencies. Interviews emphasized that planning cannot be done in isolation. It required taking on board the political leadership, the management of the organization and other stakeholders.

Overall, the Sector analysis revealed that WASAs had a weak internal and an external institutional environment, weak accountability arrangements, and a weak socio-political context compared to the Education Department (Figure 11-4, p: 424). The Education Department, besides having a weak external institutional environment, had a strong local context, a better internal institutional environment, and a better accountability system. Therefore, it can be argued that the nature of the outcome of service delivery improvements depends on the context.

## **12.5 CONCLUSION**

This research adopted an integrative approach to understand the link between decentralization and service delivery performance. The political perspective explained that local democracy was able to give citizens a voice in local policy making processes and local policies were more reflective of local needs. It also suggested that once local communities realize that local government is delivering its promises, they become more actively involved in solving their local problems. It also establishes that as local councillors have social ties with the community, and live in close proximity to the people, the community can hold them accountable if they do not perform well. However, the socio-political context is very significant in local government

performance. The fiscal perspective provided an understanding that if a local government is not fiscally autonomous, it can undermine the financial resources and in turn the performance of local government. The LG in Pakistan was given a less powerful tax bases however, the IGFTs largely consisted of block grants, with no conditions attached. This spending autonomy was reflected in LG's allocations to increased development work. The spending patterns suggested that local governments were trying to allocate more funds to their policy objectives such as Education, infrastructure development and water and sanitation sectors. The key themes in the community survey also indicated that more development work is undertaken during LG system.

The public management perspective provided an understanding of the mechanics of local service delivery and put forward the thesis of examining local contingency factors. Decentralization reforms under the NPM perspective consisted of structural decentralization, performance culture and a mix of service delivery techniques. The public sector in developing countries like Pakistan provide evidence that it is focused more on structural decentralization and less on delegation of operational and financial autonomy. There is also some evidence of competitive decentralization (Pollitt, Birchall and Putman 1998) in the form of contracting out, and collaborative models such as CPPP and AAS. The research also found evidence of PIs in both sectors, though more rhetoric and less reality. The performance model varied across sectors, the Education Departments talking more of PIs, WASA less about the use in their organizations. The scale of competitive decentralization and partnership models is also limited to certain activities. The NPM literature has already suggested that political and bureaucratic commitment is a necessary condition to implement reforms. This study found similar finding, that there are two main players - politicians and bureaucrats, who may lose in

this process; therefore, there is always room for manoeuvring to retain vested interests. Politicians are not committed to relinquishing their control over local democracy, nor are central agencies letting local managers manage and develop their organizational capacities. Where local governments have a certain amount of autonomy, they are trying to improve service delivery.

The study also found that organizations did not have the capacity to design contractual arrangements and lacked skilled staff to monitor and coordinate such activities. However, within these limitations and learning from experiences, they are adapting their organizations to manage these contractual arrangements in a coordinated manner. Furthermore, as mostly the policy making process does not involve the implementation tier, this centralized planning approach was creating more organizational inefficiencies. The study found that the extent to which the collaborative forms represented joint decision-making and reciprocal accountability is dependent on the organizational commitment of both partners. The study confirms that an informal understanding and commitment supplanted with formal institutional arrangements is a key to sustain such projects over time (Thomson and Perry 2006). In addition to this, this study contributes that the implementation level is the most significant in making these collaborative models work. Overall, it is evident that partnerships evolve over time. Partners, through engagement and re-engagement, overcome their differences, find strategies for better coordination and try to work together for successful outcomes. However, it depends on the willingness of the partners to work together.

The public management perspective argued that developing countries should not undertake NPM type reforms as NPM needs a traditional bureaucracy in order to succeed (Pollitt, Thiel and Homburg 2007). On the other hand, Polidano (1999) claims that developing countries already have an abundance of rules and procedures resulting

in delays, nepotism and duplication. The study found that countries like Pakistan have a strong bureaucracy and suggests that centralized planning and bureaucratic layers are unable to deal with the inefficiencies of the public sector. There is a need to bring change in the developing countries public sector paradigm, delegating more responsibilities to the local level and more efforts should be focused on building the capacities of the local governments.

## **CHAPTER 13**

### **CONCLUSION**

#### **13.1 INTRODUCTION**

This chapter concludes the thesis and sets out the contribution of the research to knowledge and theory.

#### **13.2 CONTRIBUTION TO KNOWLEDGE**

This thesis has made three contributions to knowledge. Firstly, it recognises the significance of adopting an integrated multi-perspective approach as a means to understand the complexities inherent in the link between decentralization and institutional performance. Secondly, it adopted a holistic research methodology to study the relationship between decentralization and institutional performance. Thirdly, it offers empirical evidence regarding the phenomenon of decentralization in developing countries like Pakistan.

#### **13.3 CONTRIBUTION TO KNOWLEDGE: THE CONCEPTUAL FRAMEWORK**

This thesis adopted an integrated layered conceptual framework, layered in the sense that each perspective on decentralization added insight to the other, but, only focused on one aspect of decentralization. Taken as a whole, these perspectives have a more holistic approach to studying decentralization reforms in developing countries like Pakistan. Each of these perspectives was explored around core themes - participation, autonomy, accountability and performance. Each perspective had their own way of

‘seeing’ and ‘explaining’ the phenomenon of decentralization and subsequently different ways of accounting for the link between decentralization and performance. In this way each perspective offered a valuable insight on decentralization, however, each focusing on one aspect at the expense of others. This also suggests that each perspective has their own explanatory power, but when taken together, they offer a more inclusive approach to understand the problem of service delivery framework. This multi-perspective approach is therefore a significant contribution to the study of decentralization.

In order to provide a more holistic view of decentralization reforms and its impact on performance, this study based its analysis on multiple levels – policy level and implementation. By doing so, this study argued that although the focus of analysis is on public sector management, however it cannot be separated from the politics of the public sector. Therefore, this study adopted an integrated approach by combining political, fiscal and new public management perspectives in a layered manner: the political and fiscal analysis of local government provided the assessment of local government autonomy and in a way the context within which the public sector is operating and the NPM perspective analysed how the public sector in a developing country were engaged in the delivery of services. The research findings of this study assert that the problem of service delivery is not the problem of a particular level, and it cannot be explained through one perspective, rather it can only be explained if all these perspectives are pulled together. In this way it has highlighted the significance of the integrated model (Figure 4-4: p. 131), as proposed in chapter four, for the study of decentralized service delivery arrangements. However, whilst the conceptual framework has provided the base for this research project and has been empirically tested, it needs to be tested and explored through further studies to establish its explanatory power.

### **13.4 CONTRIBUTION TO KNOWLEDGE: THE RESEARCH METHODOLOGY**

Mostly, studies on decentralization use a case study approach employing semi-structured interviews and document analysis as the main data collection techniques. The studies from the Political perspective rarely employ a survey to assess the community perception of decentralization reforms and local government performance. The most comprehensive assessment was done by Crook and Manor (1998). While, studies of the fiscal decentralization perspective relied on GFS data (Huther and Shah 1998), only Faguet (2004) examined the link between fiscal decentralization and responsiveness by applying a quantitative research methodology and assessing the change in resource flow and the pattern of public investments based on the indicators of need (literacy and illiteracy rates, population with water and sewerage facilities). Studies using the New Public Management perspective typically used the case studies as the main research methodology to study NPM reforms (Batley and Larbi 2004; Pollitt and Bouckaert 2000). To redress the deficiencies of the previous research, this thesis developed a holistic methodology in the tradition of naturalistic paradigm. In order to be more objective and rigorous, the study adopted a mixed method strategy combining qualitative and quantitative data collection techniques. The idea of mixed method research itself is not unique and has been used in literature, but the way the research has combined qualitative and quantitative techniques in this research embedding them in naturalistic philosophy is unique. By developing a research methodology in which to embed the conceptual framework and empirical research, this thesis has made a significant contribution to the existing knowledge of decentralization and institutional performance.

## **13.5 CONTRIBUTION TO KNOWLEDGE: EMPIRICAL RESEARCH FINDINGS**

### **13.5.1 Political Perspective**

The political analysis of local government reforms was based on examining the relationship between enhanced participation, improved accountability arrangements and responsive service delivery. In order to assess the main relationship between these variables, this study conducted document analysis and semi-structured interviews to assess the devolution of reform to local government and the perceptions of political heads of the local government, in particular what they considered ‘how effective local representatives were in local decision making processes, effectiveness of the public engagement mechanisms such as CCB, School Council, the value of oversight committees, accountability arrangements’, and the perception of political representative regarding performance improvement. A community survey was conducted at grassroots level to examine the direct and indirect mechanisms of participation. This was linked to the institutional performance of the local government in terms of improved participation, responsive service delivery and improved accountability of the local government system. Overall, political representatives had a greater scope for policy making and its implementation and enjoyed good accountability relationships with public officials. Direct mechanisms for public engagement met with mixed results as only school councils were found to be effective in improving the quality of education provision, transparency funds utilization and monitoring performance of schools. However, the socioeconomic profile of communities found most significant variables in the effective outcomes of School councils. The CCBs suffered from procedural complexities, besides local governments’ endeavours to facilitate communities and allocate budget to CCB schemes. It was found most effective in raising finances for

sewerage and street construction projects. Overall, the evidence of its effectiveness was mixed. The role of oversight committees also remained ineffective, largely because of local representatives' lack of interest in making these councils effective either because they could not devote much of their time to such activities or because they considered that these committees were just representative or consultative bodies lacking any real authority to bring change. The political elites were of the opinion that the system was able to deliver services in a more responsive manner than before. Certain institutional factors were highlighted as concerns, such as a lack of coordination among tiers of government, fiscal autonomy and the lack of political commitment to local government reforms particularly in the second tenure of local government (2006-2010).

Besides less administrative capacity and financial resources, there were examples of joined up government or networking approach as referred to in the new public management perspective. There were some issues of re-centralization of powers, particularly with respect to the water and sanitation sector. There was a lack of coordination not only among the local government; it was also affecting the development projects.

One of the main outcomes of decentralization reforms was wider a participation of the community and the resolution of conflicts at the local level. The sector analysis also highlighted that the community was more involved in financing, delivery and monitoring of services; and community participation had significantly improved the organizational performance of these sectors. The findings from the community survey provided evidence that the local government system was able to improve participation, deliver a responsive service and increase transparency with levels of corruption reduced. Therefore, it can be argued that this study confirms the relationship between the main variables. This research contributes to the political perspective that the *greater the*

*participation, the better will be the institutional performance of local government.*

However, this participation needs to be meaningful and local government should take a more inclusive approach to involve the community in service provision. It also validates the political perspective's proposition that participation in itself is valued by the community. The community considers that local government enabled them to reach out to those who are involved in the decision making process and political representatives listen to their problems and try to solve them not only because they have close social ties with them, but also because their performance will win them the next election.

### **13.5.2 Fiscal Perspective**

The research focused on assessing the nature of Inter-governmental Fiscal Transfers (IGFT) among the tiers of government to understand the nature of fiscal autonomy granted to local governments under the devolution plan 2001. Local governments were found to have less fiscal autonomy in terms of their own source revenue and there was a mismatch between expenditure assignments and revenue assignments. However, the design of IGFTs revealed that it had far more expenditure autonomy. It also had a transparent needs' based formula and a predictable flow of funds from provincial to local governments through PFC. However as it was not given very buoyant tax bases, and therefore relied heavily on the provincial government. The result of this heavy reliance on IGFTs resulted in a lack of financial resources in the year 2010 which resulted in the non-allocation of district governments' budgets to development funds in the fiscal year 2009/2010.

### **13.5.3 Public Management Perspective**

The three main changes under the devolved arrangements were: organizational restructuring, performance focus and adoption of outsourcing and collaborative forms of

service provision (AAS & CPP) by the public sector. The impact of these reforms was assessed through an organizational survey to measure managers' perceptions of decentralization reforms, including the internal and external factors that affected their performance and performance improvements. In addition, the semi-structured interviews were carried out to provide an in-depth insight into managers' perceptions. The sectors under local government were tanking up NPM type reforms such as collaborative forms of service delivery and contracting-out of support activities (billing & collection of bills to improve collection efficiency and detection of illegal connections to reduce Non-Revenue Water). The organizations focused on consumers as 'clients' and were trying to streamline their complaints procedures. User involvement was found more significant in School Councils and CPP projects.

Managerial autonomy was constrained due to political and bureaucratic factors. Although, the performance culture has still not reflected the form as advocated by the NPM perspective, managers did use the term performance indicators. There was evidence of the use of PIs in both sectors; however, the Education Department was more performance orientated than Water and Sanitation Agencies. Overall, both of these organizations were not using performance data in their planning processes, highlighting a weak capacity for planning at the local level.

The decentralization reforms brought a shift in the accountability model, as now the public sector was accountable to the administrative and political heads of the local government, who in turn were accountable to the district councils, and district councils were accountable to the public. The presence of different vertical and horizontal accountability arrangements improved their performance; however service delivery organizations highlighted certain issues such as lack of coordination and duplication of work.

This study also contributed to the partnership literature regarding “management of inter organizational relationships”. It highlighted that the management of inter organizational relationships is an interplay of organizational structures and processes (organizational strategies) adopted by both the public and private sector, and the institutional environment. This study also contributed to the contracting out literature by highlighting that besides weak capacity and internal organizational resistance much depended on how contracts were managed by the public sector, and local contingency factors. Managers of service delivery organization highlighted that their organizational performance was better after decentralization reforms; this was validated by the community survey. The community seemed satisfied with the water and sanitation sector and education provision to some extent.

### **13.6 FUTURE DIRECTION FOR RESEARCH**

This study provided a comprehensive assessment of a decentralized service delivery framework in Pakistan and added to the existing literature on decentralization and performance. It is suggested that further research be undertaken in the following areas:

- To conduct a community survey using a probability sampling approach over a larger community sample in order to have more robust findings.
- There should be more research on the management of inter organizational relationship by comparing different service delivery models and by examining how they contribute to improvement of organizational performance.

### **13.7 LIMITATIONS OF THE STUDY**

Although the researcher has tried to ensure adequacy of conceptual and methodological contributions, a number of limitations have affected this study. Some of these

limitations were more or less inevitable; however, some of them can provide guidelines for future research:

- The study was bound by time. Ideally, more case studies should have been included, at least one case study of all the five city districts of Punjab, Pakistan. The use of additional case studies would help to improve the external validity of research findings and generalize the case study findings to other contexts. Nevertheless, the findings of this research provided a comparison of the two largest cities of Pakistan, which have different socioeconomic profiles, and provided insight into the institutional performance of local government.
- As mentioned in methodology chapter, due to the political situation in Pakistan and suicide bombings during the data collection period, there were access issues to the field sites. For instance, it was not possible for the researcher to obtain a larger community sample or to adopt a probability sampling approach due to security concerns
- There was also a limitation regarding ‘performance’ data, therefore a direct comparison of performance was not possible. Likewise, the researcher could neither access CCB project details, nor NGOs records of adopted schools etc.

The end.

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## **APPENDIX 1**

### **SURVEY QUESTIONNAIRES**

## LOCAL GOVERNMENT

### Survey Questionnaire For The Public Officials

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#### **Decentralization and Institutional Performance: the case study of Local Government Reforms**

My name is Seemab Ara Farooqi. I am a lecturer at the University of Punjab, Lahore. Currently, I am a PhD student at Stirling University, Scotland, UK. This research is part of my research degree. The data obtained and your responses to this questionnaire will only be used by University of Stirling for the purposes of academic research degree and no information provided will be attributed to any person in part or in full without the prior written consent. Thank you for participating in this study.

**Date: -----**

## SURVEY QUESTIONNAIRE FOR THE PUBLIC OFFICIALS

**Target audience:** Public officials grade 18-20

### **DEMOGRAPHIC PROFILE**

*Please tick the relevant box*

**Name of the organization** \_\_\_\_\_ **Education**  **WASA**

**Name of the Respondents (Optional)** \_\_\_\_\_

\_\_\_\_\_

**Department** \_\_\_\_\_ **Designation** \_\_\_\_\_

\_\_\_\_\_

**Qualification** \_\_\_\_\_ **Tenure in the organization** \_\_\_\_\_

\_\_\_\_\_

**Gender**      Male                       Female

### **PART 1: Managerial Autonomy:**

This part of the survey is designed to assess the change in Managerial Autonomy/Discretion in financial and personnel management within your organization after decentralization reforms.

**Q1.** How would you compare that Sub-National Authorities can exercise more discretion (power) after decentralization over the following aspects of personnel management and financial management? Score on the scale of 1-5, where 1 corresponds to not at all and 5 indicates full discretion/autonomy discretion:

<b>Managerial autonomy</b>	<b>No discretion</b>	<b>Not significant discretion</b>	<b>significant discretion</b>	<b>very significant discretion</b>	<b>Full discretion</b>
<b>Hiring of personnel</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<b>Firing of personnel</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<b>Promotion</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<b>Transfers</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<b>Setting compensation</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<b>Career development</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<b>Resource allocation</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<b>Procurement</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<b>Budget execution</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
<b>Resource mobilization</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

**Part 2: Participation:** This part of the survey is designed to assess the level of user involvement/community participation or citizen participation in service provision.

1. Please identify the extent decentralization has been able to improve the community or user involvement in service provision?
  - Very Significantly
  - Significant
  - Not significant
  - No change
  
2. Any example of user involvement in:
  - Service provision\_\_\_\_\_
  - Monitoring \_\_\_\_\_
  - Financing\_\_\_\_\_
  
3. Has user/community involvement improved your organizational performance?
  - Very Significantly
  - Significant
  - Not significant
  - No change

**Part 3: Institutional Environment:**

This part of the survey is designed to assess the internal organizational arrangement of service delivery organization with respect to personnel management, financial management, resource constraints, and political and bureaucratic support.

**A. Personnel Management and Financial Management**

1. Do your organizations hire people on the basis of:
  - Merit
  - Personal connection
  - Political connection
  
2. Does your organization have a human resource information management system (HRMIS) containing records of employees?
 

Yes        No
  
3. Do you have an accounting information system in your organization?
 

Yes        No
  
4. In your opinion, do you agree with the following statement with respect to written guidelines regarding personnel management on a scale of 1-4, where 1 corresponds to strongly disagree and 4 corresponds to strongly agree:

Personnel management rules	Strongly disagree	Disagree	Agree	Strongly agree
<b>The rules are simple for implementation</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
<b>The rules provide flexibility in implementation</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
<b>The rules are effective for personnel management</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4

5. In your opinion, difficulties in hiring and retaining qualified staff affect organizational performance?
- Not at all
  - Not significant
  - To some extent significant
  - Very significant
6. Do you have a performance based appraisal system in your organization?
- Yes  No
7. Does your organization have a system where performance targets are agreed to between employees and supervisors at the beginning of every year?
- Yes  No
8. Does your organization perform an internal audit function?
- Yes  No
9. Is there any system of evaluating programs/projects implemented by your organization?
- Yes  No
10. In your opinion, to what extent following aspects of financial management are performed fully, partially, or not at all? Please rate on a scale of 0-5, where 0 corresponds to not at all and 5 in full whether these functions?

Financial management functions	Not at all	Partially	Fully
Budget preparation	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Procurement	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Budget execution	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Internal audit	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Preparation of end of year accounts	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3

11. How significant are the following factors in terms of resource leakage? Score on a rate of 0-5, where 0 corresponds to not at all and 5 corresponds to highly significant:

Factors responsible for resource leakage	Not at all	Not significant	significant	Very significant	Highly significant
Unclear rules for financial accounting	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Lack of capacity to account for budgeting resources	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Weak internal and external auditing practices	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Weak sanctions against corrupt practices	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

## **B. Performance:**

This part of the survey is designed to identify the extent to which clear performance standards exist within the organization, and rewards are linked to the performance and your perception about performance improvements

1. Are there documented work performance standards for each function in your organization?  
Yes  No
  
2. Are targets or objective of performance clearly communicated to you?  
Yes  No  partially
  
3. Are they generally achieved?  
Yes  No  to some extent
  
4. In your organization how much importance is paid to the achievement of organizational objectives?  
 Very significant  
 Significant  
 Somewhat significant  
 Not significant at all
  
5. In your organization to what extent your organization has achieved its mission/objectives?  
0-25%  26-50%  51-75%  76-100%
  
6. In your opinion, are individuals in your organization across all departments rewarded on the basis of performance?  
Yes  No

## **C. External institutional factors**

This part of the survey is designed to assess the extent to which external institutional factors such as policy consistency/coordination between the provincial, federal and local government level, the extent of political and bureaucratic interference, governance issues and resource adequacy affect your organizational performance

### **C (1). Policy coordination**

1. Agencies/departments get instructions and policies from different tiers of the government, some policies are consistent and some policies conflict with each other. Overall how do you rate this aspect of policy consistency?  
 Very consistent  
 More consistent  
 More inconsistent  
 Very inconsistent

2. To what extent lack of consistency in policies affects your performance?
  - Not at all
  - Not significant
  - To some extent significant
  - Very significant
  
3. How often you disagree with the policies you are asked to implement?
  - Often  occasionally  Rarely  Not at all
4. To what extent lack of coordination between different tiers of the Government affects your performance?
  - To a great extent
  - To some extent
  - Not at all

**C(2) Political & Bureaucratic Interference**

1. In your organization, how would you rate the incidents of political interference that exist in your organization?
  - Very frequent
  - Frequent
  - Infrequent
  - Almost never
  
2. In your organization, how would you rate the incidence of bureaucratic interference from the upper tiers?
  - Very frequent
  - Frequent
  - Infrequent
  - Almost never

**C (3) OTHER INSTITUTIONAL FACTORS**

1. How significant are the following aspects of governance that affect your organizational performance? Score on a rate of 0-5, where 0 corresponds to not at all and 5 corresponds to highly significant:

Governance issues	Not at all	Not significant	significant	Very significant	Highly significant
Political instability	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Regime legitimacy	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Economic instability	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Lack of Political support	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Lack of Bureaucratic support	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Lack of Supportive Local context	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

**C (4) Resource adequacy:**

To what extent your organizations have adequate/sufficient financial and human resources to provide an adequate level of service? Please answer on a scale of 0-5, where 0 corresponds to

completely inadequate/insufficient and 5 corresponds to completely adequate/sufficient.

Adequacy of resources	Completely inadequate	Inadequate	adequate	Completely adequate
Adequacy of financial resources	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Adequacy of human resources	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Adequacy of technical resources	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Adequacy of infrastructure	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4

#### **Part 4 (A) Accountability:**

This part of the survey is designed to assess the accountability arrangement within service delivery organizations. The focus is about accountability for performance, budget transparency and access to information.

1. In your opinion, to what extent corruption is the significant problem of public sector as a whole?

Very significant  Significant  Somewhat significant  Not significant at all

2. What would you say that, in your organization, corruption is;

A very serious problem  A serious problem  A somewhat serious problem   
Not a serious problem at all

3. How often the case of corruption has been reported to the public authorities?

Almost always  Frequently  Occasionally  Almost never

4. Do you have clear guidelines regarding the budget preparation in your organization?

Yes  No

5. Are these guidelines followed as:

Fully  Partially  Not at all

6. How easy is to access important records in your organization?

Extremely difficult  Very difficult  Easy  Very easy

7. Have you ever met the association or groups of end users of the services produced by your organization?

Yes  No

8. Are you obliged to share information, especially related to your organizational performance with them?

Yes  No

9. Do you have an efficient customer complaint or grievance procedure in your organization?

Yes  No

10. Do you have any information management system for budget transparency such as

accounting information system?

Yes  No

11. How reliable is the information in your organization's information management system?

- Highly reliable
- Moderately reliable
- Partially Reliable
- Not reliable

12. Is your organization's audit report presented to the local council/provincial/central committees?

Yes  No

13. How effective is the internal audit in ensuring compliance to internal control system?

- Ineffective
- Partially effective
- Effective
- Very effective

14. To what extent monitoring committees are playing an effective role in improving organizational performance?

- Very Significantly
- Significant
- Not significant
- No change

15. To what extent multiple overlapping accountability arrangements affect your performance?

Very significant  Significant  Not significant at all

### **B. Pre-Post comparison**

7. How would you compare performance improvement before and after decentralization?

- Much better
- A little better
- No change
- A little worse
- Much worse

In your opinion, what is your overall perception of service delivery reforms at the sub national level, how it has improved the organizational performance, any issues and challenges or recommendation.

