

## DEVOLUTION OF POWER AND POVERTY ALLEVIATION: THE MISSING LINK

### Abstract

*This article reviews Devolution of Power as an exercise in shifting power from one group of representatives to another group of representatives. Devolution of Power cannot achieve empowerment of ordinary people because it does not have any mechanism to subordinate the power of representatives to the power of electorate. Citizens have power to vote and elect but they have no power to check corrupt officials, sack corrupt politicians and challenge unjust decisions of people in public offices. What people need is more than the power to vote and elect. People do not need power, which can only be exercised once in five years against the abuse and injustice meted out to them on day-to-day basis. They do not need power, which cannot bring the skeletons in the closets of public officials for public scrutiny. What mechanism can ensure the exercise of power by people over their so-called representatives - army, NGOs, politicians, bureaucrats, mullahs etc.- on daily basis. There is only one mechanism, organization of the people for their own development. Based on Pakistan's experience in past two decades the article has tried to establish that community organization provides continuity of people's power in time and space over discretionary power of elite.*

### Devolution and Government Managed Services

The need for devolution of power has arisen because of government's failure in three specific areas. First, there is lack of operation or poor performance of service facilities installed by the government. Secondly in low-income areas the government functionaries are providing services illegally in return for personal gains. Thirdly the government has failed in providing basic services in low-income areas whereas the informal and non-government sector has very successfully provided these services to residents of these areas on user fee basis.

On close scrutiny we find that while government has provided facilities in social sector in large numbers, these facilities are not delivering services. This is visible in the case of thousands of ghost schools, abandoned health centres, neglected water supply schemes and choked sewerage lines. At the same time we can see effective service delivery in these areas by communities, NGOs and informal sector. Main reason of failure in this case is selection of unsuitable site for the facility due to political pressure. Other important factors include hiring high level professionals or cronies of local patron instead of inducting and training community level specialists for providing these services. The most important reason that leads to lack of

operation and maintenance of these services by communities is lack of selection of low cost design for providing social services to low income groups (Khan 1996).

Secondly in most of the low income communities government does not provide services through its relevant departments and line agencies and people are still receiving these services illegally from the government. In this case people are fully paying for their services but the fee is going to corrupt government employees and not to government exchequer.

Thirdly there are instances of NGOs providing services to the low-income settlements in the absence of government departments. This is the case with sanitation, credit, shelter, health and education in many urban settlements and construction of infrastructure, provision of extension services and credit in rural areas. Here NGOs have used grant funding as an investment in social capital or raised resources entirely from the beneficiary community to build, operate and maintain a service.

### The Alternative Path

During the past two decades considerable development work has been done in low-income urban and rural communities by numerous non-government initiatives. Experience of these successful initiatives provides very valuable insights for improving the management of services by government departments through devolution of power.

Informal sector has functioned as main propeller of growth engine in the urban economy, which is host to 55% of Pakistan's population according to the latest census. Almost 80% of urban employment is generated in this sector and it also adds 80% of the value originating in manufacturing sector. Shifting population patterns and development of informal sector have been accompanied by shift of the power base; from patronage by landed aristocracy to the rise of so-called power brokers and commission mafias. Urban centres have also emerged as connecting thread between spatially scattered rural settlements. Principles used by the informal sector and mafias were identified and applied by the successful grass root initiatives as part of the new paradigm for development. This led to provision of basic services to one million people of Orangi by the Orangi Pilot Project (OPP) and replication of its work in 67 locations throughout the country. Sindh Katchi Abadi Authority (SKAA) was the leading government agency to understand and use these principles for regularizing and upgrading 250 Katchi Abadis and providing shelter to five million people.

In rural areas a network of rural support programmes (RSPs) emerged due to the successful demonstration of a development model by Aga Khan Rural Support Programme (AKRSP). The RSPs of Pakistan have aimed at reducing poverty and raising the standards of living of the rural poor by harnessing the potential of the people to help themselves. They have done this by forming village based Community

Organizations (COs) or Village Organizations (VOs) for men, and Women Organizations (WOs) for women. Through these COs/VOs/WOs, RSPs have provided assistance to the rural poor in the form of training and upgrading of human skills, credit, technical advice or linkages to private and public sector agencies.

Studies conducted for AKRSP, the oldest of the RSPs, show that within the first 10 years of operation, AKRSP was able to double the incomes, in real terms, of the people in the Northern Areas and Chitral. Similar studies conducted at the newer RSPs provide evidence of increased incomes, higher farm and off-farm productivity, greater awareness, female empowerment and reduction in poverty levels in their areas of operation. Achievements of RSPs can be known from the fact that RSP network in Pakistan has formed 16,295 COs with a total memberships of 446,820 having total savings of Rs.650.2 million. Total number of activists trained by RSP network is 107,024 and total credit disbursed by them is Rs.2,850 million. RSP network has also completed 5,114 physical infrastructure schemes.

### The New Paradigm

These successful experiments in rural and urban areas have offered a new vision and approach for development, governance and management (LIFE 2000). This new vision can be summed up in the form of three new paradigms. A brief description of these new paradigms is given below.

#### Development Paradigm

New development paradigm has shifted the focus of development from upper and middle income groups to low income groups, from formal to informal sector and from subsidy and external assistance to self help. This paradigm has also laid emphasis on human and social capital rather than physical capital as a key element for self sustained growth. This has meant moving from mega projects to community level interventions and supporting what people are doing rather than seeking people's support for externally designed technical solutions.

#### Governance Paradigm

In the domain of governance new paradigm has followed the path of reducing the size of government and increasing the role of non-government and informal sector enterprises, as well as private sector. It has also aimed at changing relationship between the government and civil society. At community level the new initiatives have asked the people to take responsibility for development work at household, lane and neighbourhood level and seek government help for building structures and providing services at higher levels. This is called the so-called internal-external development model. Another important dimension of this paradigm is creation of entrepreneurial government. Entrepreneurial governance in this context entails i) lesser government control on management of cities and provision of services ii)

lesser government control on flow of information iii) free availability and access to information and resources in public domain.

## Management Paradigm

New management paradigm (Zaidi 2001) followed by leading government and non-government agencies consists of the following principles: i) simplifying and clarifying operational procedures to reduce delays and possibilities for receiving kickbacks ii) decentralization of planning and execution and institutionalizing local responsibility for quick and community oriented development work iii) checks on local decision makers are created by community participation in designing and financing development programmes. Each community is treated as a separate community, so there are no fixed standards and specifications to be followed. In addition local officials are required to go to the people and do not ask them to visit their offices iv) explicit job responsibilities for the officials and professionals so that no one can hide behind the structural ambiguities v) reducing costs by finding low cost solutions and reducing overheads vi) charging community members for the services provided vii) delivering services in the field. Moving from professional to para-professional and from top-down planning to community based planning viii) moving from supply oriented mechanism to creation of goods receiving mechanisms ix) moving from tyranny of the professional to professional accountability.

It has led to the creation of a local decision making system for development planning and establishment of participatory institutions for identification of priorities and allocation of resources. There are no permanent jobs for professionals. Contractual agreements are based on merit and contracts are extended on the basis of performance. Competitive remuneration packages are offered to the professionals keeping in view the market for services. Regular monitoring and reporting is an integral part of development work. External evaluations and continuous visits by outsiders also act as effective checks on quality of work. On-the-job reward is related to achievement, performance and transparency.

## The New Paradigm and Devolution of Power

### *What is missing from the current plan?*

Devolution of power plan proposes to accomplish the following: a) devolving power from federal and provincial governments to district governments b) increased share of power to representatives of minorities and women c) subordinating the power of civil servants to the power of elected representatives. In nutshell it aims at shifting power from one group of representatives to another group of representatives. It has two basic flaws. First it does not devolve power to the people, ordinary citizens, who suffer at the hands of power elites. Second it does not provide any mechanism to check the power of local representatives by the electorate. Under devolution citizens have

the power to vote and elect. They have no power to check corrupt officials, sack corrupt politicians and challenge unjust decisions of people in public offices. Our court system, army monitoring cells, internal department regulations, street agitations and army takeovers only curb elite powers partially and for very short duration. Devolution of power has no tested formula for creating a permanent check on the powers of various elites.

### *Power of elite and power of the people*

Devolution of power does not offer any opportunity for delivering goods to the people because the people are not involved in planning, monitoring, executing and maintaining the services they want to have. Successive experiments in fighting corruption have also shown that *a group of elite cannot check the corruption of another group of elite effectively*. This has been confirmed by the Devolution of Power Plan itself, which states in clause 2.2.1.0 “When potential interventions were instigated through judicial and anticorruption process these institutions were shown the benefits of the institutional arrangements as their share of the plunder was allocated to them for further consolidation of the defacto system. This system became more and more syndicated when what used to be considered favours for a friend in need to speed up the process of administration were translated into fixed percentage for departments based on their nuisance value.” It is easy for a corrupt group to bribe, resist and harass another watch-dog group. It is impossible for an elite group to succeed in use of these tactics with the people in large numbers.