Issues/recommendations\_\_\_\_\_

\_\_\_\_\_

**Pilot Survey Questionnaire (Date: 1<sup>st</sup> November 2009)**

**SURVEY QUESTIONNAIRE FOR THE PUBLIC OFFICIALS**

**Target audience:** public officials grade 18-20

**Service delivery organization:** Education Department and Water and Sanitation Agency

**DEMOGRAPHIC PROFILE**

**Name of the organization** Education  WASA

**Name of the respondents (Optional)** \_\_\_\_\_

**Department** \_\_\_\_\_

**Designation** \_\_\_\_\_

**Qualification** \_\_\_\_\_

**Tenure in the organization** \_\_\_\_\_

**Gender** Male  Female

**Managerial Autonomy:** This part of the survey is designed to assess the change in Managerial Autonomy/Discretion in financial and personnel management within your organization after decentralization reforms.

- How would you compare that Sub-National Authorities can exercise more discretion (power) after decentralization over the following aspects of personnel management and financial management? Score on the scale of 0-5, where 0 corresponds to not at all and 5 corresponds to more discretion:

Hiring of personnel	0	1	2	3	4	5
Firing of personnel	0	1	2	3	4	5
Promotion	0	1	2	3	4	5
Transfers	0	1	2	3	4	5
Setting compensation	0	1	2	3	4	5
Career development	0	1	2	3	4	5
Resource allocation	0	1	2	3	4	5
Procurement	0	1	2	3	4	5
Budget execution	0	1	2	3	4	5
Resource mobilization	0	1	2	3	4	5

**Participation:** This part of the survey is designed to assess the level of user involvement/community participation or citizen participation in service provision.

- To what extent has decentralization been able to improve the community or user involvement in service provision?  
Very Significantly  Significant  Not significant  No change

- Any example of user involvement in:

Service provision\_\_\_\_\_

Monitoring \_\_\_\_\_

Financing \_\_\_\_\_

4. Has user/community involvement improved your organizational performance?  
Very Significantly  Significant  Not significant  No change
5. To what extent monitoring committees are playing an effective role in improving organizational performance?  
Very Significant  Significant  Not significant  No change

**Institutional Environment:** This part of the survey is designed to assess the internal organizational arrangement of service delivery organization with respect to personnel management, financial management, resource constraints, and political and bureaucratic support.

**Personnel Management and Financial Management**

6. Do your organizations hire people on the basis of:  
Merit  personal connection  political connection   
Payment of gifts to some public authority  knew a senior public official
7. Does your organization have a human resource information management system (HRMIS) containing records of employees?  
Yes  No
8. Do you have an accounting information system in your organization?  
Yes  No
9. Does your organization have a system where performance targets are agreed to between employees and supervisors at the beginning of every year?  
Yes  No
10. In your opinion, do you agree with the following statement with respect to written guidelines regarding personnel management on a scale of 0-5, where 0 corresponds to strongly disagree and 5 corresponds to strongly agree:

Rules are simple for implementation	0	1	2	3	4	5
The rules provide flexibility in implementation	0	1	2	3	4	5
Rules are effective for personnel management	0	1	2	3	4	5

11. In your opinion, difficulties in hiring and retaining qualified staff affect organizational performance?  
Not at all  Not significant  To some extent significant   
Very significant
12. Do you have a performance based appraisal system in your organization?  
Yes  No
13. Are targets or objective of performance clearly communicated to you?  
Yes  No  partially
14. In your opinion, to what extent following aspects of financial management are performed fully, partially, or not at all? Please rate on a scale of 0-5, where 0

corresponds to not at all and 5 in full whether these functions?

Budget preparation	0	1	2	3	4	5
Procurement	0	1	2	3	4	5
Budget execution	0	1	2	3	4	5
Internal audit	0	1	2	3	4	5
Preparation of end of year accounts	0	1	2	3	4	5

15. What kind of budgeting approach is being implemented in your organization, such as  
Zero based  incremental  accrual  any other  Specify\_\_\_\_\_.

16. Does your organization perform an internal audit function?  
Yes  No

17. Is there any system of evaluating programs/projects implemented by your organization?  
Yes  No

18. How significant are the following factors in terms of resource leakage? Score on a rate of 0-5, where 0 corresponds to not at all and 5 corresponds to highly significant:

Unclear rules for financial accounting	0	1	2	3	4	5
Lack of capacity to account for budgeting resources	0	1	2	3	4	5
Weak internal and external auditing practices	0	1	2	3	4	5
Weak sanctions against corrupt practices	0	1	2	3	4	5

**Policy coordination:** this part of the survey is designed to assess the extent to which your organization has a policy consistency/coordination between the provincial, federal and local government level.

19. Agencies/departments get instructions and policies from different tiers of the government, some policies are consistent and some policies conflict with each other. Overall how do you rate this aspect of policy consistency?  
Very consistent  more consistent  more inconsistent   
Very inconsistent

20. To what extent lack of consistency in policies affect your performance?

Not at all  Not significant  To some extent significant   
Very significant

21. How often do you disagree with the policies you are asked to implement?  
Often  Occasionally  Rarely  Not at all

22. To what extent lack of coordination between different tiers of the Government affects your performance?  
To a great extent  to some extent  Not at all

23. In your organization, how would you rate the incidents of political interference that exist in your organization?  
Very frequent  Frequent  Infrequent  Almost never

24. In your organization, how would you rate the incidence of bureaucratic interference from the upper tiers?

Very frequent  Frequent  Infrequent  Almost never

25. How significant are the following aspects of good governance that affect your organizational performance? Score on a scale of 0-5, where 0 corresponds to not at all and 5 corresponds to highly significant:

Political instability	0	1	2	3	4	5
Regime legitimacy	0	1	2	3	4	5
Economic instability	0	1	2	3	4	5
Political support	0	1	2	3	4	5
Bureaucratic support	0	1	2	3	4	5
Supportive Local context	0	1	2	3	4	5

**Resource adequacy:** This part of survey is related to determine the resource adequacy/sufficiency that may affect organizational performance

26. To what extent your organizations have adequate/sufficient financial and human resources to provide an adequate level of service? Please answer on a scale of 0-5, where 0 corresponds to completely inadequate/insufficient and 5 corresponds to completely adequate/sufficient.

Adequacy of financial resources	0	1	2	3	4	5
Adequacy of human resources	0	1	2	3	4	5
Adequacy of technical resources	0	1	2	3	4	5
Adequacy of infrastructure	0	1	2	3	4	5

**Performance:** This part of the survey is designed to identify the extent to which clear performance standards exist within organization, and rewards are linked to the performance.

27. Are there documented work performance standards for each function in your organization?

Yes  No

28. Are they generally achieved?

Yes  No  to some extent

29. In your organization to what extent your organization has achieved its mission/objectives?

0-25%  26-50%  51-75%  76-100%

30. Are individuals in your organization across all departments rewarded on the basis of performance?

Yes  No

31. In your organization, has anyone been subject of the following sanction on the basis of poor performance?

Dismissal  Demotion  Salary decrease  suspension

Postponement of promotion or pay increase  Warning   
Initiating criminal proceeding  or any other  (specify)\_\_\_\_\_

32. During the last one year has your organization been awarded for any of the following reasons?

Providing outstanding Services  Improving qualifications  Excellent attendance record  No recognition

33. In your organization how much importance is paid to the achievement of organizational objectives?

Very significant  Significant  Somewhat significant  Not significant at all

34. How would you compare performance improvement before and after decentralization?

Much better  A little better  No change   
A little worse  Much worse

**Accountability:** This part of the survey is designed to assess the accountability arrangement within service delivery organization. Focus is on accountability for performance, budget transparency and access to information.

35. In your opinion, to what extent corruption is the significant problem of public sector as a whole?

Very significant  Significant  Somewhat significant  Not significant at all

36. What would you say that, in your organization, corruption is;

A very serious problem  A serious problem  A somewhat serious problem   
Not a serious problem at all

37. How often the case of corruption been reported to the public authorities?

Almost always  Frequently  Occasionally  Almost never

38. In the past one year, has anyone in your organization been subject to the following types of sanction for poor performance?

Dismissal  Demotion  Salary decrease for a specific period   
Suspension of duties  Postponement of promotion  Warning   
Initiated criminal proceeding

39. What was the cause of disciplinary action?

Poor work performance  Unauthorized absence  Working on a second job   
Accepting bribe  Embezzlement  Conflict with supervisor

40. Do you have clear guidelines regarding the budget preparation in your organization?

Yes  No

41. Are these guidelines followed as:

Fully  Partially  Not at all

42. How easy is to access important record in your organization?

Extremely difficult  Very difficult  Easy  Very easy

43. Have you ever met the association or groups of end users of the services produced by your organization?

Yes  No

44. Do you have an efficient customer complaint or grievance procedure in your

organization?  
Yes  No

45. Are you obliged to share information, especially related to your organizational performance with them?  
Yes  No

46. Do you have any information management system for budget transparency such as accounting information system?  
Yes  No

47. How reliable is the information in your organization's information management system?  
Highly reliable  Moderately reliable  Partially Reliable  Not reliable

48. Is your organization's audit report presented to the local council/provincial/central committees?  
Yes  No

49. How effective is the internal audit in ensuring compliance to internal control system?  
Very effective  Effective  Partially effective  Ineffective

50. To what extent multiple overlapping accountability arrangements affect your performance?  
Very significant  Significant  Not significant at all

In your opinion, what is your overall perception of service delivery reforms at the sub national level, how it has improved the organizational performance, any issues and challenges or recommendation.

Issues \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Recommendations \_\_\_\_\_

\_\_\_\_\_

**COMMUNITY SURVEY-ASSESSMENT OF LOCAL GOVERNMENT  
SERVICE DELIVERY FRAMEWORK**

My name is Seemab Ara Farooqi. I am lecturer at university of Punjab, Lahore, Pakistan. Currently, I am PhD student at Stirling University Scotland, UK. This research is part of my research degree. The purpose of this survey is to assess the service delivery framework of local government system and how far it has been able to deliver efficient and responsive services and improve participation of the community in service provision. This survey has 5 parts. I would be grateful; for your valuable responses.

I assure you that the data obtained and your response to this questionnaire will only be used by university of Stirling for the purpose of academic research and no information provided will be attributed to any person in part or in full without the prior written consent.

Thank you for the participating in this study.

Date:  
Seemab farooqi  
University of Stirling

## Community Survey Questionnaire

### Part 1: Demographic profile

#### A. Demographic profile

**A1. District-** please tick the relevant box

- City District Government Faisalabad
- City District Government Lahore

**A2. Please write the name of your union and tehsil council**

- Tehsil council
- Union council

**A3. Gender:** please tick the relevant box

- Male
- Female

**A4. Education:** please tick the relevant box

- Illiterate  FA
- Primary  BA
- Middle  MA
- Matric  Others

**A5. Age:** please tick the relevant box

- 18-29
- 30-39
- 40-49
- 50 and above

### Part 2: Local Government and Citizen Participation

<b>B1.</b> Do you have knowledge of Citizen Community Board (CCB)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>B2.</b> Do you have knowledge School Management Committee (SMC)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>B3.</b> Do you have knowledge of water and sanitation monitoring committee?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>B4.</b> Are you part of any monitoring committee?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>B5.</b> Are you part of CCB?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>B6.</b> Are you part of SMC?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**B7.** Have you ever contacted your local councillor since the last 12 months- district/ tehsil/union councillor?

- Yes
- No

**B8.** Have you participated in any development scheme of your area since last 12 months?

- Yes
- No

B9. Do councillors take community input or consult community members' opinion in development schemes?

- Mostly
- According to the situation
- Not at all

B11. To whom would you contact for your local issues? Tick one.

- Union councillor
- Tehsil councillor
- District councillors
- Don't want to contact as no one listen to your complaints
- MNA
- MPA
- Political party
- Media
- Government officer
- Community member
- NGO
- Court
- Don't know whom to contact

B12. Have you ever contacted your local councillor for community/local issues? In case of 'No', please move to question B17

- Yes
- No

What was the nature of problem? Tick one.

<input type="checkbox"/> Water supply	<input type="checkbox"/> Sewerage system
<input type="checkbox"/> Garbage	<input type="checkbox"/> Education
<input type="checkbox"/> Health	<input type="checkbox"/> Gas
<input type="checkbox"/> Electricity	<input type="checkbox"/> Telephone
<input type="checkbox"/> NOC	<input type="checkbox"/> Others

B14. Were you able to contact the person?

- Yes
- No

B15. Did you find the person honest and fair in his dealings?

- Yes
- No

B16. Were you satisfied with your meeting?

- Very satisfied
- Satisfied
- Dissatisfied
- Very dissatisfied

B17. Have you ever contact any district officer for your problem? In case of 'No', please move to question B22.

- Yes
- No

B18. What was the nature of problem? Tick one.

<input type="checkbox"/> Water supply	<input type="checkbox"/> Sewerage system
<input type="checkbox"/> Garbage	<input type="checkbox"/> Education
<input type="checkbox"/> Health	<input type="checkbox"/> Gas
<input type="checkbox"/> Electricity	<input type="checkbox"/> Telephone
<input type="checkbox"/> NOC	<input type="checkbox"/> Others

B19. Were you able to contact the person?

- Yes
- No

B20. Did you find the person honest and fair in his dealings?

- Yes
- No

B21. Were you satisfied with your meeting?

- Very satisfied
- Satisfied
- Dissatisfied
- Very dissatisfied

**Part 3: Accountability (C)**

C1. Do councillors share information regarding council meetings with the local community?

- Yes
- No

C2. Do councillors inform you about the development schemes of your community?

- Yes
- No

C3. Does councillor inform you about the amount spent on the development schemes?

- Yes
- No

C4. Do tehsil municipal administration/district government publish information for general public?

- Yes
- No

C5. Can people access local government offices for the public information?

- Yes
- No
- Sometimes

C6. To whom would you report for any incident of corruption? Tick one.

- |  |  |   |   |
|--|--|---|---|
| <input type="checkbox"/> Union councillor  | <input type="checkbox"/> MNA             | <input type="checkbox"/> Media              | <input type="checkbox"/> NGO                        |
| <input type="checkbox"/> Tehsil councillor   | <input type="checkbox"/> MPA             | <input type="checkbox"/> Government officer | <input type="checkbox"/> Court                      |
| <input type="checkbox"/> District councillors                                      | <input type="checkbox"/> Political party | <input type="checkbox"/> Community member   | <input type="checkbox"/> Don't know whom to contact |
| <input type="checkbox"/> Don't want to contact as no one listen to your complaints |  |   |   |

C7. In your opinion, do you consider that your complaints are heard?

- Yes
- No

C8. Have you noticed any change in the attendance of local government employees after local government system?

- Yes
- No

C9. Please explain the nature of change you have observed in local government employees attendance?

- Attendance is improved
- No change
- Attendance is deteriorated

**Part 4: Assessment of Local Government Service Delivery in Education and Water and Sanitation Provision (D)**

**D: sewerage provision**

D1. Do you have sewerage system in your community?

- Yes
- No

D2. Please identify the nature of service provision?

- Public
- Private

D3. Do you pay for the service provision?

- Yes
- No

D4. Are you satisfied with the user charges?

- Highly satisfied
- Satisfied
- Dissatisfied
- Dissatisfied

D5. Is there any development scheme regarding sewerage system in your community?

- |   |   |
|---|---|
| <input type="checkbox"/> None           | <input type="checkbox"/> Abandoned          |
| <input type="checkbox"/> Under progress | <input type="checkbox"/> Has been completed |

D6. Is there any NGO/CBO/CCB involvement in the improvement of sewerage facilities in your community?

- Yes
- No

D7. Has the attendance of sewerage and sanitation staff improved after local government system?

- Yes
- No

D8. Is there any improvement in the sewerage coverage after the local government system?

- Improved
- No change
- Deteriorated

D9. Are you satisfied with the quality of sewerage after the local government system?

- Highly satisfied
- Satisfied
- Dissatisfied
- Dissatisfied

D10. Are you satisfied with the complaints procedures?

- Highly satisfied
- Satisfied
- Dissatisfied
- Dissatisfied

D11. Is there any monitoring committee regarding sewerage?

- Yes
- No
- 

D12. Does this monitoring committee play an effective role?

- Effective
- Not effective
- Partially effective

D13. What are the reasons for your satisfaction or dissatisfaction?

- User charges are high
- Complaints are not heard
- Frequent blockage
- Any other

D14. How would you compare sewerage system before and after local government system?

- Much better
- A little better
- Much worse
- A little worse

**E. Water supply**

E1. Do you have water supply system in your community?

- Yes
- No

E2. . Please identify the nature of service provision?

- Public (WASA)
- Private
- Community

E3. Do you pay for the service provision?

- Yes
- No

E4. Are you satisfied with the user charges?

- Highly satisfied
- Satisfied
- Dissatisfied
- Dissatisfied

E5. Is there any development scheme regarding water supply system in your community?

- None
- Under progress
- Abandoned
- Has been completed

E6. Is there any NGO/CBO/CCB involvement in the improvement of water supply in your community?

- Yes
- No

E7. Is there any improvement in the access to clean drinking water after the local government system?

- Improved
- No change
- Deteriorated

E8. Are you satisfied with the quality of water provision after the local government system?

- Highly satisfied
- Satisfied
- Dissatisfied
- Dissatisfied

E9. Are you satisfied with the complaints procedures?

- Highly satisfied
- Satisfied
- Dissatisfied
- Dissatisfied

E10. Is there any monitoring committee regarding water and sanitation?

- Yes
- No

E11. Does this monitoring committee play an effective role?

- Effective
- Not effective
- Partially effective

E12. What are the reasons for your satisfaction or dissatisfaction?

- User charges are high
- Frequent blockage
- Complaints are not heard
- Any other

E13. How would you compare water supply system before and after local government system?

- Much better
- A little better
- Much worse
- A little worse

**F. Education service delivery**

F1. Do you have access to school in your community?

- Yes
- No

F2. Please identify the type of schools attended by your children?

- Public
- Private

F3. What are the reasons for attending this school?

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F4. Do you pay for tuition fees?

- Yes
- No

F5. Are you satisfied with the tuition fees?

- Highly satisfied
- Satisfied
- Dissatisfied
- Dissatisfied

F6. Is there any NGO/CBO/CCB involvement in the improvement of education provision in your community?

- Yes
- No

F7. Is there any improvement in the access to clean drinking water after the local government system?

- Improved
- No change
- Deteriorated

F8. Are you satisfied with the quality of education provision after the local government system?

- Highly satisfied
- Satisfied
- Dissatisfied
- Dissatisfied

F9. Is there any improvement in the attendance of the teachers at school after local government system?

- Much better
- No change
- More absenteeism

F10. Are you satisfied with the complaints procedures?

- Highly satisfied
- Satisfied
- Dissatisfied
- Dissatisfied

F11. Is there any monitoring committee regarding water and sanitation?

- Yes
- No

F12. Does this monitoring committee play an effective role?

- Effective
- Not effective
- Partially effective

F13. What are the reasons for your satisfaction or dissatisfaction?

- High education standards
- Good facilities
- Poor quality of education
- Any other
- Ease of access

F14. How would you compare education system before and after local government system?

- Much better
- A little better
- Much worse
- A little worse

**Part 5: Assessment of overall local government performance in service delivery (G)**

G.1 has local government system been able to improve community participation in service delivery?

- To a great extent
- To some extent
- No change

G2. Please give an example of how it has been able to improve community participation

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G3. What is the most important issue of your community?

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G4. To what extent local government system has been able to solve the above mentioned problem (mentioned in G3)

- To a great extent
- Top some extent
- Not at all
- Don't know

G5. Has local government system been able to improve attendance of local government employees?

- Much better
- A little better
- Much worse
- A little worse

G6. In your opinion, to what extent local government system has been able to improve service delivery compared to the previous system?

- Much better
- A little better
- Much worse
- A little worse

G7. Would you like to explain, how it has improved service delivery compared to the previous system?

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G8. Is local government system more transparent than the previous system?

- Much better
- A little better
- Much worse
- A little worse

G9. Generally, to what extent local government system has been able to reduce corruption?

- To a great extent
- To some extent
- No change

G10. Overall has local government system been able to improve complaints procedures?

- To a great extent
- To some extent
- No change

Any recommendations:

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## APPENDIX 2

### **Research Protocol**

- 1. Cover LETTER**
- 2. Interview Schedule for  
Managers of service Delivery  
Organizations**
- 3. Interview Contact Summary**
- 4. Interview Record Sheet**
- 5. Interview Schedule for NGO  
Representatives**
- 6. Interview Schedule for  
Political Representatives**
- 7. List of Documents**



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Date

To whom it may concern!

I am a Lecturer Human Management at Institute of Administrative Science, University of the Punjab, Lahore, Pakistan. Currently, I am enrolled at university of Stirling, UK to pursue my PhD studies in public sector management.

I am conducting research on decentralization reforms and organizational performance employing a public management perspective. Since 1980s public sector management has seen a rise in the decentralized service delivery arrangements (ranging from the concentration, delegation, PPP etc.), performance focus and a customer orientation under various technological, financial and globalization influences to tackle the problem of bureaucratic organizations. The rationale behind all these changes was to make a service delivery framework more efficient and responsive. The question is has it delivered this promise? The research on the topic of decentralization is focused on establishing the relationship between decentralization and organizational performance comparing two sectors: education and water and sanitation sector. We are also assessing how service delivery organizations are engaged with third sector and looking into the inter-organizational dynamics of such relationships. The vital part of this is the mapping of the institutional environment that might affect such relationships. My questions broadly cover the areas of managerial autonomy over financial, human resources and decision-making authority being decentralized to the sub national level followed by various institutional factors that affect the service delivery performance and how all these have affected the service delivery outcomes. Would you allow me to record this interview? I would stop the recording if you felt uncomfortable. I assure you that this entire interview is solely for the academic purpose. I would highly appreciate for your time and cooperation in this regard.

Please be assured that information you provide will remain confidential. Please let me know if you need a copy of the summary of research findings and recommendation. I am also enclosing a reference letter from my supervision Prof. Rob Ball, expressing his support for this study.

Thank you very much for your valuable contribution to the study.

Yours sincerely

Seemab Ara Farooqi

**Interview schedule (Managers of Service delivery organizations)**

### General questions

1. What are your main areas of responsibilities?
2. To whom do you report?
3. To which service cadre you belong?
4. What were the underlying motives or drivers of change (underlying reason for decentralization?) probe by asking about organizational restructuring

### Managerial autonomy: how the new organizational arrangement has affected

- **Autonomy over financial and human resources:** personnel management, finances, decision making( prompt by asking questions how real autonomy has been pushed down the hierarchy with respect to financial devolution, hiring and firing of personnel, promotion, transfers, resource allocation, decision making)
- In your perception decentralization reforms has been able to decentralize real autonomy down the hierarchy Or more autonomy is followed by more central or provincial control? In what ways?
- **Participation**-has decentralization improved the level of user involvement in the service provision, if yes how, and in what ways, design, development and implementation of service delivery (Any example of community led initiative and the incorporation of a wide range of civil and citizen groups in service provision; grievance or complaint systems, access to information, consumer surveys)
- **Competition/Collaboration** as a service delivery option, the use of contracting out, user fees charges (issues involved that affect performance particularly focusing on internal technical and human skill competence and how an organization manages their relations with other network of organizations focusing on the clarity of roles, financial arrangement and coordination between them)
- Do you think that use of market based mechanisms for service provision has contributed to organizational performance?
- Issues and challenges of using market based techniques for service provision

### Accountability-

1. What is the change in accountability relationship; are there overlapping multiple accountability arrangement that affects your performance, any example?
2. Does your organization ensure transparent budgeting process; believe in internal auditing and compliance with the rules laid out in the policy guidelines?
3. What is your perception of central and provincial checks and balance over organizational spending?
4. Has new system been able to make the system more transparent than before?