What people need is more than the power to vote and elect. People do not need power, which can only be exercised once in five years against the abuse and injustice meted out to them on day-to-day basis. They do not need power, which cannot bring the skeletons in the closets of public officials for public scrutiny. What mechanism can ensure the exercise of power by people over their so called representatives – NGOs, elected representatives, and government functionaries-on daily basis. There is only one mechanism, organization of the people. Organization provides continuity of people’s power in time and space over discretionary power of elite. According to Devolution of Power Plan 3.1.2.2. “They may be created for the purposes the community prioritizes. The specialized focus of these organizations will reflect community priorities. Mobilizing community resources will commensurately increase access to government programs”.

### *People’s organizations*

People’s organizations may exist in the form of interest groups such as voters’ union, tax payers’ union, victims of court negligence, and trade unions; Development institutions such as village organization, women organizations, water users associations and micro credit receiver’s groups; Watch-dogs and advocacy groups such as consumers’ union, human right groups and NGOs. *These forms of people’s organizations uphold power of the people on daily basis* because they provide

matching power to people in terms of numbers, financial resources, experience and influence for neutralizing elite power and ensure flow of development resources allocated by government in line with the preferences of people by giving them right to vote in their Village Organization (VO) for every economic decision. Aga Khan Rural Support Programme (AKRSP) and other RSPs in this regard set the example. These RSPs now cover nearly 50% districts of Pakistan. The ordinary villagers decide each and every development scheme in these VOs and development budget is spent by RSPs accordingly.

Since in VOs officer bearers are not appointed by elections but selected by the whole VO by consensus, it leads to elimination of rival political groups. In cities “town meetings” replace VOs for this purpose. POs and VOs conduct citizens’ dialogues with government for judicious use of resources. Cases in point are the dialogue by a coalition of citizens’ organizations in Karachi, which led to cancellation of Karachi Mass Transit Plan and Sindh Government’s rejection of Asian Development Bank’s Loan of \$100 million for Korangi Creek Waste Treatment Plant. These are unprecedented successes and show the vigor, technical competence and effectiveness of citizens’ organizations in combating waste, and dependence created by ill conceived development assistance plans, and demonstrate their superb negotiating skills. Fighting white-collar crimes and kidnapping and car lifting would not have been effectively done in Karachi if it were not for the services of Citizen Police Liaison Committee (CPLC) and Transparency International as watch-dogs for protecting the interests of marginalized groups. URC has similarly watched the interests of residents of katchi abadis.

### People’s Organizations and Poverty Alleviation<sup>34</sup>

“Many observers of Pakistan’s economy have focused lately on its “financing gap” – whether there will be enough government deficit reduction, combined with adequate domestic and external financing, to service the large public debt (92 per cent of GDP, Easterly 2001) ... restoring growth potential requests closing Pakistan’s other gap: the “social gap.” International evidence relates social progress to future growth potential. Pakistan systematically under-performs on most social indicators ... education, health, sanitation, fertility, and gender equality – for its level of income. Improvements in these indicators have also not been commensurate with its rate of GDP per capita growth over time. Large inequalities exist between men and women, between urban and rural areas, and between provinces. The Social Action Program (SAP) that sought to address this lag in the last 8 years has largely failed”. Filling this social gap was the main objective of SAP.

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<sup>34</sup> Poverty Alleviation is examined here in very narrow terms, focusing on service delivery by local government authorities for building infrastructure, providing water, sanitation, health and education services.

Ironically while Dr. Mahbub ul Haq's diagnosis of the factors responsible for underdevelopment was acclaimed worldwide his proposed solution did not succeed. This happened due to limited understanding of the role and process of POs. Dr. Akhter Hamid Khan very well captured and described the role and significance of POs. According to Dr. Khan (Khan 1993) when you contact a community they are aware of their problems but they also have ideas for solutions. There are two types of solutions: dreams, and solutions possible within means. For example for irrigation of plants you can desire to have a canal or use a donkey cart to water the plants at roots. Solution within means reflects community's resource endowment. Communities have relative abundance of land and labour. They can provide para professionals for training and land or room to house a facility. "It would be very wrong if I boast that I did this or that. I merely observed a lot of things then founded supporting institutions. But the people did the work themselves."