### Performance-

1. What are the factors you look for performance, efficiency, effectiveness, user quality
2. Do you have clear performance indicators; what is the use of performance indicators in your organization)
3. Is more attention paid on performance for accountability, are there incidence of specific incentives or penalties for poor performance, dissemination of information to the public, corruption level)

### **Factor affecting performance**

What are the main factors that are affecting service delivery performance?

#### **Institutional environment**

- Political commitment (does the level of political commitment/support from upper tiers affects your performance, if yes/no, in what ways)
- Bureaucratic Commitment (does the level of bureaucratic commitment affects your performance, in what ways)

#### **Adequacy of resources:**

1. Is there adequacy of funds and human resources for service provision (probe by asking questions related to financial dependence on intergovernmental grants, own revenue sources such user fees charges; technical skills availability for service provision)

#### **Policy consistency**

1. Are the policies made at the provincial or federal level are consistent with the policies at the sub national level? (Probe by asking how policies made at the central, and provincial government affect your performance )
2. Governances issues, Regime legitimacy, political instability, economic instability (what is the role of governance issues in your performance)

#### **Local context**

1. To what extent local context is supportive in terms of political or bureaucratic support/lack of interference?
2. What is the level of citizen cooperation in service provision; the role of the private sector such as NGOs or CBOs?
3. Any other factor that you think is affecting service delivery outcome at the sub national level?

### **Internal organizational factors**

What are the internal organizational factors that affect your performance (adequacy of technical competence, human resources, and financial resources?)

#### **Issues and recommendation**

Concluding comments on the decentralization reforms and organizational performance

1. Overall perception of performance improvement how would you view the change of performance before and after the service delivery reforms, any recommendation or suggestion for further improvements in the system
2. Overall, in your opinion, what are the main challenges and issues that affect your organizational performance
3. Any recommendation

**Interview Summary Sheet 1**

Interview No. \_\_\_\_\_  
 Name of the Organization \_\_\_\_\_  
 Name of the respondent \_\_\_\_\_  
 Name of City District Government \_\_\_\_\_

Lahore \_\_\_\_\_ Faisalabad \_\_\_\_\_

Date: \_\_\_\_\_

Phone: -----

General Questions	Main themes/ Responses recorded	Quick reflections on interviewee transcripts
1. Main areas of responsibilities		
2. To whom do you report?		
3. service cadre		
4. Motives or drivers of change		
<b><u>Impact of decentralization - how the new organizational arrangement has affected</u></b>		
1. Managerial Autonomy over financial management		
2. Autonomy over human resources		
3. Participation		
4. Competition or Collaborative service Delivery techniques		
<b><u>Accountability-</u></b>		
1. Change in accountability relationship; any evidence of multiple/ overlapping accountability arrangement that affect performance.		
2. How organizations ensure transparent budgeting process; internal auditing practices and compliance to the rules as laid out in the policy guidelines?		
3. Any change -Has new system being able		

to make the system more transparent than before?	
<b><u>Performance</u></b>	
4. What are the factors you look for performance, efficiency, effectiveness, user quality	
5. Are there clear performance indicators; what is the use of performance indicators in your organization)	
<b><u>Factor affecting performance</u></b>	
1. Political commitment	
2. Bureaucratic commitment	
3. Adequacy of resources (Financial, human, technical)	
4. Policy consistency	
5. Local context (favorable or not) Any example	
6. Internal organizational factors-main issues identified	
7. Any new question in considering the next contact with this or any other site/or any other concern.	

**Interview Contact Record Sheet 2**

<b>Interviewee Number</b>	<b>Organization</b>	<b>Respondents' Names</b>	<b>Designation</b>	<b>Local Government Faisalabad (CDGF)/ Lahore (CGDL)</b>	<b>Data &amp; Time</b>	<b>Any cancellation of appointment and date of Rescheduled interview (C/R)</b>	<b>Any document obtained</b> <i>Y-Yes</i> <i>N-No</i>	<b>Mode of Recording</b> <i>M-Manual</i> <i>R-Recorded</i>	<b>Backup on computer</b> <i>Y-Yes</i> <i>N-No</i>
<b>1</b>									
<b>2</b>									
<b>3</b>									
<b>4</b>									
<b>5</b>									
<b>6</b>									
<b>7</b>									
<b>8</b>									
<b>9</b>									
<b>10</b>									

## Pilot interview

Interview with DDEO

Date: 31 October 2009

District: Lahore

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**Motives behind decentralization:** The motive behind decentralization is to speed the service delivery of education. Before decentralization, we had a divisional structure. It was not speedy and decision making was always a delayed. Now employees are facilitated to take immediate actions to meet the needs of teachers and community issues. We are able to manage our work more swiftly.

**Managerial autonomy:** I can fully utilize the administrative and financial powers as per rules and regulations. It only becomes politicized when local councillors and Nazims try to influence us when we take actions against their favourites.

**Participation:** it has improved significantly under city district government. Particularly the role of NGOs is very important in this regard. NGOs have helped us in upgrading and providing missing facilities to schools such as in Ichra and Hangerwal in my town. School councils are also very active in raising funds and ensuring transparent utilization of funds. Once schools know that community members can visit and monitor their performance, they really perform better. If community is not very involved then schools become very passive.

**Accountability:** there should be checks at every level it improves the performance of our system, reduce levels of corruption and overall system becomes more transparent. If we do not have these accountability arrangements, then people can waste resources. The only thing is that people who are monitoring should have a positive attitude, they should not just look for only what is wrong but also appreciate the good things done by an institution. For instance we have provincial monitoring teams which are known as MEAs (monitoring and evaluation assistant). They have any army background and are unable to understand education environment. It would have been better if this task was given to those who belong to the education sector.

**Budgeting and financial rules** are clear to us. We follow them fully. We have frequent internal and external audits and they ensure the transparency. I am not satisfied with the external auditors as they are interested only in good lunches and gifts when they perform their audit. If we make them happy, everything will be right.

**Performance:** we have clear performance standards and they are clearly communicated to everyone. Mostly, we focus on effectiveness, result of each school. Performance is linked with the incentive structure such as we give awards to top 20 best schools for a year, then we have an award for best teacher as well. If we find someone not performing well, we issue warning to them.

**Resources:** we have overcome the shortage of teachers; we have sufficient funds for our schools. The only constraint is that internally we do not have the transportation facility which is a constraint on our performance. We are field officer and we need transport to visit the fields.

**Political factors** considerably affect our performance, mostly they try to influence our decision regarding postings, transfers, or if we have taken any action against a person for not performing well.

**Policy consistency** is another major factor as lack of consistency creates uncertainty in the environment. We frequently experience policy changes with the change of government. Governance issues like, political stability is very important to see significant results. Every system should be given time to see its outcomes.

**Conclusion:** Overall we have facilitated our school in handling their issues. Performance is improved, such as student enrolment has improved. Even we initiated campaign to register such kids who were not enrolled in any school, tried to educate the parents and also proposed fines to such parents who did not send their kids to school. The only limitation is that we should be more empowered to take action against those who are not performing well.

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## Interview Schedule for NGOs

1. **Mutuality:** Do you think that there is **shared decision making and joint accountability** among the partners.
2. **What about trust, are relationship managed by trust or the MOU or a combination of both** ( do you think roles and responsibilities of both partners are clearly spelled out in the MOU, has trust improved over time/there is deficit of trust among partners? What leads to distrust?)
3. **What are the accountability arrangement or how do you maintain the control or there is some loss of accountability; How do you feel that NGOs involvement in service delivery has been able to make service providers more accountable or transparent** ( **Probe** -what are the coordination arrangements among partners? And what kind of options you consider government should undertake for accountability improvement? Are NGOs held accountable at multiple levels (like report to a public sector organization, your funding organization or both -writing formal or some informal arrangements); can you specify governmental and non-governmental levels? What do you suggest for improvement based on your experience)
4. **How NGOs are selected for the partnerships, based on reputation, size, connections etc.**
5. **What would you say about the performance of this project so far (such as AAS and PPP cell at Faisalabad), Outcome of partnership:** do you consider that these partnerships are effective, synergistic and add value to the partnerships.
6. **Do you think there is some competition among NGOs for resources to such options, if yes what kind of?**
7. **What are the main issues that you have faced during the Adopt A school system**
8. **Suggestions.**
9. **Is the institutional environment favourable** (probe by asking about the commitment from the public sector, political and bureaucratic for PPP?)

## **Interview Schedule for Political Representatives**

- Scope for policy making –do you consider that there is a wide scope for policy making under the devolved arrangements, how would you consider the extent you can have an influence on the policy making and implementation process (probe- are there any constraints, if yes in what ways these factors limit the local policy making and implementation process)
- Central local relations:
  - Do you consider that there is Role clarity with respect to powers being devolved to the local government level
  - How would you define your relationship with the provincial and federal government (probe - issues of coordination, adequacy of resources (financial, human, technical)
  - Relationship within the district- do you have mechanisms for internal coordination
  - Has the decentralization brought improvement in accountability relationships between elected representatives and public officials
- What is your perception of local government monitoring committees
- Are CCBs and school councils playing an active role (probe, in case CCBs or School councils are ineffective, then what are the reasons behind this)
- Do you consider that the local government system is able to improve service provision (probe- particularly improvements in the level of participation, accountability of the system, and services such as education and water and sanitation sectors)
- Major achievements of the local government system
- Issues and challenges

**Table 3: Document collected from the field visits**

Documents	Source
<p><b>Documents gathered from Town Hall, Lahore</b></p> <ul style="list-style-type: none"> <li>• List of Nazim</li> <li>• List of UCs</li> <li>• Administration of City District Government Lahore</li> <li>• Organizational structures, designation, names and telephone numbers of the managers</li> <li>• Local government ordinance 2001</li> <li>• Powers of local governments</li> <li>• Composition of local council committees, monitoring committees-details of the members, telephone numbers, addresses</li> <li>• Provincial finance commissions</li> <li>• Rules and by laws</li> <li>• Delegation of powers</li> <li>• Taxes levied by all councils</li> <li>• Audit</li> <li>• Conduct of business of district council</li> </ul>	<p>Town hall city district government Lahore</p>
<p><b>Data collected from town hall, Faisalabad city district government:</b></p> <ul style="list-style-type: none"> <li>• List of Local councillors</li> <li>• Union Councils</li> <li>• Tax collection</li> <li>• Faisalabad city district government project of strengthening decentralized local government (DFID, 2005);</li> <li>• Performance report of city district government Faisalabad (DFID, 2008)</li> </ul>	<p>Published reports available on town hall website: <a href="http://faisalabad.gov.pk/">http://faisalabad.gov.pk/</a></p>
<p><b>Devolution plan 2001</b></p>	<p>National Reconstruction Bureau, 2001</p>
<p><b>Policy documents related to decentralization in education and water and sanitation sector:</b></p> <ul style="list-style-type: none"> <li>• National Education Policies 1956-2009;</li> <li>• National Water and Sanitation policies ;</li> <li>• Provincial Water and Sanitation policies;</li> <li>• <u>Water &amp; Sanitation Urban Gazette 2010</u></li> <li>• <u>Changa Pani Program The Urban Gazette</u></li> <li>• <u>Water &amp; Sanitation Reports 2009</u></li> <li>• <u>Water &amp; Sanitation Reports 2008</u></li> <li>• <u>Water &amp; Sanitation Flyers 2007</u></li> <li>• <u>Water &amp; Sanitation Reports 2007</u></li> <li>• Provincial education policies;</li> <li>• National and Provincial Public Private Partnership frameworks (PDSSP, 2008).</li> <li>• Punjab education sector reform program</li> </ul>	<p>Education Ministry of Pakistan</p> <p><a href="http://www.environment.gov.pk/NEP/SanitationPolicy.pdf">www.environment.gov.pk/NEP/SanitationPolicy.pdf</a></p> <p><a href="http://www.urbanunit.gov.pk/">http://www.urbanunit.gov.pk/</a></p> <p><a href="http://www.pesrp.edu.pk/">http://www.pesrp.edu.pk/</a></p>
<p><b>Internal Organizational documents from WASA:</b></p> <ul style="list-style-type: none"> <li>• Data on <b>Benchmark</b> indicators 2007, 2008, 2009</li> <li>• Tariff structure</li> <li>• Japan International Cooperation Agency (JICA) preparatory report for Lahore water supply, sewerage and Drainage improvement project</li> </ul>	<p>WASA Lahore and Faisalabad</p>

<ul style="list-style-type: none"> <li>• Punjab Water and Sanitation Project-summary report, 2006 (WASA, Faisalabad)</li> <li>• Annual budget 2007, 2008 2009 (WASA Faisalabad and Lahore)</li> <li>• Presentation on performance bench marking, financial and administrative issues (WASA Faisalabad, and Lahore)</li> </ul>	
<p><b>Internal organizational documents from Education department</b></p> <ul style="list-style-type: none"> <li>• Organizational charts</li> <li>• Public private partnership Law as passed through Faisalabad local council</li> <li>• Public private partnership policy &amp; issue notes</li> <li>• Public policy framework and public policy TORs for education department</li> <li>• PPI – Strategy – Debriefing September 09, 2004</li> <li>• Notification : PPI Cell Personnel in the EDO- Education Office Faisalabad</li> <li>• Draft proposal: Strengthening <b>Decentralized</b> Local Government in Faisalabad: Establishing and Strengthening PPP initiatives for the Education Sector in Faisalabad, April 24<sup>th</sup>, 2006</li> <li>• Technical Note on the Institute of Learning (Teacher Training and Professional Development)</li> <li>• Memos and letters regarding PPP cell</li> <li>• List of performance indicators</li> <li>• School Council Rules</li> <li>• List of managers, designation, names, addresses</li> </ul>	<p>Education department, Lahore and Faisalabad Education department, Faisalabad</p> <p>Education Department, Lahore Education Department, Lahore Education Department, Lahore</p>
<p><b>Performance data on education quality</b></p> <p>Punjab development statistics <b>report</b></p> <ul style="list-style-type: none"> <li>• 2006</li> <li>• 2007</li> <li>• 2008</li> <li>• 2009</li> <li>• 2010</li> </ul>	<p>Planning and Development Department, government of Punjab</p> <p><a href="http://www.pndpunjab.gov.pk/page.asp?id=65">http://www.pndpunjab.gov.pk/page.asp?id=65</a></p>

## APPENDIX 3

**TABLE 4-1: MANN-WHITNEY U TEST (MEANS RANKS) BY CITY DISTRICT GOVERNMENT**

		Ranks		
	City District Government	N	Mean Rank	Sum of Ranks
Hiring of Personnel	Lahore	66	45.20	2983.00
	Faisalabad	25	<u>48.12</u>	1203.00
	Total	91		
Firing of Personnel	Lahore	66	46.05	3039.00
	Faisalabad	25	45.88	1147.00
	Total	91		
Promotion of Personnel	Lahore	66	46.68	3081.00
	Faisalabad	25	44.20	1105.00
	Total	91		
Transfer of Personnel	Lahore	66	<u>47.47</u>	3133.00
	Faisalabad	25	42.12	1053.00
	Total	91		
Setting Compensation	Lahore	66	46.54	3071.50
	Faisalabad	25	44.58	1114.50
	Total	91		
Career development	Lahore	66	43.38	2863.00
	Faisalabad	25	<u>52.92</u>	1323.00
	Total	91		
Resource Allocation	Lahore	66	43.92	2898.50
	Faisalabad	25	<u>51.50</u>	1287.50
	Total	91		
Procurement	Lahore	66	46.11	3043.50
	Faisalabad	25	45.70	1142.50
	Total	91		
Budget Execution	Lahore	66	43.87	2895.50
	Faisalabad	25	<u>51.62</u>	1290.50
	Total	91		
Resource Mobilization	Lahore	66	43.58	2876.50
	Faisalabad	25	<u>52.38</u>	1309.50
	Total	91		

**TABLE 3-2: MANN-WHITNEY TEST STATISTIC**

Test Statistics <sup>a</sup>										
	Hiring of Personnel	Firing of Personnel	Promotion of Personnel	Transfer of Personnel	Setting Compensation	Career development	Resource Allocation	Procurement	Budget Execution	Resource Mobilization
Mann-Whitney U	772.00	822.00	780.00	728.00	789.50	652.00	687.50	817.50	684.50	665.50
Wilcoxon W	2983.00	1147.00	1105.00	1053.00	1114.50	2863.00	2898.50	1142.50	2895.50	2876.50
Z	-.48	-.02	-.41	-.89	-.33	-1.59	-1.25	-.06	-1.28	-1.45
Asymp. Sig. (2-tailed)	.62	.97	.68	.37	.73	.11	.208	.94	.20	.14

a. Grouping Variable: City District Government

**TABLE 3-3: MANN-WHITNEY TEST (MEAN RANKS) FOR SECTORS**

<b>Ranks (TYPE OF SERVICE DELIVERY ORGANIZATIONS)</b>				
	type of service delivery organization	N	Mean Rank	Sum of Ranks
Hiring of Personnel	education	32	40.34	1291.00
	WASA	59	<u>49.07</u>	2895.00
	Total	91		
Firing of Personnel	education	32	36.94	1182.00
	WASA	59	<u>50.92</u>	3004.00
	Total	91		
Promotion of Personnel	education	32	38.09	1219.00
	WASA	59	<u>50.29</u>	2967.00
	Total	91		
Transfer of Personnel	education	32	29.39	940.50
	WASA	59	<u>55.01</u>	3245.50
	Total	91		
Setting Compensation	education	32	40.33	1290.50
	WASA	59	49.08	2895.50
	Total	91		
Career development	education	32	46.55	1489.50
	WASA	59	45.70	2696.50
	Total	91		
Resource Allocation	education	32	45.41	1453.00
	WASA	59	46.32	2733.00
	Total	91		
Procurement	Education	32	45.23	1447.50
	WASA	59	46.42	2738.50
	Total	91		
Budget Execution	Education	32	<u>50.14</u>	1604.50
	WASA	59	43.75	2581.50
	Total	91		
Resource Mobilization	Education	32	<u>51.33</u>	1642.50
	WASA	59	43.11	2543.50
	Total	91		

**TABLE3-4: MANN-WHITNEY TEST**

Test Statistics <sup>a</sup>										
	Hiring of Personnel	Firing of Personnel	Promotion of Personnel	Transfer of Personnel	Setting Compensation	Career development	Resource Allocation	Procurement	Budget Execution	Resource Mobilization
Mann-Whitney U	763.000	654.000	691.000	412.500	762.500	926.500	925.000	919.500	811.500	773.500
Wilcoxon W	1291.000	1182.000	1219.000	940.500	1290.500	2696.500	1453.000	1447.500	2581.500	2543.500
Z	-1.546	-2.479	-2.170	-4.572	-1.617	-.150	-.163	-.211	-1.129	-1.450
Asymp. Sig. (2-tailed)	.122	.013	.030	.000	.106	.880	.871	.833	.259	.147

a. Grouping Variable: type of service delivery organization

**TABLE 3-5: CROSS TABULATION FOR PARTICIPATION AND SECTORS**

**PARTICIPATION INCREASE \* type of service delivery organization Crosstabulation**

			type of service delivery organization		Total
			education	WASA	
PARTICIPATION INCREASE	1.00	Count	5	7	12
		% within PARTICIPATION INCREASE	41.7%	58.3%	100.0%
		% within type of service delivery organization	15.6%	11.9%	13.2%
		% of Total	5.5%	7.7%	13.2%
	2.00	Count	27	52	79
		% within PARTICIPATION INCREASE	34.2%	65.8%	100.0%
% within type of service delivery organization		84.4%	88.1%	86.8%	
% of Total		29.7%	57.1%	86.8%	
Total	Count	32	59	91	
	% within PARTICIPATION INCREASE	35.2%	64.8%	100.0%	
	% within type of service delivery organization	100.0%	100.0%	100.0%	
	% of Total	35.2%	64.8%	100.0%	

**TABLE3-6: CHI-SQUARE TEST FOR PARTICIPATION AND SECTORS**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.256 <sup>a</sup>	1	.613		
Continuity Correction <sup>b</sup>	.033	1	.856		
Likelihood Ratio	.251	1	.616		
Fisher's Exact Test				.747	.419
Linear-by-Linear Association	.253	1	.615		
N of Valid Cases	91				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 4.22.

b. Computed only for a 2x2 table

**TABLE3-7: CROSS TABULATION FOR PARTICIPATION AND LOCAL GOVERNMENTS**

**PARTICIPATION INCREASE \* City District Government Crosstabulation**

			City District Government		Total
			Lahore	Faisalabad	
PARTICIPATION INCREASE	no change/not significant	Count	5	7	12
		% within PARTICIPATION INCREASE	41.7%	58.3%	100.0%
		% within City District Government	7.6%	28.0%	13.2%
	% of Total		5.5%	7.7%	13.2%
	significant/very significant	Count	61	18	79
		% within PARTICIPATION INCREASE	77.2%	22.8%	100.0%
% within City District Government		92.4%	72.0%	86.8%	
% of Total		67.0%	19.8%	86.8%	
Total	Count		66	25	91
	% within PARTICIPATION INCREASE		72.5%	27.5%	100.0%
	% within City District Government		100.0%	100.0%	100.0%
	% of Total		72.5%	27.5%	100.0%

**TABLE 3-8: CHI SQUARE TEST FOR PARTICIPATION AND LOCAL GOVERNMENTS**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.607 <sup>a</sup>	1	.010		
Continuity Correction <sup>b</sup>	4.943	1	.026		
Likelihood Ratio	5.905	1	.015		
Fisher's Exact Test				.016	.016
Linear-by-Linear Association	6.534	1	.011		
N of Valid Cases	91				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 3.30.  
b. Computed only for a 2x2 table

**TABLE 3-9: CROSS TABULATION FOR IMPACT OF PARTICIPATION ON PERFORMANCE AND LOCAL GOVERNMENTS**

**impact on performance \* City District Government Crosstabulation**

			City District Government		Total
			Lahore	Faisalabad	
impact on performance	1.00	Count	8	9	17
		% within impact on performance	47.1%	52.9%	100.0%
		% within City District Government	12.1%	36.0%	18.7%
		% of Total	8.8%	9.9%	18.7%
	2.00	Count	58	16	74
		% within impact on performance	78.4%	21.6%	100.0%
		% within City District Government	87.9%	64.0%	81.3%
Total	Count	66	25	91	
	% within impact on performance	72.5%	27.5%	100.0%	
	% within City District Governemnt	100.0%	100.0%	100.0%	
	% of Total	72.5%	27.5%	100.0%	

**TABLE 3-10: CHI SQUARE TEST**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.806 <sup>a</sup>	1	.009	.015	.013
Continuity Correction <sup>b</sup>	5.325	1	.021		
Likelihood Ratio	6.223	1	.013		
Fisher's Exact Test					
Linear-by-Linear Association	6.731	1	.009		
N of Valid Cases	91				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 4.67.

b. Computed only for a 2x2 table

**TABLE 3-11: CROSS TABULATION FOR IMPACT OF PARTICIPATION AND SECTORS**

**impact on performance \* type of service delivery organization Crosstabulation**

			type of service delivery organization		Total
			Education	WASA	
impact on performance	1.00	Count	8	9	17
		% within impact on performance	47.1%	52.9%	100.0%
		% within type of service delivery organization	25.0%	15.3%	18.7%
		% of Total	8.8%	9.9%	18.7%
	2.00	Count	24	50	74
		% within impact on performance	32.4%	67.6%	100.0%
		% within type of service delivery organization	75.0%	84.7%	81.3%
		% of Total	26.4%	54.9%	81.3%
Total		Count	32	59	91
		% within impact on performance	35.2%	64.8%	100.0%
		% within type of service delivery organization	100.0%	100.0%	100.0%
		% of Total	35.2%	64.8%	100.0%

**TABLE 3-12: CHI-SQUARE TEST**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.297 <sup>a</sup>	1	.255		
Continuity Correction <sup>b</sup>	.735	1	.391		
Likelihood Ratio	1.259	1	.262		
Fisher's Exact Test				.272	.194
Linear-by-Linear Association	1.283	1	.257		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.98.

b. Computed only for a 2x2 table

**TABLE 3-13: MANN-WHITNEY U TEST FOR PERSONNEL MANAGEMENT RULES (COMPARING LOCAL GOVERNMENTS)**

		Ranks		
	City District Government	N	Mean Rank	Sum of Ranks
personnel management rules are simple for implementation	Lahore	66	44.08	2909.00
	Faisalabad	25	51.08	1277.00
	Total	91		
personnel management rules provide flexibility in implementation	Lahore	66	45.27	2988.00
	Faisalabad	25	47.92	1198.00
	Total	91		
personnel management rules are effective for personnel management	Lahore	66	44.28	2922.50
	Faisalabad	25	50.54	1263.50
	Total	91		

**TABLE 3-14: MANN-WHITNEY U TEST STATISTICS**

Test Statistics <sup>a</sup>			
	personnel management rules are simple for implementation	personnel management rules provide flexibility in implementation	personnel management rules are effective for personnel management
Mann-Whitney U	698.000	777.000	711.500
Wilcoxon W	2909.000	2988.000	2922.500
Z	-1.177	-.456	-1.055
Asymp. Sig. (2-tailed)	.239	.649	.291

a. Grouping Variable: City District Government

**TABLE 3-15: MANN-WHITNEY U TEST FOR PERSONNEL MANAGEMENT (COMPARING SECTORS)**

		Ranks		
	type of service delivery organization	N	Mean Rank	Sum of Ranks
personnel management rules are simple for implementation	Education	32	53.23	1703.50
	WASA	59	42.08	2482.50
	Total	91		
personnel management rules provide flexibility in implementation	Education	32	42.16	1349.00
	WASA	59	48.08	2837.00
	Total	91		
personnel management rules are effective for personnel management	education	32	51.48	1647.50
	WASA	59	43.03	2538.50
	Total	91		

**TABLE 3-16: MANN-WHITNEY U TEST STATISTICS**

<b>Test Statistics<sup>a</sup></b>			
	personnel management rules are simple for implementation	personnel management rules provide flexibility in implementation	personnel management rules are effective for personnel management
Mann-Whitney U	712.500	821.000	768.500
Wilcoxon W	2482.500	1349.000	2538.500
Z	-2.007	-1.092	-1.525
Asymp. Sig. (2-tailed)	.045	.275	.127

a. Grouping Variable: type of service delivery organization

**Table: 3-17: Cross tabulation for Performance management system**

are there documented work performance standard in your organization \* City District  
Government Crosstabulation

			City District Government		Total
			Lahore	Faisalabad	
are there documented work performance standard in your organization	yes	Count	57	13	70
		% within are there documented work performance standard in your organization	81.4%	18.6%	100.0%
		% within City District Government	86.4%	52.0%	76.9%
		% of Total	62.6%	14.3%	76.9%
	no	Count	9	12	21
		% within are there documented work performance standard in your organization	42.9%	57.1%	100.0%
		% within City District Governemnt	13.6%	48.0%	23.1%
Total	Count	66	25	91	
	% within are there documented work performance standard in your organization	72.5%	27.5%	100.0%	
	% within City District Government	100.0%	100.0%	100.0%	
	% of Total	72.5%	27.5%	100.0%	

**Table: 3-18: Chi-Square Tests for documented work PIs comparing CDGs**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	12.062 <sup>a</sup>	1	.001		
Continuity Correction <sup>b</sup>	10.203	1	.001		
Likelihood Ratio	11.123	1	.001		
Fisher's Exact Test				.001	.001
Linear-by-Linear Association	11.929	1	.001		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.77.

b. Computed only for a 2x2 table

**Table 3-19: Chi square for documented work performance standards and type of service delivery organizations**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.110 <sup>a</sup>	1	.078		
Continuity Correction <sup>b</sup>	2.259	1	.133		
Likelihood Ratio	3.348	1	.067		
Fisher's Exact Test				.117	.063
Linear-by-Linear Association	3.076	1	.079		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.38.

b. Computed only for a 2x2 table

**Setting of performance standards**

**Table 3-20: Cross tabulation sharing of input and type of service delivery organization**

			type of service delivery organization		Total
			education	WASA	
sharing of input	1.00	Count	28	27	55
		% within sharing of input	50.9%	49.1%	100.0%
		% within type of service delivery organization	87.5%	45.8%	60.4%
		% of Total	30.8%	29.7%	60.4%
	2.00	Count	4	32	36
		% within sharing of input	11.1%	88.9%	100.0%
		% within type of service delivery organization	12.5%	54.2%	39.6%
		% of Total	4.4%	35.2%	39.6%
Total		Count	32	59	91
		% within sharing of input	35.2%	64.8%	100.0%
		% within type of service delivery organization	100.0%	100.0%	100.0%
		% of Total	35.2%	64.8%	100.0%

**Table 3-21: Chi-Square Tests between sharing input in setting PIs and Sector**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	15.116 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	13.420	1	.000		
Likelihood Ratio	16.676	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	14.950	1	.000		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 12.66.

b. Computed only for a 2x2 table

**Table 3-22: Setting of performance standards comparing local governments**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.927 <sup>a</sup>	1	.165		
Continuity Correction <sup>b</sup>	1.318	1	.251		
Likelihood Ratio	1.985	1	.159		
Fisher's Exact Test				.230	.125
Linear-by-Linear Association	1.905	1	.167		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.89.

b. Computed only for a 2x2 table

**Achievement of targets**

**Table 3-23: cross tabulation for achievement of standards and City District Government**

			City District Government		Total
			Lahore	Faisalabad	
achievement of standards	less than 50%	Count	47	12	59
		% within achievement of standards	79.7%	20.3%	100.0%
		% within City District Government	71.2%	48.0%	64.8%
	% of Total		51.6%	13.2%	64.8%
	above 50%	Count	19	13	32
		% within achievement of standards	59.4%	40.6%	100.0%
% within City District Government		28.8%	52.0%	35.2%	
% of Total		20.9%	14.3%	35.2%	
Total	Count		66	25	91
	% within achievement of standards		72.5%	27.5%	100.0%
	% within City District Government		100.0%	100.0%	100.0%
	% of Total		72.5%	27.5%	100.0%

**Table 3-24: Chi-Square Tests for local government**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.285 <sup>a</sup>	1	.038	.050	.035
Continuity Correction <sup>b</sup>	3.327	1	.068		
Likelihood Ratio	4.171	1	.041		
Fisher's Exact Test					
Linear-by-Linear Association	4.238	1	.040		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.79.  
 b. Computed only for a 2x2 table

**Table 3-25: Chi-Square Tests for service delivery organizations**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.118 <sup>a</sup>	1	.731	.819	.452
Continuity Correction <sup>b</sup>	.013	1	.909		
Likelihood Ratio	.118	1	.732		
Fisher's Exact Test					
Linear-by-Linear Association	.117	1	.733		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.25.  
 b. Computed only for a 2x2 table

**Are performance target generally achieved**

**Table 3-26: cross tabulation are performance targets achieved (achievemnt1) and City District Government**

			City District Government		Total
			Lahore	Faisalabad	
achievemnt1	fully/partially	Count	63	18	81
		% within achievemnt1	77.8%	22.2%	100.0%
		% within City District Government	95.5%	72.0%	89.0%
		% of Total	69.2%	19.8%	89.0%
	no	Count	3	7	10
		% within achievemnt1	30.0%	70.0%	100.0%
		% within City District Government	4.5%	28.0%	11.0%
		% of Total	3.3%	7.7%	11.0%
	Total	Count	66	25	91
		% within achievemnt1	72.5%	27.5%	100.0%
		% within City District Government	100.0%	100.0%	100.0%
		% of Total	72.5%	27.5%	100.0%

**Table 3-27: Chi square Square Tests for LG achievement of standards**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	10.198 <sup>a</sup>	1	.001		
Continuity Correction <sup>b</sup>	7.941	1	.005		
Likelihood Ratio	8.969	1	.003		
Fisher's Exact Test				.004	.004
Linear-by-Linear Association	10.085	1	.001		
N of Valid Cases	91				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 2.75.

b. Computed only for a 2x2 table

**Table 3-28: Chi-Square Tests for sectors for achievement of standards**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.121 <sup>a</sup>	1	.077		
Continuity Correction <sup>b</sup>	2.004	1	.157		
Likelihood Ratio	3.727	1	.054		
Fisher's Exact Test				.092	.072
Linear-by-Linear Association	3.086	1	.079		
N of Valid Cases	91				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 3.52.

b. Computed only for a 2x2 table

**Incentive structure: do you have performance based reward system**

**Table 3-29: cross tabulation for performance based appraisal system and type of service delivery organization**

		type of service delivery organization		Total	
		education	WASA		
do you have performance based appraisal system in your organization	yes	Count	18	16	34
		% within do you have performance based appraisal system in your organization	52.9%	47.1%	100.0%
		% within type of service delivery organization	56.3%	27.1%	37.4%
		% of Total	19.8%	17.6%	37.4%
no	no	Count	14	43	57
		% within do you have performance based appraisal system in your organization	24.6%	75.4%	100.0%
		% within type of service delivery organization	43.8%	72.9%	62.6%
		% of Total	15.4%	47.3%	62.6%
Total		Count	32	59	91
		% within do you have performance based appraisal system in your organization	35.2%	64.8%	100.0%
		% within type of service delivery organization	100.0%	100.0%	100.0%
		% of Total	35.2%	64.8%	100.0%

**Table 3-30: Chi-Square Tests for sectors**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	7.523 <sup>a</sup>	1	.006		
Continuity Correction <sup>b</sup>	6.330	1	.012		
Likelihood Ratio	7.453	1	.006		
Fisher's Exact Test				.012	.006
Linear-by-Linear Association	7.441	1	.006		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.96.

b. Computed only for a 2x2 table

**Chi square test for local government and incentive structure**

**Table 3-31: Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.291 <sup>a</sup>	1	.256		
Continuity Correction <sup>b</sup>	.798	1	.372		
Likelihood Ratio	1.327	1	.249		
Fisher's Exact Test				.334	.186
Linear-by-Linear Association	1.277	1	.258		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.34.

b. Computed only for a 2x2 table

**Table 3-32: cross tabulation for sectors and individuals across all department are rewarded on the basis of performance**

		type of service delivery organization		Total	
		education	WASA		
are individuals in your organization across all department rewarded on the basis of performance	yes	Count	22	9	31
		% within are individuals in your organization across all department rewarded on the basis of performance	71.0%	29.0%	100.0%
		% within type of service delivery organization	68.8%	15.3%	34.1%
		% of Total	24.2%	9.9%	34.1%
	no	Count	10	50	60
		% within are individuals in your organization across all department rewarded on the basis of performance	16.7%	83.3%	100.0%
		% within type of service delivery organization	31.3%	84.7%	65.9%
		% of Total	11.0%	54.9%	65.9%
Total	Count	32	59	91	
	% within are individuals in your organization across all department rewarded on the basis of performance	35.2%	64.8%	100.0%	
	% within type of service delivery organization	100.0%	100.0%	100.0%	
	% of Total	35.2%	64.8%	100.0%	

**Table 3-33: Chi-Square Tests for are individual rewarded on performance for sectors**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	26.434 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	24.106	1	.000		
Likelihood Ratio	26.601	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	26.144	1	.000		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 10.90.

b. Computed only for a 2x2 table

**Chi square test for individuals are rewarded on performance and type of local governments.**

**Table 3-34: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.057 <sup>a</sup>	1	.811		
Continuity Correction <sup>b</sup>	.000	1	1.000		
Likelihood Ratio	.057	1	.811		
Fisher's Exact Test				.809	.498
Linear-by-Linear Association	.057	1	.812		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.52.

b. Computed only for a 2x2 table

**Table 3-35: Mann Whitney U test for the performance management function for local governments**

**Test Statistics<sup>a</sup>**

	to what extent budget preparation is performed in your organization	to what extent procurement function is performed by your organization	to what extent budget is fully executed in your organization	to what extent internal audit function is performed in your organization	to what extent end of year account statement is prepared in your organization
Mann-Whitney U	736.000	755.500	787.500	786.000	822.500
Wilcoxon W	1061.000	1080.500	1112.500	2997.000	3033.500
Z	-.889	-.724	-.398	-.420	-.025
Asymp. Sig. (2-tailed)	.374	.469	.691	.674	.980

a. Grouping Variable: City District Government

**Table 3-36: Mean Ranks for sectors**

	type of service delivery organization	N	Mean Rank	Sum of Ranks
to what extent budget preparation is performed in your organization	education	32	60.72	1943.00
	WASA	59	38.02	2243.00
	Total	91		
to what extent procurement function is performed by your organization	education	32	55.33	1770.50
	WASA	59	40.94	2415.50
	Total	91		
to what extent budget is fully executed in your organization	education	32	52.92	1693.50
	WASA	59	42.25	2492.50
	Total	91		
to what extent internal audit function is performed in your organization	education	32	57.48	1839.50
	WASA	59	39.77	2346.50
	Total	91		
to what extent end of year account statement is prepared in your organization	education	32	58.13	1860.00
	WASA	59	39.42	2326.00
	Total	91		

**Table 3-37: Mann Whitney U test for factors for resource leakage for CDGs Test Statistics<sup>a</sup>**

	unclear rules for financial accounting are significant factor for resource leakage	lack of capacity to account for budgeting resources for resource leakage	weak internal and external auditing practices are significant factor for resource leakage	weak sanctions against corrupt practices are significant factors for resource leakage
Mann-Whitney U	689.500	647.500	732.000	573.500
Wilcoxon W	2900.500	2858.500	2943.000	2784.500
Z	-1.242	-1.631	-.850	<b>-2.290</b>
Asymp. Sig. (2-tailed)	.214	.103	.395	<b>.022</b>

a. Grouping Variable: City District Government

**Table 3-38: Mean Ranks for CDGs and Resource Leakage**

		Ranks		
	City District Government	N	Mean Rank	Sum of Ranks
unclear rules for financial accounting are significant factor for resource leakage	Lahore	66	43.95	2900.50
	Faisalabad	25	51.42	1285.50
	Total	91		
lack of capacity to account for budgeting resources for resource leakage	Lahore	66	43.31	2858.50
	Faisalabad	25	53.10	1327.50
	Total	91		
weak internal and external auditing practices are significant factor for resource leakage	Lahore	66	44.59	2943.00
	Faisalabad	25	49.72	1243.00
	Total	91		
weak sanctions against corrupt practices are significant factors for resource leakage	Lahore	66	42.19	2784.50
	Faisalabad	25	56.06	1401.50
	Total	91		

**Table 3-39: Mann Whitney U test statistics for sectors and factors for resource leakage  
Test Statistics<sup>a</sup>**

	unclear rules for financial accounting are significant factor for resource leakage	lack of capacity to account for budgeting resources for resource leakage	weak internal and external auditing practices are significant factor for resource leakage	weak sanctions against corrupt practices are significant factors for resource leakage
Mann-Whitney U	710.000	892.500	628.000	763.500
Wilcoxon W	2480.000	2662.500	2398.000	2533.500
Z	-2.006	-.443	-2.701	-1.536
Asymp. Sig. (2-tailed)	.045	.658	.007	.124

a. Grouping Variable: type of service delivery organization

**Table 3-40: Mean ranks for sectors and resource leakage**

		Ranks		
	type of service delivery organization	N	Mean Rank	Sum of Ranks
unclear rules for financial accounting are significant factor for resource leakage	education	32	53.31	1706.00
	WASA	59	42.03	2480.00
	Total	91		
lack of capacity to account for budgeting resources for resource leakage	education	32	47.61	1523.50
	WASA	59	45.13	2662.50
	Total	91		
weak internal and external auditing practices are significant factor for resource leakage	education	32	55.88	1788.00
	WASA	59	40.64	2398.00
	Total	91		
weak sanctions against corrupt practices are significant factors for resource leakage	education	32	51.64	1652.50
	WASA	59	42.94	2533.50
	Total	91		

**Table 3-41: Mean ranks for Adequacy of resources and CDGs**

<b>Ranks</b>				
	City District Government	N	Mean Rank	Sum of Ranks
to what extent your organization have adequate financial resources	Lahore	66	45.24	2986.00
	Faisalabad	25	48.00	1200.00
	Total	91		
to what extent your organization has adequate human resources	Lahore	66	48.27	3186.00
	Faisalabad	25	40.00	1000.00
	Total	91		
to what extent your organization has adequate technical resources	Lahore	66	51.64	3408.50
	Faisalabad	25	31.10	777.50
	Total	91		
to what extent your organization has adequate infrastructure	Lahore	66	52.61	3472.50
	Faisalabad	25	28.54	713.50
	Total	91		

**Table 3-42: Mann Whitney U test statistics for CDGs and adequacy of resource**  
**Test Statistics<sup>a</sup>**

	to what extent your organization have adequate financial resources	to what extent your organization has adequate human resources	to what extent your organization has adequate technical resources	to what extent your organization has adequate infrastructure
Mann-Whitney U	775.000	675.000	452.500	388.500
Wilcoxon W	2986.000	1000.000	777.500	713.500
Z	-.464	-1.419	-3.659	-4.227
Asymp. Sig. (2-tailed)	.643	.156	.000	.000

a. Grouping Variable: City District Government

**Table 3-43: Mean Ranks for CDGs and adequacy of resource**

<b>Ranks</b>				
	type of service delivery organization	N	Mean Rank	Sum of Ranks
to what extent your organization have adequate financial resources	education	32	65.02	2080.50
	WASA	59	35.69	2105.50
	Total	91		
to what extent your organization has adequate human resources	education	32	49.78	1593.00
	WASA	59	43.95	2593.00
	Total	91		
to what extent your organization has adequate technical resources	education	32	35.05	1121.50
	WASA	59	51.94	3064.50
	Total	91		
to what extent your organization has adequate infrastructure	education	32	38.78	1241.00
	WASA	59	49.92	2945.00
	Total	91		

**Table 3-44: Mann Whitney U test statistics for adequacy of resources and sectors**

Test Statistics <sup>a</sup>				
	to what extent your organization have adequate financial resources	to what extent your organization has adequate human resources	to what extent your organization has adequate technical resources	to what extent your organization has adequate infrastructure
Mann-Whitney U	335.500	823.000	593.500	713.000
Wilcoxon W	2105.500	2593.000	1121.500	1241.000
Z	-5.280	-1.070	-3.219	-2.091
Asymp. Sig. (2-tailed)	.000	.285	.001	.037

a. Grouping Variable: type of service delivery organization

**Table 3-45: Cross Tabulation for Bureaucratic Interference**

			type of service delivery organization		Total
			education	WASA	
INTERFERENCEB	infrequent/almost never	Count	13	45	58
		% within INTERFERENCEB	22.4%	77.6%	100.0%
		% within type of service delivery organization	40.6%	76.3%	63.7%
		% of Total	14.3%	49.5%	63.7%
	frequent/very frequent	Count	19	14	33
		% within INTERFERENCEB	57.6%	42.4%	100.0%
		% within type of service delivery organization	59.4%	23.7%	36.3%
		% of Total	20.9%	15.4%	36.3%
Total	Count	32	59	91	
	% within INTERFERENCEB	35.2%	64.8%	100.0%	
	% within type of service delivery organization	100.0%	100.0%	100.0%	
	% of Total	35.2%	64.8%	100.0%	

**Table 3-46: CHI square for Bureaucratic Interference**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	11.406 <sup>a</sup>	1	.001		
Continuity Correction <sup>b</sup>	9.916	1	.002		
Likelihood Ratio	11.310	1	.001		
Fisher's Exact Test				.001	.001
Linear-by-Linear Association	11.281	1	.001		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.60.

b. Computed only for a 2x2 table

**Table 3-47: Chi Square for Political Interference**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.018 <sup>a</sup>	1	.892		
Continuity Correction <sup>b</sup>	.000	1	1.000		
Likelihood Ratio	.018	1	.893		
Fisher's Exact Test				1.000	.543
Linear-by-Linear Association	.018	1	.893		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.74.

b. Computed only for a 2x2 table

**Table 3-48: chi square test for Policy consistency**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.353 <sup>a</sup>	1	.552		
Continuity Correction <sup>b</sup>	.122	1	.727		
Likelihood Ratio	.349	1	.554		
Fisher's Exact Test				.626	.360
Linear-by-Linear Association	.350	1	.554		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.79.

b. Computed only for a 2x2 table

**Table 3-49: Chi square test for Policy impact**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.569 <sup>a</sup>	1	.210		
Continuity Correction <sup>b</sup>	.965	1	.326		
Likelihood Ratio	1.524	1	.217		
Fisher's Exact Test				.281	.163
Linear-by-Linear Association	1.551	1	.213		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.68.

b. Computed only for a 2x2 table

**Table 3-50: Chi square test for Coordination among tiers**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.000 <sup>a</sup>	1	.990	1.000	.599
Continuity Correction <sup>b</sup>	.000	1	1.000		
Likelihood Ratio	.000	1	.990		
Fisher's Exact Test					
Linear-by-Linear Association	.000	1	.990		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.98.

b. Computed only for a 2x2 table

**Table 3-51: Mean Ranks for institutional factors**

Ranks				
	type of service delivery organization	N	Mean Rank	Sum of Ranks
to what extent political instability affect your organizational performance	education	32	58.13	1860.00
	WASA	59	39.42	2326.00
	Total	91		
to what extent regime legitimacy affect your organizational performance	education	32	59.17	1893.50
	WASA	59	38.86	2292.50
	Total	91		
to what extent economic instability affect your organizational performance	education	32	54.13	1732.00
	WASA	59	41.59	2454.00
	Total	91		
to what extent lack of political support affect your organizational performance	education	32	50.89	1628.50
	WASA	59	43.35	2557.50
	Total	91		
to what extent lack of bureaucratic support affect your organizational performance	education	32	52.34	1675.00
	WASA	59	42.56	2511.00
	Total	91		
to what extent lack of supportive local context affect your organizational performance	education	32	60.78	1945.00
	WASA	59	37.98	2241.00
	Total	91		

**Table 3-52: Mann Whitney U test statistics for institutional performance comparing sectors**

**Test Statistics<sup>a</sup>**

	political instability	regime legitimacy	economic instability	lack of political support	Lack of bureaucratic support	lack of supportive local context
Mann-Whitney U	556.000	522.500	684.000	787.500	741.000	471.000
Wilcoxon W	2326.000	2292.500	2454.000	2557.500	2511.000	2241.000
Z	-3.337	-3.595	-2.219	-1.344	-1.786	-4.024
Asymp. Sig. (2-tailed)	.001	.000	.026	.179	.074	.000

a. Grouping Variable: type of service delivery organization

**Table 3-53: Mean Ranks for institutional factors and CDGs**

**Ranks**

	City District Government	N	Mean Rank	Sum of Ranks
to what extent political instability affect your organizational performance	Lahore	66	41.98	2770.50
	Faisalabad	25	56.62	1415.50
	Total	91		
to what extent regime legitimacy affect your organizational performance	Lahore	66	42.27	2790.00
	Faisalabad	25	55.84	1396.00
	Total	91		
to what extent economic instability affect your organizational performance	Lahore	66	40.55	2676.50
	Faisalabad	25	60.38	1509.50
	Total	91		
to what extent lack of political support affect your organizational performance	Lahore	66	41.35	2729.00
	Faisalabad	25	58.28	1457.00
	Total	91		
to what extent lack of bureaucratic support affect your organizational performance	Lahore	66	42.46	2802.50
	Faisalabad	25	55.34	1383.50
	Total	91		
to what extent lack of supportive local context affect your organizational performance	Lahore	66	39.71	2621.00
	Faisalabad	25	62.60	1565.00
	Total	91		