In his talk at the National Rural Support Programme (NRSP) he said "we could not have done this work ourselves. When they saw outside, they would ask us to do it for them. If I went to them and said, 'you people make the lane. They would ask, 'what are you here for? What do you have?' Their first question was always, 'what have you come to give us?' However, they could not ask their own man [the activist] what he had come to give them" (NRSP 1998). This statement clearly shows the strategic importance of giving lead role to community rather than its representatives in sustainable poverty alleviation. On another occasion Dr. Khan said "Whatever foreign investment was sent to Germany under Marshal Plan, four times higher funds were received by Bangladesh in 1978 but no results appeared. Progress is never achieved with money but with the dedication and hard work of the workers. When community stands up, idealists emerge who sacrifice, work hard thereby resulting progress and prosperity in the community" (UNDP 1998).

*Difference between participatory and representational development: The case of diagnostic survey*

Diagnostic Survey the community mobilization tool used by AKRSP very clearly illustrates the difference in approach, dynamics and outcome of service delivery between participatory and representational approach.

"The Diagnostic Survey (AKRSP 1983) starts with a visit by the Management Group to a village whose residents have agreed to meet with AKRSP staff. The General Manager initiates the first dialogue by explaining the OBJECTIVES AND METHODS OF AKRSP to the villagers. He then invites them to identify an income generating project that would benefit most of the households in the village and that can be undertaken by the villagers themselves. Almost invariably, villagers are able to agree on a project of overriding importance to all villagers. Thus, the result of the first dialogue is the IDENTIFICATION of a small, productive project by the residents of a village.

The identification of a project is followed by the second series of dialogues. The first step here involves a FEASIBILITY SURVEY of the proposed scheme. Supervisory responsibility for this technical assessment rests with the Programme Senior Engineer or Programme Senior Agriculturist. Responsibility in the field devolves on the Social Organization Unit. This unit works with informed village residents to assess the feasibility of proposed project and to obtain data on prices of locally available inputs/material. It is on the basis of information obtained locally that BLUEPRINTS and COST ESTIMATES are prepared by the field unit and sent to the Management Group for finalization.

The finalized scheme is taken to the villagers by the Management Group and discussed with them. This starts the third dialogue, in which AKRSP and the residents of the village explore the TERMS OF PARTNERSHIP that would characterize the relationship between the two entities. On behalf of AKRSP, these terms of partnership are explained as general principles of rural development that have proved successful elsewhere in the world. In turn, the villagers could demonstrate their ACCEPTANCE of these terms by spelling out precisely the manner in which they would organize to plan, implement, manage and maintain specific projects that involve physical works, skill development and the creation of equity capital over time. At this stage, a Village Organization is formed, consisting of all beneficiaries of the project. An assessment of project benefits, conducted by concerned members of the Management Group, follows the formation of the organization. This completes the Diagnostic Survey.” This approach has led to formation of 17,732 Female COs and 42,276 Male COs by RSPN in year 2004 alone. RSP total saving amount in the same year was Rs.1,085.678 million, total credit disbursed was Rs.9,407.191 million and number of physical infrastructure schemes initiated was 46,178. In 2004 RSPN also established 1086 community schools and trained 1,936 teachers. In addition 4,152 traditional birth attendants were also trained.

Community participation has also been an integral component of the way our society organized itself before the British Raj. *The villages in Indo-Pak subcontinent met all their needs due to an elaborated system of exchanges and collaborative mechanisms.* That is why the subcontinent was known as a country made of countless “village republics”. All these village republics arranged many basic services on the basis of voluntary contributions. G.W. Leitner, Director Public Instruction Punjab in 1852 noted that there is one word, which adequately captures this spirit of voluntary contribution, and that is the word “*Lillah*” (Leitner, 1982). This tradition was broken with the advent of British Raj and continued in a low-key manner in the subsequent period.

The tradition has, however, re-emerged as Participatory: Development Approach with the inception of two landmark programmes in 1980: The Aga Khan Rural Support Programme in the North and the Orangi Pilot Project in the South. Both these programmes were conceived and guided by the leading thinker of community development Dr. Akhter Hamid Khan. Dr. Khan had the special gift of looking at poor people as the core resources for development of Pakistani society and he

proved the vitality of his ideas by successful implementation in the field. He has shown us the way “back to the future”.

The significance of people’s participation is more than just delivering basic services. It is an integral part of people-centred development. That is why devolution cannot achieve the poverty alleviation it targets without making the people-centered development an integral part of the devolution plan. Social mobilization helps reduce poverty in so many ways. First and foremost social mobilization helps development assistance organizations in fixing the priorities for development at local level. Poor people may be illiterate, but they are quite intelligent. Their involvement in development planning unleashes their creative energies to achieve their development goals within their means. We see numerous examples of improvement in livelihoods through social mobilization in Pakistan. There are success stories of community-based work in improvement of sanitation, solid waste management, provision of shelter, job creation, income generation, natural resource management, healthcare, education and rural development.