**Table 3-54: Mann Whitney U test statistics comparing CDGs**

**Test Statistics<sup>a</sup>**

	political instability	regime legitimacy	economic instability	lack of political support	lack of bureaucratic support affect	supportive local context
Mann-Whitney U	559.500	579.000	465.500	518.000	591.500	410.000
Wilcoxon W	2770.500	2790.000	2676.500	2729.000	2802.500	2621.000
Z	-2.442	-2.244	-3.282	-2.820	-2.198	-3.777
Asymp. Sig. (2-tailed)	.015	.025	.001	.005	.028	.000

a. Grouping Variable: City District Government

**Table 3-55: cross tabulation for Access to information across sector**

**Crosstab**

			type of service delivery organization		Total
			education	WASA	
ACCESSINFOR	extremely/difficult	Count	13	10	23
		% within ACCESSINFOR	56.5%	43.5%	100.0%
		% within type of service delivery organization	40.6%	16.9%	25.3%
		% of Total	14.3%	11.0%	25.3%
	easy/very easy	Count	19	49	68
		% within ACCESSINFOR	27.9%	72.1%	100.0%
		% within type of service delivery organization	59.4%	83.1%	74.7%
		% of Total	20.9%	53.8%	74.7%
Total	Count	32	59	91	
	% within ACCESSINFOR	35.2%	64.8%	100.0%	
	% within type of service delivery organization	100.0%	100.0%	100.0%	
	% of Total	35.2%	64.8%	100.0%	

**Table 3-56: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.158 <sup>a</sup>	1	.013		
Continuity Correction <sup>b</sup>	4.968	1	.026		
Likelihood Ratio	5.962	1	.015		
Fisher's Exact Test				.022	.014
Linear-by-Linear Association	6.090	1	.014		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.09.

b. Computed only for a 2x2 table

**Table 3-57: Crosstab for reliability of information and sectors**

			type of service delivery organization		Total
			education	WASA	
RELIABILITYI NFO	not/partially reliable	Count	10	17	27
		% within RELIABILITYI NFO	37.0%	63.0%	100.0%
		% within type of service delivery organization	31.3%	28.8%	29.7%
	% of Total	11.0%	18.7%	29.7%	
	moderate/highly reliable	Count	22	42	64
		% within RELIABILITYI NFO	34.4%	65.6%	100.0%
% within type of service delivery organization		68.8%	71.2%	70.3%	
% of Total	24.2%	46.2%	70.3%		
Total	Count	32	59	91	
	% within RELIABILITYI NFO	35.2%	64.8%	100.0%	
	% within type of service delivery organization	100.0%	100.0%	100.0%	
	% of Total	35.2%	64.8%	100.0%	

**Table 3-58: Chi-Square Tests**

	Value	Df	Asymp. Sig. (2- sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	.059 <sup>a</sup>	1	.808		
Continuity Correction <sup>b</sup>	.000	1	.998		
Likelihood Ratio	.059	1	.808		
Fisher's Exact Test				.814	.495
Linear-by-Linear Association	.058	1	.809		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.49.

b. Computed only for a 2x2 table

**Table 3-59: cross tabulation for reliability of information and CGDs**

**Crosstab**

			City District Government		Total
			Lahore	Faisalabad	
RELIABILITYINFO	not/partially reliable	Count	16	11	27
		% within RELIABILITYINFO	59.3%	40.7%	100.0%
		% within City District Government	24.2%	44.0%	29.7%
	moderate/highly reliable	Count	50	14	64
		% within RELIABILITYINFO	78.1%	21.9%	100.0%
		% within City District Government	75.8%	56.0%	70.3%
Total	Count		66	25	91
	% within RELIABILITYINFO		72.5%	27.5%	100.0%
	% within City District Government		100.0%	100.0%	100.0%
	% of Total		72.5%	27.5%	100.0%

**Table 3-60: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.392 <sup>a</sup>	1	.066		
Continuity Correction <sup>b</sup>	2.511	1	.113		
Likelihood Ratio	3.258	1	.071		
Fisher's Exact Test				.077	.058
Linear-by-Linear Association	3.355	1	.067		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.42.

b. Computed only for a 2x2 table

**Table 3-61: Chi-Square Tests for Grievance procedure comparing sectors**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.130 <sup>a</sup>	1	.718		
Continuity Correction <sup>b</sup>	.005	1	.942		
Likelihood Ratio	.132	1	.716		
Fisher's Exact Test				.781	.479
Linear-by-Linear Association	.129	1	.719		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.63.

b. Computed only for a 2x2 table

**Table 3-62: Chi-Square Tests for grievance procedures comparing LG**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	8.069 <sup>a</sup>	1	.005		
Continuity Correction <sup>b</sup>	6.411	1	.011		
Likelihood Ratio	7.317	1	.007		
Fisher's Exact Test				.011	.007
Linear-by-Linear Association	7.980	1	.005		
N of Valid Cases	91				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 4.40.

b. Computed only for a 2x2 table

**Table 3-63: Chi-Square Tests for monitoring committees for LG**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.945 <sup>a</sup>	1	.047		
Continuity Correction <sup>b</sup>	3.034	1	.082		
Likelihood Ratio	4.201	1	.040		
Fisher's Exact Test				.054	.038
Linear-by-Linear Association	3.901	1	.048		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.07.

b. Computed only for a 2x2 table

**Table 3-64: Chi-Square Tests for monitoring committee comparing sectors**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.076 <sup>a</sup>	1	.783		
Continuity Correction <sup>b</sup>	.002	1	.962		
Likelihood Ratio	.076	1	.782		
Fisher's Exact Test				.823	.484
Linear-by-Linear Association	.075	1	.784		
N of Valid Cases	91				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.60.

b. Computed only for a 2x2 table

## Appendix 4: Community Survey

### Table 5: Knowledge of CCB

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.132 <sup>a</sup>	1	.144		
Continuity Correction <sup>b</sup>	1.684	1	.194		
Likelihood Ratio	2.141	1	.143		
Fisher's Exact Test				.194	.097
Linear-by-Linear Association	2.121	1	.145		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 25.50.

b. Computed only for a 2x2 table

### Table 6: Knowledge of SMC

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.936 <sup>a</sup>	1	.333		
Continuity Correction <sup>b</sup>	.650	1	.420		
Likelihood Ratio	.937	1	.333		
Fisher's Exact Test				.420	.210
Linear-by-Linear Association	.931	1	.335		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 26.00.

b. Computed only for a 2x2 table

### Table 7: Knowledge of Water and sanitation committee

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.299 <sup>a</sup>	1	.254		
Continuity Correction <sup>b</sup>	.994	1	.319		
Likelihood Ratio	1.300	1	.254		
Fisher's Exact Test				.319	.159
Linear-by-Linear Association	1.292	1	.256		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 44.00.

b. Computed only for a 2x2 table

**Table 8: Part of monitoring committee**

**Crosstab**

			Local Government		Total
			Lahore	Faisalabad	
are you part of any monitoring committee	yes	Count	16	0	16
		% within are you part of any monitoring committee	100.0%	.0%	100.0%
		% within Local Government	16.0%	.0%	8.0%
		% of Total	8.0%	.0%	8.0%
	no	Count	84	100	184
		% within are you part of any monitoring committee	45.7%	54.3%	100.0%
		% within Local Government	84.0%	100.0%	92.0%
		% of Total	42.0%	50.0%	92.0%
Total		Count	100	100	200
		% within are you part of any monitoring committee	50.0%	50.0%	100.0%
		% within Local Government	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Table 9: Chi square test**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	17.391 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	15.285	1	.000		
Likelihood Ratio	23.574	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	17.304	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.00.

b. Computed only for a 2x2 table

**Table 10: Part of SMC\*LG**

**Crosstab**

			Local Government		Total
			Lahore	Faisalabad	
are you part of SMC	yes	Count	17	2	19
		% within are you part of SMC	89.5%	10.5%	100.0%
		% within Local Government	17.0%	2.0%	9.5%
		% of Total	8.5%	1.0%	9.5%
	no	Count	83	98	181
		% within are you part of SMC	45.9%	54.1%	100.0%
		% within Local Government	83.0%	98.0%	90.5%
		% of Total	41.5%	49.0%	90.5%
		Total	Count	100	100
	% within are you part of SMC	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 11: Chi Square test**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	13.085 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	11.399	1	.001		
Likelihood Ratio	14.797	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	13.020	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.50.

b. Computed only for a 2x2 table

**Table 12: Part of CCB\*LG**

**Cross tabulation**

			Local Government		Total
			Lahore	Faisalabad	
are you part of CCB	yes	Count	13	0	13
		% within are you part of CCB	100.0%	.0%	100.0%
		% within Local Government	13.0%	.0%	6.5%
		% of Total	6.5%	.0%	6.5%
	no	Count	87	100	187
		% within are you part of CCB	46.5%	53.5%	100.0%
		% within Local Government	87.0%	100.0%	93.5%
		% of Total	43.5%	50.0%	93.5%
		Total	Count	100	100
	% within are you part of CCB	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 13: Chi-square test**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	13.904 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	11.847	1	.001		
Likelihood Ratio	18.926	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	13.834	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.50.

b. Computed only for a 2x2 table

**Table 14: Chi-square test for contact with local councillors (A)**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.135 <sup>a</sup>	1	.287		
Continuity Correction <sup>b</sup>	.834	1	.361		
Likelihood Ratio	1.137	1	.286		
Fisher's Exact Test				.361	.181
Linear-by-Linear Association	1.130	1	.288		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 31.50.

b. Computed only for a 2x2 table

**Table 15: Chi-square test for Local councillors contacting community (B)**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.009 <sup>a</sup>	1	.315		
Continuity Correction <sup>b</sup>	.741	1	.389		
Likelihood Ratio	1.010	1	.315		
Fisher's Exact Test				.389	.195
Linear-by-Linear Association	1.004	1	.316		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 41.50.

b. Computed only for a 2x2 table

**Table 16: Chi-square test for Councillors consulting community for development projects**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.348 <sup>a</sup>	1	.037		
Continuity Correction <sup>b</sup>	3.329	1	.068		
Likelihood Ratio	4.534	1	.033		
Fisher's Exact Test				.065	.033
Linear-by-Linear Association	4.326	1	.038		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.00.

b. Computed only for a 2x2 table

**Table 17: Chi-square test for have you brought any local issue in the knowledge of your local councillor**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.587 <sup>a</sup>	1	.208		
Continuity Correction <sup>b</sup>	1.215	1	.270		
Likelihood Ratio	1.591	1	.207		
Fisher's Exact Test				.270	.135
Linear-by-Linear Association	1.579	1	.209		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 28.00.

b. Computed only for a 2x2 table

**Table 18: quality of contact-did you find the person hones/fair in his dealings\*LG (A)**

**Cross tabulation**

			Local Government		Total
			Lahore	Faisalabad	
Did you find the person hones/fair in his dealings	yes	Count	54	79	133
		% within did you find the person hones/fair in his dealings	40.6%	59.4%	100.0%
		% within Local Government	76.1%	100.0%	88.7%
		% of Total	36.0%	52.7%	88.7%
	no	Count	17	0	17
		% within did you find the person hones/fair in his dealings	100.0%	.0%	100.0%
		% within Local Government	23.9%	.0%	11.3%
		% of Total	11.3%	.0%	11.3%
Total		Count	71	79	150
		% within did you find the person hones/fair in his dealings	47.3%	52.7%	100.0%
		% within Local Government	100.0%	100.0%	100.0%
		% of Total	47.3%	52.7%	100.0%

**Table 19: Chi-Square Tests**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	21.333 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	19.017	1	.000		
Likelihood Ratio	27.867	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	21.191	1	.000		
N of Valid Cases	150				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.05.

b. Computed only for a 2x2 table

**Table 20: Quality of contact- MEETING/Local Councillor \* LG (B)**

**Cross tabulation**

			Local Government		Total
			Lahore	Faisalabad	
MEETING/ LC	SATISFIED/VE RY SATISFIED	Count	63	79	142
		% within MEETING/LC	44.4%	55.6%	100.0%
		% within Local Government	84.0%	100.0%	92.2%
		% of Total	40.9%	51.3%	92.2%
	dissatisfied/very dissatisfied	Count	12	0	12
		% within MEETING/LC	100.0%	.0%	100.0%
		% within Local Government	16.0%	.0%	7.8%
		% of Total	7.8%	.0%	7.8%
	Total	Count	75	79	154
% within MEETING/LC		48.7%	51.3%	100.0%	
% within Local Government		100.0%	100.0%	100.0%	
% of Total		48.7%	51.3%	100.0%	

**Table 21: Chi-Square Tests**

	Value	df	Asymp. Sig. (2- sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	13.708 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	11.572	1	.001		
Likelihood Ratio	18.338	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	13.619	1	.000		
N of Valid Cases	154				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.84.

b. Computed only for a 2x2 table

**Table 22: contacted any district government officer for any of your problems \*LG**

			Local Government		Total
			Lahore	Faisalabad	
have you ever contacted any district government officer for any of your problems	yes	Count	29	70	99
		% within have you ever contacted any district government officer for any of your problems	29.3%	70.7%	100.0%
		% within Local Government	29.0%	70.0%	49.5%
		% of Total	14.5%	35.0%	49.5%
	no	Count	71	30	101
		% within have you ever contacted any district government officer for any of your problems	70.3%	29.7%	100.0%
		% within Local Government	71.0%	30.0%	50.5%
		% of Total	35.5%	15.0%	50.5%
Total	Count	100	100	200	
	% within have you ever contacted any district government officer for any of your problems	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 23: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	33.623 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	32.003	1	.000		
Likelihood Ratio	34.636	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	33.455	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 49.50.

b. Computed only for a 2x2 table

**Table 24: Quality of contact- did you find the person honest and fair in his dealings \* LG (A)**

**Cross tabulation**

			Local Government		Total
			Lahore	Faisalabad	
did you find the person honest and fair in his dealings	yes	Count	21	67	88
		% within did you find the person honest and fair in his dealings	23.9%	76.1%	100.0%
		% within Local Government	72.4%	94.4%	88.0%
		% of Total	21.0%	67.0%	88.0%
	no	Count	8	4	12
		% within did you find the person honest and fair in his dealings	66.7%	33.3%	100.0%
		% within Local Government	27.6%	5.6%	12.0%
		% of Total	8.0%	4.0%	12.0%
Total	Count	29	71	100	
	% within did you find the person honest and fair in his dealings	29.0%	71.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	29.0%	71.0%	100.0%	

**Table 25: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	9.396 <sup>a</sup>	1	.002		
Continuity Correction <sup>b</sup>	7.432	1	.006		
Likelihood Ratio	8.441	1	.004		
Fisher's Exact Test				.005	.005
Linear-by-Linear Association	9.302	1	.002		
N of Valid Cases	100				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 3.48.

b. Computed only for a 2x2 table

**Table 26: Quality of contact MEETING/DO \* Local Government (B)**

			Local Government		Total
			Lahore	Faisalabad	
MEETING/DO	satisfied/very satisfied	Count	24	65	89
		% within MEETING/DO	27.0%	73.0%	100.0%
		% within Local Government	77.4%	95.6%	89.9%
		% of Total	24.2%	65.7%	89.9%
	dissatisfied/very dissatisfied	Count	7	3	10
		% within MEETING/DO	70.0%	30.0%	100.0%
		% within Local Government	22.6%	4.4%	10.1%
		% of Total	7.1%	3.0%	10.1%
	Total	Count	31	68	99
% within MEETING/DO		31.3%	68.7%	100.0%	
% within Local Government		100.0%	100.0%	100.0%	
% of Total		31.3%	68.7%	100.0%	

**Table 27: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	7.741 <sup>a</sup>	1	.005		
Continuity Correction <sup>b</sup>	5.869	1	.015		
Likelihood Ratio	7.096	1	.008		
Fisher's Exact Test				.010	.010
Linear-by-Linear Association	7.662	1	.006		
N of Valid Cases	99				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 3.13.

b. Computed only for a 2x2 table

**Table 28: CORRUPTION1 \* Local Government**

			Local Government		Total
			Lahore	Faisalabad	
CORRUPTION1	Union Councillors	Count	54	88	142
		% within CORRUPTION1	38.0%	62.0%	100.0%
		% within Local Government	54.0%	88.0%	71.0%
		% of Total	27.0%	44.0%	71.0%
	others	Count	46	12	58
		% within CORRUPTION1	79.3%	20.7%	100.0%
		% within Local Government	46.0%	12.0%	29.0%
		% of Total	23.0%	6.0%	29.0%
	Total	Count	100	100	200
% within CORRUPTION1		50.0%	50.0%	100.0%	
% within Local Government		100.0%	100.0%	100.0%	
% of Total		50.0%	50.0%	100.0%	

**Table 29: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	28.072 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	26.445	1	.000		
Likelihood Ratio	29.487	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	27.932	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 29.00.

b. Computed only for a 2x2 table

**Table 30: acc1: does council members tell you about the meetings of council**

**Crosstab**

			Local Government		Total
			lahore	Faisalabad	
acc1:do council memebms tell you about the meetings of council	yes/ sometimes	Count	30	15	45
		% within acc1:do council memebms tell you about the meetings of council	66.7%	33.3%	100.0%
		% within Local Government	30.0%	15.0%	22.5%
	no	Count	70	85	155
		% within acc1:do council memebms tell you about the meetings of council	45.2%	54.8%	100.0%
		% within Local Government	70.0%	85.0%	77.5%
Total	Count		100	100	200
	% within acc1:do council memebms tell you about the meetings of council		50.0%	50.0%	100.0%
	% within Local Government		100.0%	100.0%	100.0%
	% of Total		50.0%	50.0%	100.0%

**Table 31: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.452 <sup>a</sup>	1	.011	.017	.009
Continuity Correction <sup>b</sup>	5.620	1	.018		
Likelihood Ratio	6.551	1	.010		
Fisher's Exact Test					
Linear-by-Linear Association	6.419	1	.011		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 22.50.

b. Computed only for a 2x2 table

**Table 32: do councillors inform you about the development projects in your community**

**Crosstab**

			Local Government		Total
			Lahore	Faisalabad	
acc2: do councillors inform you about the development projects in your community	yes/ Sometimes	Count	65	30	95
		% within acc2:do councillors inform you about the development projects of your community	68.4%	31.6%	100.0%
		% within Local Government	65.0%	30.0%	47.5%
		% of Total	32.5%	15.0%	47.5%
	No	Count	35	70	105
		% within acc2:do councillors inform you about the development projects of your community	33.3%	66.7%	100.0%
		% within Local Government	35.0%	70.0%	52.5%
		% of Total	17.5%	35.0%	52.5%
Total	Count	100	100	200	
	% within acc2:do councillors inform you about the development projects of your community	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 33: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	24.561 <sup>a</sup>	1	.000	.000	.000
Continuity Correction <sup>b</sup>	23.178	1	.000		
Likelihood Ratio	25.096	1	.000		
Fisher's Exact Test					
Linear-by-Linear Association	24.439	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 47.50.

b. Computed only for a 2x2 table

**Table 34: acc9- do councillors inform you about the money spent on development projects**

**Crosstab**

			Local Government		Total	
			Lahore	Faisalabad		
acc9:do councillors inform you about the money spent on development projects	Yes/ Sometimes	Count	43	6	49	
		% within acc9:do councillors inform you about the money spent on development projects	87.8%	12.2%	100.0%	
		% within Local Government	43.0%	6.0%	24.5%	
			% of Total	21.5%	3.0%	24.5%
	No	Count	57	94	151	
		% within acc9:do councillors inform you about the money spent on development projects	37.7%	62.3%	100.0%	
% within Local Government		57.0%	94.0%	75.5%		
		% of Total	28.5%	47.0%	75.5%	
Total	Count	100	100	200		
	% within acc9:do councillors inform you about the money spent on development projects	50.0%	50.0%	100.0%		
			% within Local Government	100.0%	100.0%	100.0%
			% of Total	50.0%	50.0%	100.0%

**Table 35: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	37.005 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	35.032	1	.000		
Likelihood Ratio	40.654	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	36.820	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 24.50.

b. Computed only for a 2x2 table

**Table 36: Chi-Square Tests- access to local government offices for information**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.500 <sup>a</sup>	1	.480		
Continuity Correction <sup>b</sup>	.281	1	.596		
Likelihood Ratio	.501	1	.479		
Fisher's Exact Test				.596	.298
Linear-by-Linear Association	.498	1	.481		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 20.00.

b. Computed only for a 2x2 table

**Table 37: Chi-Square Tests -in your opinion, your complaint is heard**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.653 <sup>a</sup>	1	.056		
Continuity Correction <sup>b</sup>	3.070	1	.080		
Likelihood Ratio	3.676	1	.055		
Fisher's Exact Test				.079	.040
Linear-by-Linear Association	3.635	1	.057		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 27.00.

b. Computed only for a 2x2 table

**Table 38: Change in attendance of local government employees (a)**

**Crosstab**

		Local Government			
		Lahore	Faisalabad	Total	
have you noticed any change in the attendance of local government employees	yes	Count	52	77	129
		% within have you noticed any change in the attendance of local government employees	40.3%	59.7%	100.0%
		% within Local Government	52.0%	77.0%	64.5%
		% of Total	26.0%	38.5%	64.5%
no	no	Count	48	23	71
		% within have you noticed any change in the attendance of local government employees	67.6%	32.4%	100.0%
		% within Local Government	48.0%	23.0%	35.5%
		% of Total	24.0%	11.5%	35.5%
Total		Count	100	100	200
		% within have you noticed any change in the attendance of local government employees	50.0%	50.0%	100.0%
		% within Local Government	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Table 39: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	13.648 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	12.578	1	.000		
Likelihood Ratio	13.870	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	13.580	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 35.50.

b. Computed only for a 2x2 table

**Table 40: Change in attendance of local government employees (b)**

ACC7:what was the change \* Local Government Crosstabulation

			Local Government		Total
			Lahore	Faisalabad	
ACC7:what was the change	IMPROVED	Count	52	77	129
		% within ACC7:what was the change	40.3%	59.7%	100.0%
		% within Local Government	52.0%	77.0%	64.5%
		% of Total	26.0%	38.5%	64.5%
	NO CHANGE/NOT IMPROVED	Count	48	23	71
		% within ACC7:what was the change	67.6%	32.4%	100.0%
		% within Local Government	48.0%	23.0%	35.5%
		% of Total	24.0%	11.5%	35.5%
	Total	Count	100	100	200
% within ACC7:what was the change		50.0%	50.0%	100.0%	
% within Local Government		100.0%	100.0%	100.0%	
% of Total		50.0%	50.0%	100.0%	

**Table 41: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	13.648 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	12.578	1	.000		
Likelihood Ratio	13.870	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	13.580	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 35.50.

b. Computed only for a 2x2 table

**Table 42: are you satisfied with the WSS provision**

			Local Government		Total
			Lahore	Faisalabad	
ss8:are you satisfied with the WSS provision	dissatisfied	Count	71	50	121
		% within ss8:are you satisfied with the WSS provision	58.7%	41.3%	100.0%
		% within Local Government	71.0%	50.0%	60.5%
		% of Total	35.5%	25.0%	60.5%
	satisfied	Count	29	50	79
		% within ss8:are you satisfied with the WSS provision	36.7%	63.3%	100.0%
		% within Local Government	29.0%	50.0%	39.5%
		% of Total	14.5%	25.0%	39.5%
Total	Count	100	100	200	
	% within ss8:are you satisfied with the WSS provision	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 43: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	9.227 <sup>a</sup>	1	.002		
Continuity Correction <sup>b</sup>	8.369	1	.004		
Likelihood Ratio	9.313	1	.002		
Fisher's Exact Test				.004	.002
Linear-by-Linear Association	9.181	1	.002		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 39.50.

b. Computed only for a 2x2 table

**Table 44: ss11- sewerage system before and after local government system**

			Crosstab		
			Local Government		
			Lahore	Faisalabad	Total
ss11:how would you compare the sewerage system before and after local government system	dissatisfied	Count	31	50	81
		% within ss11:how would you compare the system of Water and sanitation provision before and after local government system	38.3%	61.7%	100.0%
		% within Local Government	31.0%	50.0%	40.5%
		% of Total	15.5%	25.0%	40.5%
	satisfied	Count	69	50	119
		% within ss11:how would you compare the system of Water and sanitation provision before and after local government system	58.0%	42.0%	100.0%
		% within Local Government	69.0%	50.0%	59.5%
		% of Total	34.5%	25.0%	59.5%
Total	Count	100	100	200	
	% within ss11:how would you compare the system of Water and sanitation provision before and after local government system	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 45: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	7.490 <sup>a</sup>	1	.006		
Continuity Correction <sup>b</sup>	6.723	1	.010		
Likelihood Ratio	7.545	1	.006		
Fisher's Exact Test				.009	.005
Linear-by-Linear Association	7.453	1	.006		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 40.50.

b. Computed only for a 2x2 table

**Table 46: Access to water supply**

**Crosstab**

			Local Government		Total
			Lahore	Faisalabad	
ws19: has you access to water improved after LGS	improved	Count	75	54	129
		% within ws19: has you access to water improved after LGS	58.1%	41.9%	100.0%
		% within Local Government	75.0%	54.0%	64.5%
		% of Total	37.5%	27.0%	64.5%
	no change/ became worse	Count	25	46	71
		% within ws19: has you access to water improved after LGS	35.2%	64.8%	100.0%
		% within Local Government	25.0%	46.0%	35.5%
		% of Total	12.5%	23.0%	35.5%
	Total	Count	100	100	200
		% within ws19: has you access to water improved after LGS	50.0%	50.0%	100.0%
		% within Local Government	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Table 47: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	9.630 <sup>a</sup>	1	.002		
Continuity Correction <sup>b</sup>	8.735	1	.003		
Likelihood Ratio	9.739	1	.002		
Fisher's Exact Test				.003	.001
Linear-by-Linear Association	9.582	1	.002		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 35.50.

b. Computed only for a 2x2 table

**Table 48: satisfaction with water supply**

**Crosstab**

			Local Government		Total
			Lahore	Faisalabad	
ws20:are you satisfied with the service provision	dissatisfied	Count	38	25	63
		% within ws20:are you satisfied with the service provision	60.3%	39.7%	100.0%
		% within Local Government	38.0%	25.0%	31.5%
		% of Total	19.0%	12.5%	31.5%
	satisfied	Count	62	75	137
		% within ws20:are you satisfied with the service provision	45.3%	54.7%	100.0%
		% within Local Government	62.0%	75.0%	68.5%
		% of Total	31.0%	37.5%	68.5%
Total	Count	100	100	200	
	% within ws20:are you satisfied with the service provision	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 49: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.916 <sup>a</sup>	1	.048		
Continuity Correction <sup>b</sup>	3.337	1	.068		
Likelihood Ratio	3.937	1	.047		
Fisher's Exact Test				.067	.034
Linear-by-Linear Association	3.897	1	.048		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 31.50.

b. Computed only for a 2x2 table

**Table 50: improvement in water supply before and after local government\*LG**

			Local Government		Total
			Lahore	Faisalabad	
ws24:in you opinion, have water services improved after the local government system	worse/no change	Count	19	35	54
		% within ws24:in you opinion, have water services improved after the local government system	35.2%	64.8%	100.0%
		% within Local Government	19.0%	35.0%	27.0%
		% of Total	9.5%	17.5%	27.0%
	improved	Count	81	65	146
		% within ws24:in you opinion, have water services improved after the local government system	55.5%	44.5%	100.0%
% within Local Government		81.0%	65.0%	73.0%	
% of Total		40.5%	32.5%	73.0%	
Total	Count	100	100	200	
	% within ws24:in you opinion, have water services improved after the local government system	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 51: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.494 <sup>a</sup>	1	.011		
Continuity Correction <sup>b</sup>	5.708	1	.017		
Likelihood Ratio	6.570	1	.010		
Fisher's Exact Test				.016	.008
Linear-by-Linear Association	6.462	1	.011		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 27.00.

b. Computed only for a 2x2 table

**Table 52: Access to education**

**Crosstab**

			Local Government		Total
			Lahore	Faisalabad	
ed9:has access to education improved after local government system	improved	Count	69	98	167
		% within ed9:has access to education improved after local government system	41.3%	58.7%	100.0%
		% within Local Government	70.4%	98.0%	84.3%
		% of Total	34.8%	49.5%	84.3%
no change/worse	no change/worse	Count	29	2	31
		% within ed9:has access to education improved after local government system	93.5%	6.5%	100.0%
		% within Local Government	29.6%	2.0%	15.7%
		% of Total	14.6%	1.0%	15.7%
Total		Count	98	100	198
		% within ed9:has access to education improved after local government system	49.5%	50.5%	100.0%
		% within Local Government	100.0%	100.0%	100.0%
		% of Total	49.5%	50.5%	100.0%

**Table 53: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	28.535 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	26.484	1	.000		
Likelihood Ratio	33.185	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	28.391	1	.000		
N of Valid Cases	198				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 15.34.

b. Computed only for a 2x2 table

**Table 54: Reasons for attending schools\*LG**

**Cross tabulation**

			Local Government		Total
			Lahore	Faisalabad	
ed5: the reasons for attending school	others	Count	53	70	123
		% within ed5: the reasons for attending school	43.1%	56.9%	100.0%
		% within Local Government	53.0%	70.0%	61.5%
		% of Total	26.5%	35.0%	61.5%
quality of education		Count	47	30	77
		% within ed5: the reasons for attending school	61.0%	39.0%	100.0%
		% within Local Government	47.0%	30.0%	38.5%
		% of Total	23.5%	15.0%	38.5%
Total		Count	100	100	200
		% within ed5: the reasons for attending school	50.0%	50.0%	100.0%
		% within Local Government	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Table 55: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.103 <sup>a</sup>	1	.013		
Continuity Correction <sup>b</sup>	5.406	1	.020		
Likelihood Ratio	6.141	1	.013		
Fisher's Exact Test				.020	.010
Linear-by-Linear Association	6.072	1	.014		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 38.50.

b. Computed only for a 2x2 table

**Table 56: teacher attendance\*LG**

**Cross tabulation**

			Local Government		Total
			Lahore	Faisalabad	
ed8: in you opinion is there any improvement in teachers attendance after the local government system	improved	Count	69	96	165
		% within ed8: in you opinion is there any improvement in teachers attendance after the local government system	41.8%	58.2%	100.0%
		% within Local Government	69.0%	96.0%	82.5%
		% of Total	34.5%	48.0%	82.5%
	no change/more absenteeism	Count	31	4	35
			% within ed8: in you opinion is there any improvement in teachers attendance after the local government system	88.6%	11.4%
		% within Local Government	31.0%	4.0%	17.5%
		% of Total	15.5%	2.0%	17.5%
Total	Count	100	100	200	
		% within ed8: in you opinion is there any improvement in teachers attendance after the local government system	50.0%	50.0%	100.0%
		% within Local Government	100.0%	100.0%	100.0%
		% of Total	50.0%	50.0%	100.0%

**Table 57: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	25.247 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	23.411	1	.000		
Likelihood Ratio	28.082	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	25.121	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 17.50.

b. Computed only for a 2x2 table

**Table 58: improvement in education before and after LG\*LG**

**Crosstab**

			Local Government		Total	
			Lahore	Faisalabad		
ed12:in your opinion, is there any improvement in the education provision after local government system	better	Count	86	95	181	
		% within ed12:in your opinion, is there any improvement in the education provision after local government system	47.5%	52.5%	100.0%	
		% within Local Government	86.0%	95.0%	90.5%	
			% of Total	43.0%	47.5%	90.5%
	no change/worse	Count	14	5	19	
		% within ed12:in your opinion, is there any improvement in the education provision after local government system	73.7%	26.3%	100.0%	
% within Local Government		14.0%	5.0%	9.5%		
		% of Total	7.0%	2.5%	9.5%	
Total	Count		100	100	200	
	% within ed12:in your opinion, is there any improvement in the education provision after local government system		50.0%	50.0%	100.0%	
	% within Local Government		100.0%	100.0%	100.0%	
	% of Total		50.0%	50.0%	100.0%	

**Table 59: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.711 <sup>a</sup>	1	.030		
Continuity Correction <sup>b</sup>	3.722	1	.054		
Likelihood Ratio	4.887	1	.027		
Fisher's Exact Test				.051	.026
Linear-by-Linear Association	4.687	1	.030		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.50.

b. Computed only for a 2x2 table

**Table 60: increase in community participation\*LG**

**Crosstab**

			Local Government		Total
			Lahore	Faisalabad	
plg1:has local government been able to improve community participation in service delivery	improved	Count	76	94	170
		% within plg1:has local government been able to improve community participation in service delivery	44.7%	55.3%	100.0%
		% within Local Government	76.0%	94.0%	85.0%
		% of Total	38.0%	47.0%	85.0%
	not improved	Count	24	6	30
		% within plg1:has local government been able to improve community participation in service delivery	80.0%	20.0%	100.0%
		% within Local Government	24.0%	6.0%	15.0%
		% of Total	12.0%	3.0%	15.0%
Total	Count	100	100	200	
	% within plg1:has local government been able to improve community participation in service delivery	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 61: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	12.706 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	11.333	1	.001		
Likelihood Ratio	13.474	1	.000		
Fisher's Exact Test				.001	.000
Linear-by-Linear Association	12.642	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 15.00.

b. Computed only for a 2x2 table

**Table 62: Chi-Square Tests- has local government been able to solve this issue**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.765 <sup>a</sup>	1	.096		
Continuity Correction <sup>b</sup>	1.920	1	.166		
Likelihood Ratio	2.850	1	.091		
Fisher's Exact Test				.164	.082
Linear-by-Linear Association	2.751	1	.097		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.00.

b. Computed only for a 2x2 table

**Table 63: Attendance of local government employees\*LG**

**Crosstab**

			Local Government		Total
			Lahore	Faisalabad	
plg5:Has local government been able to improve the attendance of government employees	Improved	Count	57	79	136
		% within plg5:Has local government been able to improve the attendance of government employees	41.9%	58.1%	100.0%
		% within Local Government	57.0%	79.0%	68.0%
		% of Total	28.5%	39.5%	68.0%
	No change/more absentees	Count	43	21	64
		% within plg5:Has local government been able to improve the attendance of government employees	67.2%	32.8%	100.0%
		% within Local Government	43.0%	21.0%	32.0%
		% of Total	21.5%	10.5%	32.0%
		Total	Count	100	100
	% within plg5:Has local government been able to improve the attendance of government employees	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 64: Chi-Square Tests**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	11.121 <sup>a</sup>	1	.001		
Continuity Correction <sup>b</sup>	10.133	1	.001		
Likelihood Ratio	11.293	1	.001		
Fisher's Exact Test				.001	.001
Linear-by-Linear Association	11.066	1	.001		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 32.00.

b. Computed only for a 2x2 table

**Table 65: Chi-Square Tests**

plg6: in your opinion, has local government been able to improve service delivery compared to the previous system **Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.714 <sup>a</sup>	1	.030		
Continuity Correction <sup>b</sup>	3.463	1	.063		
Likelihood Ratio	5.077	1	.024		
Fisher's Exact Test				.058	.029
Linear-by-Linear Association	4.690	1	.030		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.50.

b. Computed only for a 2x2 table

**Table 66: transparency of the system\*LG**

**Crosstab**

			Local Government		Total
			Lahore	Faisalabad	
plg8: is local government system more transparent than the previous system	better	Count	80	98	178
		% within plg8: is local government system more transparent than the previous system	44.9%	55.1%	100.0%
		% of Total	40.0%	49.0%	89.0%
	no change/worse	Count	20	2	22
		% within plg8: is local government system more transparent than the previous system	90.9%	9.1%	100.0%
		% of Total	10.0%	1.0%	11.0%
Total	Count	100	100	200	
	% within plg8: is local government system more transparent than the previous system	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 67: Chi-Square Tests**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	16.547 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	14.760	1	.000		
Likelihood Ratio	18.918	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	16.465	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.00.

b. Computed only for a 2x2 table

**Table 68: Corruption and LG**

**Crosstab**

			Local Government		Total
			Lahore	Faisalabad	
plg9: has the local government system been able to reduce corruption	To a great extent/ To some extent	Count	79	100	179
		% within plg9: has the local government system been able to reduce corruption	44.1%	55.9%	100.0%
		% within Local Government	79.0%	100.0%	89.5%
		% of Total	39.5%	50.0%	89.5%
	Not at all	Count	21	0	21
		% within plg9: has the local government system been able to reduce corruption	100.0%	.0%	100.0%
% within Local Government		21.0%	.0%	10.5%	
	% of Total	10.5%	.0%	10.5%	
Total	Count	100	100	200	
	% within plg9: has the local government system been able to reduce corruption	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 69: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	23.464 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	21.282	1	.000		
Likelihood Ratio	31.582	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	23.346	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 10.50.

b. Computed only for a 2x2 table

**Table 70: Complaints procedures\*LG**

Crosstab

			Local Government		Total
			Lahore	Faisalabad	
plg10: has the local government system been able to improve the complaint procedures	To a great extent/to some extent	Count	69	96	165
		% within plg10: has the local government system been able to improve the complaint procedures	41.8%	58.2%	100.0%
		% within Local Government	69.0%	96.0%	82.5%
		% of Total	34.5%	48.0%	82.5%
	Not at all	Count	31	4	35
		% within plg10: has the local government system been able to improve the complaint procedures	88.6%	11.4%	100.0%
% within Local Government		31.0%	4.0%	17.5%	
% of Total		15.5%	2.0%	17.5%	
Total	Count	100	100	200	
	% within plg10: has the local government system been able to improve the complaint procedures	50.0%	50.0%	100.0%	
	% within Local Government	100.0%	100.0%	100.0%	
	% of Total	50.0%	50.0%	100.0%	

**Table 71: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	25.247 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	23.411	1	.000		
Likelihood Ratio	28.082	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	25.121	1	.000		
N of Valid Cases	200				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 17.50.

b. Computed only for a 2x2 table

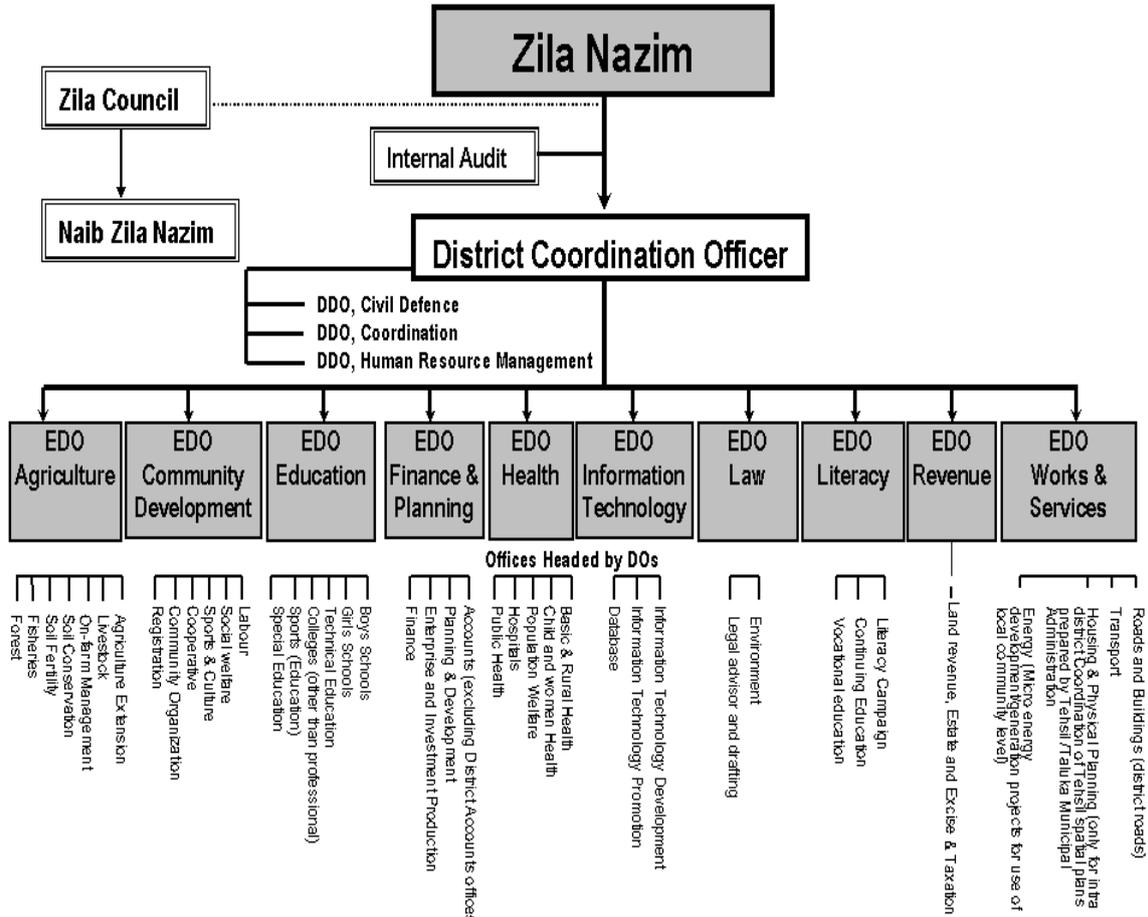
## **APPENDIX 5**

### **MONITORING COMMITTEES LOCAL GOVERNMENT STRUCTURE**

## Appendix 5

### Structure of three tiers of Local Government under LGO 2001

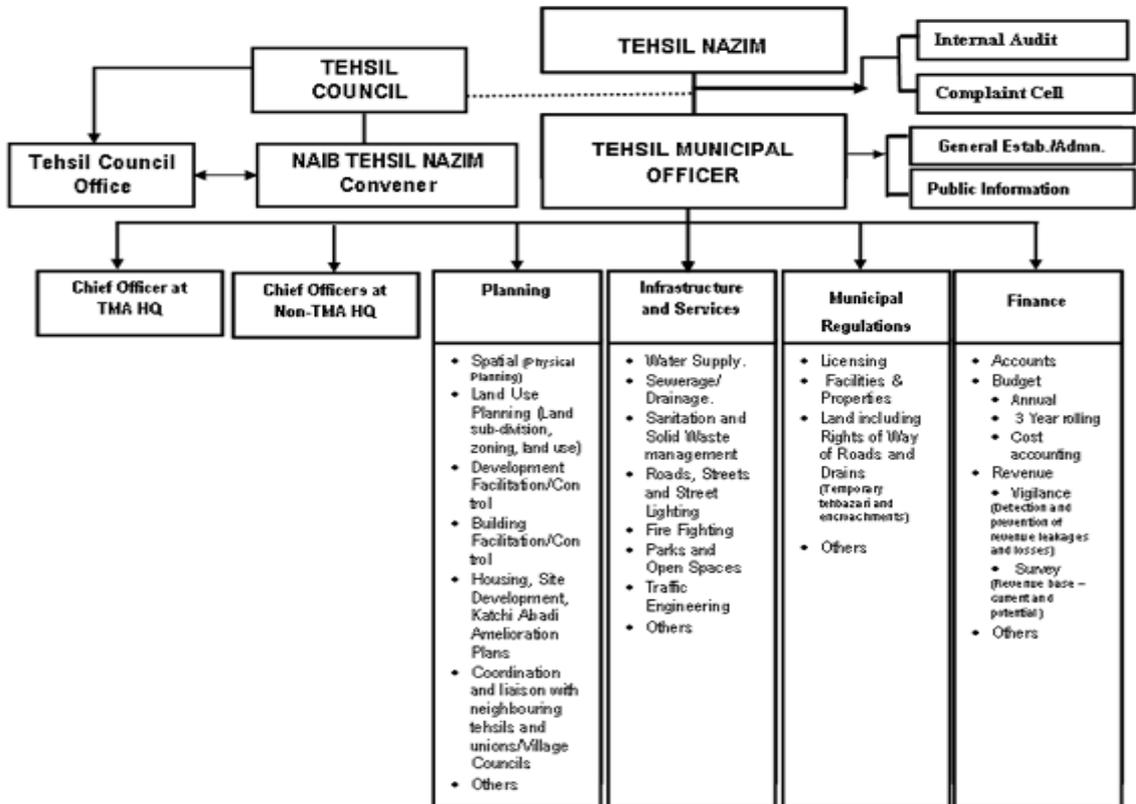
**Table 72: Structure of City District Government in Pakistan under LGO 2001**



Source: NRB 2001

Table 73: Tehsil Muncpal Administration under LGO 2001

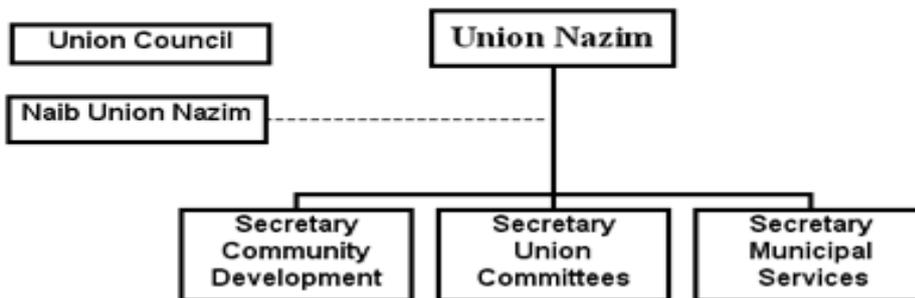
**TEHSIL MUNICIPAL ADMINISTRATION ORGANIZATION**



Source: NRB 2001

Table 74: Structure of Union Administration under LGO 2001

**UNION ADMINISTRATION**



Source: NRB 2001

**Table 75: Monitoring Committees**

S. No.	Monitoring Committee	Chairman/Chairperson	Concerned Officer/EDO	Name of Officer/EDO	DO Concerned	Name of DO
1	District Coordination	Mrs.Shabnam Shehzadi Butt, (Women Member)	District Coordination Officer (DCO)	Mr.Muhammad Ijaz	DO(Coord)	Mr.Mansoor Qadir
2	Sports	Mian Atique, UC-31	District Coordination Officer (DCO)	Mr.Muhammad Ejaz	DO Sports	Mr.Tariq Nazir
3	Culture	Mr.Mazhar Iqbal Bhalli Butt, UC -71	District Coordination Officer (DCO)	Mr.Muhammad Ejaz	DO Sports	Mr.Tariq Nazir
4	Agriculture	Malik Mudassir Khokhar, UC-121	EDO (Agriculture)	Malik Akram		
5	Forest & Fisheries	Haji Tariq Feroze, UC-79	EDO (Agriculture)	Malik Akram	DO Fisheries	Mr.Manzoor Hussain Bhatti
6	Livestock	Mr.Iftikhar Ahmed, UC-123	EDO (Agriculture)	Malik Akram	DO Livestock	Dr.Malik Nawaz
7	CCB & Monitoring	Mr.Haaris Saleem, UC-89	EDO (CD)	Mr.Ghulam Abbas Gondal		
8	Cooperatives	Mr.Sajjad Rabbani, UC-116	EDO (CD)	Mr.Ghulam Abbas Gondal		
9	Social Welfare	Mrs.Farah Deebea Butt	EDO (CD)	Mr.Ghulam Abbas Gondal	DO Social Welfare	Mrs.Ruqayya Akbar
10	Industries & Labour	Mr.Tariq Javed Tariq, UC-142	EDO (CD)	Mr.Ghulam Abbas Gondal	DO Labour	Ch. Nasar Ullah
11	Special & Technical Education	Ms. Salma Riaz, (Women Member)	EDO (CD)	Mr.Ghulam Abbas Gondal	DO Special Education	Khalid Awan
12	Boys Education	Arshad Dogar, UC-112	EDO (Education)	Mr.Zahid Hussain Khan		
13	Girls Education	Sajida Anjum Zuberi (deceased)	EDO (Education)	Mr.Zahid Hussain Khan		
14	Finance & Planning	Raja Munawwar, UC-115	EDO (Finance)	Mr.Asim Iqbal	DO (Accounts)	Mian Waheed-uz-Zaman
15	Health (Urban)	Mr.Nawaz Natt , UC-19	EDO (Health)	Dr.Capt(R) Inam-Ul-Haq	DO(Health)-II	Dr. Shabbir Ahmed Chaudhry
16	Health (Rural)	Mr.Fayyaz Bhatti, UC-143	EDO (Health)	Dr.Capt (R) Inam-ul-Haq	DO(Health)-III	Dr.Amjad Azam Jafri
17	Literacy	Mst.Shamim Nazeer, (Women Member)	EDO (Literacy)	Malik Abur Rauf		
18	Code of Conduct	Mr.Shahid Munir Malik,UC-86	EDO (Law)			