Secondly social mobilization also helps low income communities make use of economies of scale in the production and marketing processes and compete effectively in markets. This has been most effective in building local infrastructures all over Pakistan. During the process of community mobilization people cross economic barriers by forming community organization, pooling resources, collective saving, collective purchase, cost sharing with others, changing specifications in design, getting opportunity for self-employment and having sense of ownership of development work. They can use collective savings to build collateral for bank borrowing, raise money to lay sewerage lines, pay fee for home school teacher, control hunting, grazing and deforestation and, undertake land reclamation.

Thirdly with community mobilization utilization of different resources tends to be integrated systemically. To make optimal use of the village opportunities, it is important that villagers have the management capacity to integrate the assistance available from outside agencies with their own specific needs. In addition social mobilization helps communities achieve value for money. If resources are channeled into the community rather than outside contractors community partnering can double the benefits obtained from investment. Infrastructure is provided and employment opportunities and enterprises are created in the community. People are empowered to take more control of their own lives, increased access to local knowledge is gained on such issues as the location of existing services and a reduction in the potential for disputes with community members in the course of work on site.

Finally if community members are involved in development work that they have financed and managed, they are willing to operate and maintain it at their own cost, which is considerably lower than the cost of similar formal sector operation and maintenance.

## Success of Participatory Approach in a Government Department

Participatory approach is not the hallmark of NGO alone. It has produced equally effective results in Government as well (Khan 2000). Provision of shelter to homeless by Sindh Katchi Abadi Authority (SKAA) is case in point. According to DG SKAA Mr. Tasneem Siddiqui basic issue in Katchi Abadi is of tenure. People live here without ownership title and services development. In small towns and peri-urban areas of Punjab, undeveloped residential areas have sprung up by subdivision of agricultural lands and need to be upgraded like other katchi abadis (KAs). In Sindh mafia operates in state land. In other provinces unplanned residential areas emerge in private lands. In Karachi 40% people live in recognized KAs whereas in Pakistan as a whole 30% population lives in KAs. This ratio increases if we add un-serviced housing schemes. In Pakistan 75% people are low-income and a shelter policy needs to be designed keeping in view their needs. Government's housing schemes for low-income people have not been successful because they have overlooked this fact. As a result they end up helping the middle class people. We have an annual demand of 0.5 million housing units. To solve this problem mafia moves in. They take over the role of government. But this way the cost of land goes to mafia instead of government. As population of cities grows, central business districts are taken over by the middle and high-income groups and low-income people are pushed to the periphery. This has serious economic consequences. Average commuting time in Karachi for example is 2 hours. This adds to national loss of resources.

Developing and delivery method adopted by government agencies has some basic flaws. For example 200,000 plots in Sindh are lying unused. Purchasers need to make 25% down payment and pay another 25% in next six months. Given the price and payment schedule low-income people cannot purchase these plots. There is also no time limit to complete construction. It therefore offers good opportunities to the speculators to invest in these plots while the Katchi Abadis keep growing. Government interventions do not succeed because: i) government sells fully developed land which increases the cost of land and low-income people cannot buy it. Under Apna Ghar scheme, for example, the cost of a small plot was Rs. 700,000 way beyond the purchasing power of low income residents ii) the plots are sold by balloting, therefore only a small fraction of people can buy it. This method does not allow for meeting the housing needs. The alternative is: i) to sell undeveloped land at affordable price in easy to pay installments, ii) to create an easy entry system by doing away the balloting and, iii) undertake incremental development so that development expenses can be paid by the residents in easy installments, iv) possession should be given only to those purchasers who settle down in the housing scheme. This is the method used by the so called land grabbers and it works. Due to easy installments residents are able to pay and their lease money covers the cost of land, development and staff salary.

Policy guidelines during Junejo Government banned eviction and permitted regularization of KAS. However dangerous zones as well as amenity areas e.g. parks,

schools, etc. were excluded from this process. In line with the policy of the governments of Mr. Bhutto and Mr. Junejo Sindh Katchi Abadis Act was passed in Sindh on the basis of which Sindh Katchi Abadis Authority (SKAA) was formed and operated. SKAA notifies Katchi Abadis and collaborates with Karachi Municipal Corporation (KMC). Subsequently SKAA regularized 500 Katchi Abadis in Karachi and with extension of its programme to Thatta, Islamabad and other urban centres all over Pakistan provided shelter to tens of thousands of urban poor.

*The views expressed in this article are author's own and in no way reflect those of the organization in which he works.*

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