19	<b>Law</b>	Mst.Sameena Khan, (Women Member)				
20	<b>Insaf</b>	Haji Ilyas Usman, UC-11			DO(Litigation)	Syed Ali Rizvi
21	<b>Revenue</b>	Mr.Iftikhar Sindhu, UC-150	EDO (Revenue)	Malik Muhammad Bakhsh	DO(Revenue)	Mr.Suhail Shehzad
22	<b>Excise &amp; Taxation</b>	Habib Ullah Bhatti, UC-84	EDO (Revenue)	Malik Muhammad Bakhsh	DO (Excise & Taxation)	Mr.Ashraf Gondal
23	<b>Roads &amp; Buildings</b>	Ch. Ghafoor, UC-97	EDO (Works)		DO (Roads)-I	Mr.Sultan Mahmood
			EDO (Works)		DO (Roads)-II	Mr.Khalid Siddiqu Khan
			EDO (Works)		DO (Roads)-III	Syed Riaz Hussain
			EDO (Works)		DO (Build)-I	Raja Azhar Sultan
			EDO (Works)		DO (Build)-II	Rana Basharat
24	<b>Crises Management</b>	Ch. Jabbar, UC-34	EDO (Works)		DO (Electrical & Maintenance)	Mr.Khalid Mahmood Sabri
25	<b>Services (SWM)</b>	Mr.Tahir Altaf, UC-96	EDO (Municipal Services)			
26	<b>Environment</b>	Rana Sharafat Ali, UC-149 (Deceased)	EDO (Municipal Services)		DO (Environment)	Mr.Tariq Zaman
27	<b>Traffic Management</b>	Mian Afzal Iqbal, UC-106	EDO (Municipal Services)		DO (Passenger & Freight Transit Terminals)	Mr.Khalid Mahmood Ramay
28	<b>WASA</b>	Mr.Junaid Butt, UC-25	Managing Director WASA	Mr.Iftikhar Ahmed		

## **APPENDIX 6**

### **MATRIX ANALYSIS**

	EDO/M/ARSHAD/CDGL (1)	EDO/M/SOHAIB/CDGF (2)
DECENT	Efficient; effective; responsive; “ <i>best system</i> ”, “closer to the grass root level”.	Efficient; responsive; “ <i>more autonomous unit to facilitate service delivery as compared to the previous structure</i> ”  “ <i>Under a decentralized arrangement all the matters related to a district can be handled at the same level whereas prior to this people have to go to the divisional level to sort out the issue. Under decentralization districts have become more autonomous unit to facilitate service delivery as compared to the previous arrangement.</i> ”
MAN/AUT	<b>Full</b> ; powers re-centralized in DCO; “ <i>Being directly involved in the system I can tell you what are the exact differences in devolution. There was DDEO; DEO of various sectors and then directors at divisional level, there was no one responsible for the convergence or coordination at the district level. From divisional level, it was controlled by the provinces. As far as education is concerned, in the true picture, when it was promulgated in 2001, the EDO was the sole in charge at the district level. All managerial powers of financial, administrative and academic were in EDO. Some of the powers have to be shared /seek instruction from the DCO. Conversely, if you talk about the previous system, DEO of secondary and elementary level were having very thin powers. It was not decentralized at all. This is the best system. There are some problems, if you remove them from the district government system, it will be an ideal system to follow.</i> ”	<b>Fully</b> ; powers are re-centralized at the top with the DCO “ <i>Before decentralization, DEO could appoint or transfer grade 16 and now this power has been transferred to the DCO after decentralization. Now under the new arrangement, EDO can transfer up to grade 10 and above that is in the jurisdiction of DCO. However, being category 1 officer I can use all the powers that are under my jurisdiction. For instance, in resource allocation, posting, transfers all those powers which are t the district level, we can exercise them fully. In the exercise of powers, main interference comes from the political factors.</i> ”
PART	<b>Very significant</b> ; wider awareness among people; sense of ownership; “ <i>User involvement has become widespread. This system is closer to the grass root level. For example people living in small cities like Pasrur, or Chawand do not have to go to the divisional level, their problem can be sorted at eh district level. People are widely involved in the system, there is wider awareness among people regarding to which authority to go for the resolution of their issues. This system is more decentralized against lords or bureaucratic system which existed before. People have the sense of ownership of the system. Before this, people had no idea of how to resolve their issues because divisional officers were located t the divisional level? For example, if someone living in a remote area like Nankana Saab, knew nothing where to go as powers were scattered at provincial and divisional level. However, under this system all powers are located at the district level.</i> ” <b>Forms</b> -school councils, PPP <b>Role of community</b> -monitoring, financing, involved in school fund utilization decisions, <b>Role of NGO</b> -financing, service management contract. For example, Centre of Learning was established in Faisalabad by pooling resources from the community and the corporate sector. “ <i>The whole school model has also initiated which targets to improve school from inside</i> ”	<b>Very significant</b> ; forms-school councils, PPP <b>Role of community</b> -financing, monitoring- “ <i>community has helped to provide missing facilities in 58 school</i> ” School councils- “ <i>Before school councils, schools were always looking to the government for finances or approval to improve missing facilities. Now the school council has their own budget which they can spend according to their needs and do not need approval from the top. The creation of school councils has two main impacts, firstly, it has been able to reduce the teacher absenteeism and secondly, funds utilization is improved.</i> ” (+) <b>outcome</b> of community involvement- reduced teacher absenteeism and transparency in funds utilization <b>CCB (Citizen Community Board)</b> is more active in other districts such as Jhelum, and Sahiwal than Faisalabad. <b>PPP</b> - we have PPP cell Role clarity between the partners as MOU is signed between the partners, and the copy of the MOU is provided to the DEO and DDEO <b>Example of PPP</b> -We established institute of learning with the help of corporate sector which provides training to the teachers; also organized training for the school council members

ACCOUNT	<p>out. These are based from my Faisalabad experience.”</p> <p><b>Multiple overlapping accountability arrangement.</b> Example; DCO, District Assembly, DMO (District Monitoring Officer of provincial government). <i>“Need to improve this chain by having better coordination among them”</i></p> <p>Affect performance.</p> <p><b>Internal auditing</b>-overload of officers is the main reason of not doing internal auditing regular basis; the system needs clarity; training of DEO AN DDEO should be organized regarding budgeting, financial management (+) outcomes on performance-improved transparency ; improved accountability of the entire system;</p> <p>(-) Impact on performance-overload of work; duplication of work</p> <p><b>Grievance procedures</b>-the system has become more open. Complaint cells are established at the district level.</p> <p>“There are very few people who are performing and many agencies that are monitoring. They are moving with a magnifying glass to find not what is wrong or right but with the paradigm of what is wrong and what is wrong. This is the kind of thinking that is being implemented. As for my analysis very few people are involved in corrupt activities, but a small spot is shown as a blunder and this kind of attitude is damaging the credentials of this decentralized system and as a nation as well. If you only want to find out what is wrong and are committed to find out that there is something wrong, you will find something. However, corruption is not at the mass level. It is done at the top level. If somebody at the grass root level, say, a clerk does something wrong we held him accountable but leaves those who have looted the billion at the top level.”</p>	<p><b>Multiple overlapping accountability arrangement</b>- <i>“For example, one person complains to DCO, Nazim and to the education department at the same time. Though we sort it out immediately once it comes to our knowledge, but we have to be accountable for that matter to all other authorities. It wastes our time.”</i></p> <p><b>Efficient complaint</b> cell-take prompt actions. Internal auditing-transparent internal auditing process. <i>One of the procedure is termed as technical inspection which is a detailed audit of our schools that are under our jurisdiction</i></p> <p><b>Financial rules not very clear.</b> <i>This is one of the reasons for underutilization of funds.</i></p> <p>(+) more transparency as more people are involved</p> <p>(-) Outcomes-waste of our time for being accountable to so many bosses</p> <p>“In a way we can say that checks and balances are very strong under the decentralized arrangement.”</p>
PERFORM	<p>Multiple criteria consisting of both qualitative and quantities factors-result of school, co-curricular activities, financial proficiency, academic performance, administrative control;</p> <p><i>“More attention is paid to accountability for finances than accountability for performance”</i></p> <p>Now the incentive structure is improved as it has become more performance based e.g., best school awards</p>	<p>Multiple criteria-dropout rate, enrollment, result, funds utilization etc. Incentive structure is linked to performance. It lacks of proper implementation of performance indicators.</p> <p><i>“There are some problems in the proper implementation of performance indicators. For example, ACR (Annual Confidential Report) is quite often biased. But, still system is better under decentralization.”</i></p>
INST/P	No	<b>Very significant;</b> mostly affect decisions regarding transfers, promotion, or recruitment.
INST/B	To some extent	<b>Significant</b> - <i>“Bureaucracy is one of the factors that affect our performance. There is no rationalization of development work. Where bureaucracy wants to do some development they will do it where they do not want to undertake any development activity either they will demand loads of paperwork or will say that this is not in my competency.”</i>
INST/RES	<p>Adequate but needs rationalization according to the needs.</p> <p>I tried to develop HRMIS system here, and school profiling has been computerized. I have also organized financial managerial training..</p>	<b>Adequate.</b> <i>“We have adequate financial, technical and HR. However, in 2009/2010 there are some constraints on the funds but it also varies from district to district. For instance, districts which are having an efficient revenue collection, like Faisalabad, there is</i>

INST/GOV	Very significant as less stable environment create uncertainty which eventually affects performance-“the main governance issues-political instability is hampering our performance. There is uncertainty regarding the continuity of the local government system as it is going to be end up by 31 December 2010. This uncertainty has caused to delay main tasks as everybody wants to know the outcome of the system after its tenure. Ad-hocism of the system is affecting the performance.”	<i>less financial.”</i> <b>Very significant;</b> policies are not properly implemented; new government rejects all previously approved schemes and starts new ones which is a waste of resources. <i>“The main problem is that policies are not properly implemented. For example, a scheme was launched under the name of CPP (community public partnership). Under this arrangement, it was proposed that the primary schools should be converted into middle schools in the evening, middle schools should be upgraded to high schools and secondary schools should be upgraded to higher secondary schools. Government was supposed to provide the building and operation and maintenance was to be performed by the community. The outcome of this scheme was people who participated in this partnership could not bear the cost at the end. If it has been done in a stepwise, it would have been better. The outcome is that at the moment, 21 schools are run by CPP and the rest are abandoned. It was a good policy but the government did not consider the feasibility of this.”</i>
INST/LOCAL	Very supportive; “presence of a Nazim in the locality is a positive factor as they can monitor our performance, can approach education monitoring committees and can go to the district assembly”	Varies from community to community like if people are more educated they will facilitate our work.
INST/INTERN	None; HRMIS, computerized school profiling, financial manage training for DEO/DDEO; whole school model, merit based recruitment	None
RECMD	More participatory approach, rationalization of the resources, coordination among tiers	More training to the DEO/DDEO/Head Teacher and focus on performance based incentive structure.
PRE/POST	<i>“In its present shape, it is more effective and decentralized as compared to the system prior to decentralization, even though it is not ideally decentralized, it is better than the prior system.”</i>	It is a better system than the previous one. <i>“Under decentralization districts have become more autonomous unit to facilitate service delivery as compared to the previous arrangement.”</i>

**CODING:** EDO-Executive District Officer; DEO-District Education Officer; **DDEO**-Deputy District Education Officer; **M**-male; **F**-female; **DECENT/M**-decentralization motives; **MAN/AUT**-managerial autonomy; **PART**-participation; **ACCOUNT**-accountability; **PERFORM**-performance; **INST/P**-institutional environment-political factors; **INST/B**-institutional environment bureaucratic factors; **INST/RS**-institutional environment resource adequacy; **INST/GV**-institutional environment governance issues; **INST/LC**-institutional environment local context; **RECMD**-recommendations; **PRE/POST**-pre-post devolution comparison.

## APPENDIX 7

### Project Summary

Thesis:ASSESSMENT OF DECENTRALIZED SERVICE DELIVERY ARRANGEMENTS AND INSTITUTIONAL PERFORMANCE: THE CASE OF PAKISTAN LOCAL GOVERNMENT REFORMS

05/11/2012 17:47

Hierarchical Name	Item Type	Created By Username	Created On
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**Created By:** saf3  
**Created On:** 27/08/2010 12:42  
**Last Modified By:** saf3  
**21/07/2012 15:17**

#### Externals

Externals\ACCOUNTABILITY	External	saf3	07/12/2010 12:32	saf3	12/12/2010 15:03
Externals\case studies best practises in WASA	External	saf3	06/12/2010 10:23	saf3	07/12/2010 13:12
Externals\CONTEXT OF LG REFORMS	External	saf3	07/12/2010 12:34	saf3	12/12/2010 14:57
Externals\DECENRLAIZATION1	External	saf3	07/12/2010 12:35	saf3	07/12/2010 12:35
Externals\decentralization	External	saf3	22/09/2010 16:40	saf3	22/09/2010 16:49
Externals\decentralization and accountability	External	saf3	07/12/2010 13:01	saf3	07/12/2010 13:01
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Externals\DEVOLUTION2	External	saf3	07/12/2010 12:35	saf3	10/12/2010 12:42
Externals\DEVOLUTION3	External	saf3	07/12/2010 12:36	saf3	07/12/2010 12:36
Externals\DEVOLUTION4	External	saf3	07/12/2010 12:37	saf3	07/12/2010 12:37
Externals\DEVOLUTION5	External	saf3	07/12/2010 12:38	saf3	07/12/2010 12:38
Externals\education	External	saf3	17/09/2010 09:21	saf3	08/12/2010 14:33
Externals\EDUCATION2	External	saf3	07/12/2010 12:46	saf3	10/12/2010 12:24
Externals\EDUCATIONAND HEALTH	External	saf3	07/12/2010 12:36	saf3	10/12/2010 12:12
Externals\EDUPPP	External	saf3	08/12/2010 14:03	saf3	08/12/2010 14:18
Externals\factors that affect coomunity supply of WSS	External	saf3	06/12/2010 10:39	saf3	06/12/2010 10:40

Externals\\LG SURVEY	External	saf3	07/12/2010 12:37	saf3	07/12/2010 12:37
Externals\\political factor, WASA	External	saf3	06/12/2010 10:31	saf3	06/12/2010 10:31
Externals\\sanitation policy 2006	External	saf3	06/12/2010 10:25	saf3	08/12/2010 12:49
Externals\\sanitation, fsbd	External	saf3	06/12/2010 10:21	saf3	08/12/2010 12:34
Externals\\WASA	External	saf3	06/12/2010 10:29	saf3	06/12/2010 10:32
Externals\\water	External	saf3	06/12/2010 10:28	saf3	06/12/2010 10:32

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Hierarchical Name	Item Type	Created By Username	Created On	Modified
Externals\\water aid	External	saf3	06/12/2010 10:28	saf3
Externals\\water and sanitation fsbd	External	saf3	06/12/2010 10:20	saf3

## Extracts

Extracts\\Coding Summary By Node Extract	Extract	saf3	05/11/2012 17:44	saf3
Extracts\\Coding Summary By Source Extract	Extract	saf3	05/11/2012 17:44	saf3
Extracts\\Node Classification Summary Extract	Extract	saf3	05/11/2012 17:44	saf3
Extracts\\Node Structure Extract	Extract	saf3	05/11/2012 17:44	saf3
Extracts\\Node Summary Extract	Extract	saf3	05/11/2012 17:44	saf3
Extracts\\Project Summary Extract	Extract	saf3	05/11/2012 17:44	saf3
Extracts\\Source Classification Summary Extract	Extract	saf3	05/11/2012 17:44	saf3
Extracts\\Source Summary Extract	Extract	saf3	05/11/2012 17:44	saf3

## Framework Matrices

## Internals

### Internals\\decentdocument

Internals\\decentdocument\\The PLG Tax on Transfer of Immovable Property Rules 2001	Document	saf3	25/11/2010 12:19	saf3
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### Internals\\education

Internals\\education\\DDEO EE FSBD,	Document	saf3	27/08/2010 12:43	saf3
Internals\\education\\DDEO EE LAHORE	Document	saf3	27/08/2010 12:43	saf3

Internals\\education\\DDEO EE lahore sub	Document	saf3	27/08/2010 12:43	saf3
Internals\\education\\DEO SE LHR	Document	saf3	27/08/2010 12:43	saf3
Internals\\education\\EDOLHR	Document	saf3	27/08/2010 12:43	saf3
Internals\\education\\Interview with DDEO EE FSDB	Document	saf3	27/08/2010 12:43	saf3
Internals\\education\\Interview with DDEO EE LHR	Document	saf3	27/08/2010 12:43	saf3
Internals\\education\\Interview with DDEO EE, LHR	Document	saf3	27/08/2010 12:43	saf3
Internals\\education\\Interview with DDEO EEfdb	Document	saf3	27/08/2010 12:43	saf3
Internals\\education\\Interview with DEO EE L	Document	saf3	27/08/2010 12:43	saf3

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Hierarchical Name	Item Type	Created By Username	Created On	Modified
Internals\\education\\Interview with DEO, EE,FSBD	Document	saf3	27/08/2010 12:43	saf3
Internals\\education\\Interview with EDO Faisalabad	Document	saf3	27/08/2010 12:43	saf3
Internals\\education\\Interview with the DEO SEFSBD	Document	saf3	27/08/2010 12:43	saf3
Internals\\education\\Pilot interview	Document	saf3	27/08/2010 12:44	saf3

### Internals\\education\\WASA

Internals\\education\\WASA\\CPP	Document	saf3	10/03/2012 13:20	saf3
Internals\\education\\WASA\\Deputy Managing director,O&M,L	Document	saf3	27/08/2010 12:46	saf3
Internals\\education\\WASA\\DG FDA	Document	saf3	27/08/2010 12:46	saf3
Internals\\education\\WASA\\Director planning and evaluation,lahore	Document	saf3	27/08/2010 12:46	saf3
Internals\\education\\WASA\\Director water and distribution,FSBD	Document	saf3	27/08/2010 12:46	saf3
Internals\\education\\WASA\\DYMD finance and operations and maintenance,FSBD	Document	saf3	27/08/2010 12:46	saf3
Internals\\education\\WASA\\Interview with Managing director,lahore	Document	saf3	27/08/2010 12:47	saf3

### Internals\\EDUCATION2

Internals\\EDUCATION2\\08_pccs	Document	saf3	07/12/2010 11:55	saf3
Internals\\EDUCATION2\\1_Monitoring the quality_Dawood Shah_Vol30_o9	Document	saf3	07/12/2010 12:04	saf3
Internals\\EDUCATION2\\26153Financial PowersDisttGovernments8thEd	Financial Document	saf3	14/09/2010 13:10	saf3
Internals\\EDUCATION2\\3 New Schools	Document	saf3	27/08/2010 13:55	saf3

Internals\\EDUCATION2\\Annex____PEF Document _letter		saf3	27/08/2010 13:54	saf3
Internals\\EDUCATION2\\Chap1	Document	saf3	16/09/2010 12:50	saf3
Internals\\EDUCATION2\\Conditions for successful PPPs	Document	saf3	27/08/2010 14:03	saf3
Internals\\EDUCATION2\\Decentralizatio n in the Education System of Pakistan	Document	saf3	07/12/2010 12:27	saf3
Internals\\EDUCATION2\\DRAFT_Educat ion_proposal_PPI2	Document	saf3	27/08/2010 13:54	saf3
Internals\\EDUCATION2\\education policy	Document	saf3	14/09/2010 14:03	saf3
Internals\\EDUCATION2\\educationdeve l	Document	saf3	17/09/2010 09:10	saf3
Internals\\EDUCATION2\\educationdeve l (2)	Document	saf3	07/12/2010 12:25	saf3
Internals\\EDUCATION2\\FINAL PPP LAW (Final Vetted Copy in Word format)	Document	saf3	27/08/2010 14:03	saf3
Internals\\EDUCATION2\\From Policy to Practice PPP AAS	Document	saf3	22/09/2010 16:02	saf3
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Internals\\EDUCATION2\\img009	Picture	saf3	22/09/2010 14:37	saf3

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Hierarchical Name	Item Type	Created By Username	Created On	Mod ified
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Internals\\EDUCATION2\\img012	Picture	saf3	22/09/2010 14:38	saf3
Internals\\EDUCATION2\\img013	Picture	saf3	22/09/2010 14:38	saf3
Internals\\EDUCATION2\\img014	Picture	saf3	22/09/2010 14:38	saf3
Internals\\EDUCATION2\\img015	Picture	saf3	22/09/2010 14:38	saf3
Internals\\EDUCATION2\\img016	Picture	saf3	22/09/2010 14:37	saf3
Internals\\EDUCATION2\\Institute of Learning Technical Note	Document	saf3	27/08/2010 13:54	saf3
Internals\\EDUCATION2\\Letters first Input Feb	Document	saf3	27/08/2010 13:54	saf3
Internals\\EDUCATION2\\Pakistan_Progr ammes	Document	saf3	07/12/2010 12:22	saf3
Internals\\EDUCATION2\\PPP Policy & Issues Note Jan 5 2010	Document	saf3	27/08/2010 13:56	saf3
Internals\\EDUCATION2\\PPP strategy Final PDSSP	Document	saf3	27/08/2010 14:42	saf3
Internals\\EDUCATION2\\Public Private Initiatives Roll Out Plan	Document	saf3	27/08/2010 13:54	saf3
Internals\\EDUCATION2\\QuettaBRJ_40 2	Document	saf3	07/12/2010 12:07	saf3
Internals\\EDUCATION2\\WhitePaper	Document	saf3	16/09/2010 13:57	saf3
Internals\\EDUCATION2\\Workshop Outline	Document	saf3	27/08/2010 13:56	saf3

## Internals\\political representatives

Internals\\political representatives\\District council member (F) CDGL	Document	saf3	27/08/2010 12:48	saf3
Internals\\political representatives\\District Nazim	Document	saf3	27/08/2010 12:49	saf3
Internals\\political representatives\\Interview with the senior program manager 9partnership and governance	Document	saf3	27/08/2010 12:51	saf3
Internals\\political representatives\\Tehsil Council officer, CDGL	Document	saf3	27/08/2010 12:48	saf3
Internals\\political representatives\\TMO, CDGF	Document	saf3	27/08/2010 12:48	saf3
Internals\\political representatives\\Town Councillor (F) CDGL	Document	saf3	27/08/2010 12:48	saf3
Internals\\political representatives\\Town Nazim, CDGL	Document	saf3	20/07/2012 13:31	saf3
Internals\\political representatives\\Town Nazim-Wahga Town L	Document	saf3	27/08/2010 12:52	saf3
Internals\\political representatives\\Union Nazim, CDGL	Document	saf3	27/08/2010 12:48	saf3
Internals\\political representatives\\Union nazim,FSBD	Document	saf3	27/08/2010 12:48	saf3

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Hierarchical Name	Item Type	Created By Username	Created On	Modified
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Internals\\WASA FSBD\\Performance bench marking - 2009	Document	saf3	09/09/2010 12:54	saf3
Internals\\WASA FSBD\\QN to WASA_water supply & sanitation_ with Answer	Document	saf3	09/09/2010 11:08	saf3
Internals\\WASA FSBD\\rt-UWSRSFINAL	Document	saf3	13/09/2010 13:56	saf3
Internals\\WASA FSBD\\The Punjab Development of Cities Act 1976	Document	saf3	09/09/2010 11:43	saf3
Internals\\WASA FSBD\\WASA Questionnaire Feb 2010	Document	saf3	09/09/2010 11:09	saf3

## Internals\\WASA LHR

Internals\\WASA LHR\\Filled QN_to_HUD-PHED(water_supply_&_sanitation)-UU	Document	saf3	09/09/2010 12:57	saf3
Internals\\WASA LHR\\fl-pdws	Document	saf3	13/09/2010 13:43	saf3
Internals\\WASA LHR\\gz-CPP	Document	saf3	13/09/2010 13:52	saf3
Internals\\WASA LHR\\LDA_Act	Document	saf3	13/09/2010 13:48	saf3
Internals\\WASA LHR\\Letter DMD	Document	saf3	09/09/2010 12:58	saf3
Internals\\WASA LHR\\QN to WASA(water supply & sanitation)(1)	Document	saf3	09/09/2010 12:58	saf3
Internals\\WASA LHR\\WASA Academy PC-I 22-12	Document	saf3	09/09/2010 12:58	saf3
Internals\\WASA LHR\\Water and Sanitation Academy 31.12.2009-Amended	Document	saf3	09/09/2010 12:59	saf3
Internals\\WASA LHR\\WORKING PAPER 06.01.10	Document	saf3	09/09/2010 12:59	saf3
Internals\\WASA LHR\\WORKING PAPER 06.01.10 Revised UU PWASA Academy	Document	saf3	09/09/2010 12:59	saf3

## Internals\\wasa2

Internals\\wasa2\\1.CLTS Movement in Pakistan, 2008, RSPN	Document	saf3	06/12/2010 13:50	saf3
Internals\\wasa2\\2.Punjab Community Water Supply and Sanitation Sector Project	Document	saf3	06/12/2010 13:50	saf3
Internals\\wasa2\\26 Study of Community Managed Water Supply Schemes (Annex)	Document	saf3	06/12/2010 13:51	saf3
Internals\\wasa2\\4.Urban Water Supply and Sanitation Project	Document	saf3	06/12/2010 13:51	saf3
Internals\\wasa2\\max-benefits-wands	Document	saf3	07/12/2010 11:54	saf3
Internals\\wasa2\\pl-puwsp	Document	saf3	22/09/2010 16:09	saf3
Internals\\wasa2\\rt-PNRMWatSan	Document	saf3	06/12/2010 13:52	saf3
Internals\\wasa2\\rt-UWSFI	Document	saf3	07/12/2010 11:42	saf3

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Hierarchical Name	Item Type	Created By Username	Created On	Modified
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## Memos

Memos\\decentralization	Memo	saf3	22/09/2010 16:43	saf3
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## Models

Models\\ACCOUNTABILITY	Model	saf3	22/09/2010 15:52	saf3
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Models\\DECENTRALIZATION	Model	saf3	17/09/2010 15:10	saf3
Models\\INSTITUTIONAL FACTORS	Model	saf3	17/09/2010 15:29	saf3
Models\\MANAGERIAL AUTONOMY	Model	saf3	22/09/2010 15:50	saf3

## Node Classifications

Node Classifications\\Case	Node Classification	saf3	10/03/2012 13:15	saf3
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## Node Matrices

Node Matrices\\comparison of wasa and Node Matrix education		saf3	17/09/2010 16:26	saf3
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## Nodes

Nodes\\AccountabilityPOL	Node	saf3	20/07/2012 12:03	saf3
Nodes\\Constraints	Node	saf3	20/07/2012 11:50	saf3
Nodes\\CONSTRAINTS POL	Node	saf3	20/07/2012 12:15	saf3
Nodes\\coordinationPOL	Node	saf3	20/07/2012 12:10	saf3
Nodes\\financial autonomy	Node	saf3	20/07/2012 12:02	saf3
Nodes\\Initiatives in EDU	Node	saf3	20/07/2012 12:00	saf3
Nodes\\INSTITUTIONAL EN POL	Node	saf3	20/07/2012 12:04	saf3
Nodes\\networkingPOL	Node	saf3	20/07/2012 12:19	saf3
Nodes\\ParticipationPOL	Node	saf3	20/07/2012 12:02	saf3
Nodes\\policy making	Node	saf3	20/07/2012 11:57	saf3
Nodes\\SUGGESTION POL	Node	saf3	20/07/2012 12:05	saf3
Nodes\\Views on system	Node	saf3	20/07/2012 12:07	saf3
Nodes\\W&S	Node	saf3	20/07/2012 11:59	saf3

## Nodes\\Cases

Nodes\\Cases\\08_pccs	Node	saf3	07/12/2010 11:58	saf3
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Nodes\\Cases\\1_Monitoring the quality_Dawood Shah_Vol30_o9	Node	saf3	07/12/2010 12:05	saf3
Nodes\\Cases\\1-nside-cover	Node	saf3	16/09/2010 12:51	saf3

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Hierarchical Name	Item Type	Created By Username	Created On	Modified
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Nodes\\Cases\\26153FinancialPowersDisttGovernments8thEd	Node	saf3	14/09/2010 13:16	saf3
Nodes\\Cases\\3 New Schools	Node	saf3	27/08/2010 13:55	saf3
Nodes\\Cases\\4.Urban Water Supply and Sanitation Project	Node	saf3	06/12/2010 13:51	saf3
Nodes\\Cases\\Annex____PEF_letter	Node	saf3	27/08/2010 13:54	saf3
Nodes\\Cases\\Chap1	Node	saf3	16/09/2010 12:50	saf3
Nodes\\Cases\\Conditions for successful PPPs	Node	saf3	27/08/2010 14:03	saf3
Nodes\\Cases\\ddeo lahore sub	Node	saf3	27/08/2010 12:43	saf3
Nodes\\Cases\\DDEOLAHORE	Node	saf3	27/08/2010 12:43	saf3
Nodes\\Cases\\Decentralization in the Education System of Pakistan	Node	saf3	07/12/2010 12:28	saf3
Nodes\\Cases\\Deputy Managing director,O&M,L	Node	saf3	27/08/2010 12:46	saf3
Nodes\\Cases\\development_of_community_based_sanitation_infrastructure_in_hasanpura_faisalabad	Node	saf3	09/09/2010 10:53	saf3
Nodes\\Cases\\DG FDA	Node	saf3	27/08/2010 12:46	saf3
Nodes\\Cases\\Director planning and evaluation,lahore	Node	saf3	27/08/2010 12:46	saf3
Nodes\\Cases\\Director water and distribution,FSBD	Node	saf3	27/08/2010 12:46	saf3
Nodes\\Cases\\DRAFT_Education_proposal_PPI	Node	saf3	27/08/2010 13:54	saf3
Nodes\\Cases\\DRAFT_Education_proposal_PPI2	Node	saf3	27/08/2010 13:54	saf3
Nodes\\Cases\\DYMD finance and operations and maintenance,FSBD	Node	saf3	27/08/2010 12:46	saf3
Nodes\\Cases\\EDOLHR	Node	saf3	27/08/2010 12:43	saf3
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Nodes\\Cases\\educationlevel	Node	saf3	17/09/2010 09:11	saf3
Nodes\\Cases\\educationlevel (2)	Node	saf3	07/12/2010 12:26	saf3
Nodes\\Cases\\Filled QN_to_HUD-PHED(water_supply_&_sanitation)-UU	Node	saf3	09/09/2010 12:57	saf3
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Nodes\\Cases\\fl-pdws	Node	saf3	13/09/2010 13:44	saf3
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Nodes\\Cases\\img008	Node	saf3	22/09/2010 13:30	saf3
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Nodes\\Cases\\img012	Node	saf3	22/09/2010 14:38	saf3
Nodes\\Cases\\img013	Node	saf3	22/09/2010 14:38	saf3

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Hierarchical Name	Item Type	Created By Username	Created On	Modified
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Nodes\\Cases\\Institute of Learning Technical Note	Node	saf3	27/08/2010 13:54	saf3
Nodes\\Cases\\interview education	Node	saf3	27/08/2010 12:43	saf3
Nodes\\Cases\\Interview whith DDEO	Node	saf3	27/08/2010 12:43	saf3
Nodes\\Cases\\Interview with DDEO.fdb	Node	saf3	27/08/2010 12:43	saf3
Nodes\\Cases\\Interview with DDEO5th January 2010	Node	saf3	27/08/2010 12:43	saf3
Nodes\\Cases\\Interview with DDEO5th January 2011	Node	saf3	27/08/2010 12:43	saf3
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Nodes\\Cases\\Interview with DEO	Node	saf3	27/08/2010 12:43	saf3
Nodes\\Cases\\Interview with DEOfsbd	Node	saf3	27/08/2010 12:43	saf3
Nodes\\Cases\\Interview with DEOL	Node	saf3	27/08/2010 12:43	saf3
Nodes\\Cases\\Interview with EDO Faisalabad	Node	saf3	27/08/2010 12:43	saf3
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Nodes\\Cases\\Interview with the district council member	Node	saf3	27/08/2010 12:48	saf3
Nodes\\Cases\\Interview with the senior program manager 9partnership and governance	Node	saf3	27/08/2010 12:51	saf3
Nodes\\Cases\\Interview with the Tehsil Council officer	Node	saf3	27/08/2010 12:48	saf3
Nodes\\Cases\\Interview with the TMO	Node	saf3	27/08/2010 12:48	saf3
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Nodes\\Cases\\Interview with the union Nazim	Node	saf3	27/08/2010 12:48	saf3
Nodes\\Cases\\Interview with the union nazim,fsbd	Node	saf3	27/08/2010 12:48	saf3
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Nodes\\Cases\\microsoft_word__urbani sation_and_water	Node	saf3	09/09/2010 10:52	saf3
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Nodes\\Cases\\Nazim Khalid Gkurki	Node	saf3	27/08/2010 12:52	saf3

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Nodes\Cases\Performance bench marking - 2009	Node	saf3	09/09/2010 12:55	saf3
Nodes\Cases\Pilot interview	Node	saf3	27/08/2010 12:44	saf3
Nodes\Cases\pl-puwsp	Node	saf3	22/09/2010 16:09	saf3

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Hierarchical Name	Item Type	Created By Username	Created On	Modified
Nodes\Cases\PPP Policy & Issues Note	Node	saf3	27/08/2010 14:04	saf3
Nodes\Cases\PPP Policy & Issues Note Jan 5 2010	Node	saf3	27/08/2010 13:56	saf3
Nodes\Cases\PPP strategy Final PDSSP	Node	saf3	27/08/2010 14:42	saf3
Nodes\Cases\PPPBooklet-DraftMarch2004 final	Node	saf3	17/09/2010 09:19	saf3
Nodes\Cases\Public Private Initiatives Roll Out Plan	Node	saf3	27/08/2010 13:54	saf3
Nodes\Cases\QN to WASA(water supply & sanitation)(1)	Node	saf3	09/09/2010 12:58	saf3
Nodes\Cases\QN to WASA_water supply & sanitation_ with Answer	Node	saf3	09/09/2010 11:09	saf3
Nodes\Cases\QuettaBRJ_402	Node	saf3	07/12/2010 12:07	saf3
Nodes\Cases\rt-PNRMWatSan	Node	saf3	06/12/2010 13:53	saf3
Nodes\Cases\rt-UWSFI	Node	saf3	07/12/2010 11:43	saf3
Nodes\Cases\rt-UWSRSFINAL	Node	saf3	13/09/2010 13:59	saf3
Nodes\Cases\The PLG Tax on Transfer of Immovable Property Rules 2001	Node	saf3	25/11/2010 12:19	saf3
Nodes\Cases\The Punjab Development of Cities Act 1976	Node	saf3	09/09/2010 11:10	saf3
Nodes\Cases\WASA Academy PC-I 22-12	Node	saf3	09/09/2010 12:58	saf3
Nodes\Cases\WASA Questionnaire Feb 2010	Node	saf3	09/09/2010 11:09	saf3
Nodes\Cases\Water and Sanitation Academy 31.12.2009-Amended	Node	saf3	09/09/2010 12:59	saf3
Nodes\Cases\WhitePaper	Node	saf3	16/09/2010 13:58	saf3
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Nodes\Cases\Workshop Outline	Node	saf3	27/08/2010 13:56	saf3

## Nodes\Free Nodes

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Nodes\Free Nodes\accountability	Node	saf3	10/12/2010 12:03	saf3

Nodes\\Free Nodes\\accountability of WASA	Node	saf3	07/12/2010 13:37	saf3
Nodes\\Free Nodes\\ADOPT A SCHOOL ASA	Node	saf3	21/09/2010 12:45	saf3
Nodes\\Free Nodes\\CCBs	Node	saf3	10/12/2010 12:08	saf3
Nodes\\Free Nodes\\decentralization	Node	saf3	21/09/2010 13:17	saf3
Nodes\\Free Nodes\\decentralization in education	Node	saf3	10/12/2010 11:43	saf3
Nodes\\Free Nodes\\definition of accountability	Node	saf3	12/12/2010 15:02	saf3
Nodes\\Free Nodes\\definition of city district	Node	saf3	10/12/2010 11:39	saf3
Nodes\\Free Nodes\\devolution	Node	saf3	10/12/2010 11:58	saf3
Nodes\\Free Nodes\\education budget	Node	saf3	21/09/2010 13:23	saf3

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Hierarchical Name	Item Type	Created By Username	Created On	Modified
Nodes\\Free Nodes\\financial issues of WASA	Node	saf3	08/12/2010 11:37	saf3
Nodes\\Free Nodes\\financing of WASA	Node	saf3	07/12/2010 13:33	saf3
Nodes\\Free Nodes\\historical issues with LG	Node	saf3	10/12/2010 12:32	saf3
Nodes\\Free Nodes\\internal HR factors WASA	Node	saf3	08/12/2010 11:31	saf3
Nodes\\Free Nodes\\IOL	Node	saf3	21/09/2010 12:24	saf3
Nodes\\Free Nodes\\issues	Node	saf3	16/09/2010 15:18	saf3
Nodes\\Free Nodes\\issues of CCBs	Node	saf3	10/12/2010 12:11	saf3
Nodes\\Free Nodes\\issues of decentralization	Node	saf3	12/12/2010 13:25	saf3
Nodes\\Free Nodes\\issues of WASA	Node	saf3	08/12/2010 11:43	saf3
Nodes\\Free Nodes\\issues of WASA decentralization	Node	saf3	08/12/2010 11:39	saf3
Nodes\\Free Nodes\\key achievement in PPP	Node	saf3	21/09/2010 12:41	saf3
Nodes\\Free Nodes\\key performance indicators of PPcell	Node	saf3	21/09/2010 12:07	saf3
Nodes\\Free Nodes\\legal framework of IOL	Node	saf3	21/09/2010 12:29	saf3
Nodes\\Free Nodes\\managerial autonomy	Node	saf3	27/08/2010 16:24	saf3
Nodes\\Free Nodes\\motives behind decent W&E	Node	saf3	16/09/2010 15:09	saf3
Nodes\\Free Nodes\\motives of decentralization	Node	saf3	10/12/2010 11:37	saf3
Nodes\\Free Nodes\\objective of IOL	Node	saf3	21/09/2010 12:28	saf3
Nodes\\Free Nodes\\performance indicators achieved	Node	saf3	21/09/2010 13:18	saf3
Nodes\\Free Nodes\\performance indicators1	Node	saf3	21/09/2010 13:37	saf3
Nodes\\Free Nodes\\policy gap	Node	saf3	21/09/2010 13:40	saf3

Nodes\\Free Nodes\\PPP definition	Node	saf3	21/09/2010 12:42	saf3
Nodes\\Free Nodes\\PPP education	Node	saf3	08/12/2010 14:19	saf3
Nodes\\Free Nodes\\PPP in WASA	Node	saf3	08/12/2010 12:07	saf3
Nodes\\Free Nodes\\PPP policy reforms	Node	saf3	22/09/2010 11:23	saf3
Nodes\\Free Nodes\\PPP rationale for service delivery	Node	saf3	21/09/2010 12:14	saf3
Nodes\\Free Nodes\\PPP strategies	Node	saf3	21/09/2010 12:15	saf3
Nodes\\Free Nodes\\PPP wasa	Node	saf3	07/12/2010 13:43	saf3
Nodes\\Free Nodes\\PPP institutionlization	Node	saf3	21/09/2010 12:04	saf3
Nodes\\Free Nodes\\pre post comparison of performance	Node	saf3	16/09/2010 15:07	saf3
Nodes\\Free Nodes\\rationale for IOL	Node	saf3	21/09/2010 12:27	saf3
Nodes\\Free Nodes\\school councils	Node	saf3	21/09/2010 12:48	saf3
Nodes\\Free Nodes\\SMC	Node	saf3	10/12/2010 12:24	saf3
Nodes\\Free Nodes\\SURVEY	Node	saf3	10/12/2010 14:24	saf3
Nodes\\Free Nodes\\tariff revision	Node	saf3	07/12/2010 13:18	saf3
Nodes\\Free Nodes\\vision education department FSBD	Node	saf3	21/09/2010 12:11	saf3

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Hierarchical Name	Item Type	Created By Username	Created On	Modified
Nodes\\Free Nodes\\WASA decentralization	Node	saf3	07/12/2010 13:22	saf3
Nodes\\Free Nodes\\WASA policy framework	Node	saf3	08/12/2010 11:59	saf3
Nodes\\Free Nodes\\water and sanitation context	Node	saf3	08/12/2010 11:56	saf3

## Nodes\\Free Nodes\\POLITICAL LEADERS

Nodes\\Free Nodes\\POLITICAL LEADERS\\accountability	Node	saf3	20/07/2012 12:44	saf3
Nodes\\Free Nodes\\POLITICAL LEADERS\\barriers-F	Node	saf3	21/07/2012 15:15	saf3
Nodes\\Free Nodes\\POLITICAL LEADERS\\CONSTRAINTS	Node	saf3	20/07/2012 13:00	saf3
Nodes\\Free Nodes\\POLITICAL LEADERS\\coordination	Node	saf3	20/07/2012 12:44	saf3
Nodes\\Free Nodes\\POLITICAL LEADERS\\education	Node	saf3	20/07/2012 12:45	saf3
Nodes\\Free Nodes\\POLITICAL LEADERS\\FINANCIAL AUTONOMY	Node	saf3	20/07/2012 13:01	saf3
Nodes\\Free Nodes\\POLITICAL LEADERS\\institutional environemnt	Node	saf3	20/07/2012 12:44	saf3
Nodes\\Free Nodes\\POLITICAL LEADERS\\MONITORING COMMITTEES	Node	saf3	21/07/2012 15:16	saf3
Nodes\\Free Nodes\\POLITICAL LEADERS\\NETWORKING	Node	saf3	20/07/2012 12:45	saf3

Nodes\\Free Nodes\\POLITICAL LEADERS\\participation	Node	saf3	20/07/2012 12:44	saf3
Nodes\\Free Nodes\\POLITICAL LEADERS\\POLICY MAKING	Node	saf3	20/07/2012 12:45	saf3
Nodes\\Free Nodes\\POLITICAL LEADERS\\RECOMMENDATIONS	Node	saf3	20/07/2012 13:03	saf3
Nodes\\Free Nodes\\POLITICAL LEADERS\\views on the system	Node	saf3	20/07/2012 12:43	saf3
Nodes\\Free Nodes\\POLITICAL LEADERS\\WASA	Node	saf3	20/07/2012 12:45	saf3

## Nodes\\Tree Nodes

Nodes\\Tree Nodes\\ACCOUNTABILITY	Node	saf3	17/09/2010 13:56	saf3
Nodes\\Tree Nodes\\ACCOUNTABILITY\\accountability arrangement	Node	saf3	17/09/2010 13:56	saf3
Nodes\\Tree Nodes\\ACCOUNTABILITY\\audit	Node	saf3	17/09/2010 13:57	saf3
Nodes\\Tree Nodes\\ACCOUNTABILITY\\financial rules	Node	saf3	17/09/2010 13:57	saf3
Nodes\\Tree Nodes\\ACCOUNTABILITY\\grievance procedures	Node	saf3	17/09/2010 13:57	saf3
Nodes\\Tree Nodes\\INSTIUTIONAL FACTORS	Node	saf3	17/09/2010 13:53	saf3
Nodes\\Tree Nodes\\INSTIUTIONAL FACTORS\\bureaucratic factors	Node	saf3	17/09/2010 13:54	saf3
Nodes\\Tree Nodes\\INSTIUTIONAL FACTORS\\governance issues	Node	saf3	17/09/2010 13:54	saf3
Nodes\\Tree Nodes\\INSTIUTIONAL FACTORS\\intrnal organizational factors	Node	saf3	17/09/2010 13:55	saf3

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Hierarchical Name	Item Type	Created By Username	Created On	Modified
Nodes\\Tree Nodes\\INSTIUTIONAL FACTORS\\local context	Node	saf3	17/09/2010 13:55	saf3
Nodes\\Tree Nodes\\INSTIUTIONAL FACTORS\\policy consistency	Node	saf3	17/09/2010 13:55	saf3
Nodes\\Tree Nodes\\INSTIUTIONAL FACTORS\\political factors	Node	saf3	17/09/2010 13:56	saf3
Nodes\\Tree Nodes\\INSTIUTIONAL FACTORS\\resource adequacy	Node	saf3	17/09/2010 13:56	saf3
Nodes\\Tree Nodes\\PERFORMANCE MANAGEMENT	Node	saf3	17/09/2010 13:59	saf3
Nodes\\Tree Nodes\\PERFORMANCE MANAGEMENT\\incentive structure	Node	saf3	17/09/2010 14:00	saf3
Nodes\\Tree Nodes\\PERFORMANCE MANAGEMENT\\performance indicators	Node	saf3	17/09/2010 14:00	saf3
Nodes\\Tree Nodes\\PPP	Node	saf3	17/09/2010 13:58	saf3
Nodes\\Tree Nodes\\PPP\\NGOs	Node	saf3	17/09/2010 13:58	saf3
Nodes\\Tree Nodes\\PPP\\OUTSOURCING	Node	saf3	22/09/2010 15:27	saf3
Nodes\\Tree Nodes\\PPP\\participation	Node	saf3	17/09/2010 13:58	saf3

## Queries

Queries\\accountability	Query	saf3	17/09/2010 16:02	saf3
Queries\\comparison of wasa and education	Query	saf3	17/09/2010 16:10	saf3
Queries\\instituiona factors	Query	saf3	17/09/2010 15:37	saf3
Queries\\issues	Query	saf3	17/09/2010 16:07	saf3
Queries\\managerial autonomy	Query	saf3	17/09/2010 12:44	saf3
Queries\\MANAGERIAL AUTONOMY2	Query	saf3	22/09/2010 15:27	saf3
Queries\\PPP	Query	saf3	17/09/2010 16:06	saf3
Queries\\pre post comparison	Query	saf3	17/09/2010 16:08	saf3

## Relationship Types

Relationship Types\\Associated	Relationship Type	saf3	27/08/2010 12:42	saf3
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## Relationships

Relationships\\accountability arrangement (Associated) audit	Relationship	saf3	09/05/2012 16:12	saf3
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## Reports

Reports\\Coding Summary By Node Report	Report	saf3	05/11/2012 17:44	saf3
Reports\\Coding Summary By Source Report	Report	saf3	05/11/2012 17:44	saf3
Reports\\Node Classification Summary Report	Report	saf3	05/11/2012 17:44	saf3
Reports\\Node Structure Report	Report	saf3	05/11/2012 17:44	saf3
Reports\\Node Summary Report	Report	saf3	05/11/2012 17:44	saf3

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Hierarchical Name	Item Type	Created By Username	Created On	Modified
Reports\\Project Summary Report	Report	saf3	05/11/2012 17:44	saf3
Reports\\Source Classification Summary Report	Report	saf3	05/11/2012 17:44	saf3
Reports\\Source Summary Report	Report	saf3	05/11/2012 17:44	saf3

## Results

Results\\accountability	Results Node	saf3	17/09/2010 16:25	saf3
Results\\accountability (2)	Results Node	saf3	09/05/2012 16:20	saf3

Results\\instituiiona factors	Results Node	saf3	17/09/2010 16:33	saf3
Results\\issues	Results Node	saf3	17/09/2010 16:33	saf3
Results\\managerial autonomy	Results Node	saf3	17/09/2010 16:34	saf3
Results\\PPP	Results Node	saf3	17/09/2010 16:35	saf3
Results\\pre post comparison	Results Node	saf3	17/09/2010 16:35	saf3

## Search Folders

Search Folders\\All Nodes	Search Folder	saf3	10/03/2012 13:15	saf3
Search Folders\\All Sources	Search Folder	saf3	10/03/2012 13:15	saf3
Search Folders\\All Sources Not Embedded	Search Folder	saf3	10/03/2012 13:15	saf3

## Sets

Sets\\accountability	Set	saf3	17/09/2010 13:44	saf3
Sets\\EDUCATION FSBD	Set	saf3	17/09/2010 15:07	saf3
Sets\\instituiional factors	Set	saf3	17/09/2010 13:45	saf3
Sets\\managerial autonomy	Set	saf3	17/09/2010 16:34	saf3
Sets\\PPP	Set	saf3	17/09/2010 13:47	saf3

## Source Classifications

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## Summaries

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