CONCEPT PAPER

Governing from the Ground Up

Rebuilding Pakistan's Local Government for Accountable, Citizen-Led Delivery

OUR ASPIRATION

Bringing government closer to citizens through local representation, professional administration and public accountability.

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The fifth of fourteen papers in *The Pakistan Plan*

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Executive Summary

Pakistan remains unusual among large democracies in lacking a stable, elected system of Local Government. Most of the public services that directly affect citizens, including water and sanitation, primary education and healthcare, land administration and neighborhood policing, are essentially local functions. Yet responsibility for these services remains concentrated in provincial governments and their administrative structures. Article 140-A requires provinces to establish local governments and devolve political, administrative and financial authority to elected representatives. In practice, the tier exists only intermittently. In Punjab[1] and the federal capital[2], successive changes to local government laws and repeated postponements of elections have left citizens without dependable elected local representation.

This paper argues that the failure is structural rather than incidental. It is also a departure from the region's own institutional history. For centuries before colonial rule, village affairs across the subcontinent were managed by the *panchayat*, a council of village elders that apportioned revenue, maintained the village record, settled disputes and managed common property. Colonial administration displaced this institution. Revenue settlement made individual landholders liable directly to the state through an appointed headman, the *numberdar*; the village record passed to the *patwari*; and policing passed to a hierarchy answerable to the district officer. When local bodies were later created by statute, they were constituted as instruments of administration, with nominated members and authority retained by district officials. The Royal Commission on Decentralization recommended in 1909 that village panchayats be constituted, but kept "completely under the eye and hand of district authorities".[3] The village council was thus re-created as an institution, without the authority it had formerly exercised.

That pattern continued after independence. Military governments introduced local systems partly to build a political base outside the mainstream parties, while elected governments allowed them to lapse, dissolved them or replaced the governing laws. Four weaknesses have consequently endured: inadequate constitutional protection for the tenure, elections and authority of local governments; continued provincial control over functions and personnel; little capacity to raise local revenue; and institutional structures that have dispersed rather than clarified accountability.

International experience offers a clear alternative. Countries that inherited centralized colonial administrations, including India, Indonesia, Kenya, South Korea and Brazil, have established durable local governments through constitutional protection, formula-based fiscal transfers and directly elected leadership. Advanced democracies such as Denmark, Germany, Japan and the United States demonstrate another important principle: elected leaders provide direction, while professional managers administer public services.

We propose one uniform national framework for Local Government, set by constitutional guarantee rather than by ordinary federal legislation; a cascaded system of representation built from the community level upward; and a single territorial division of the country, shared by the census, elections and Local Government. Voters elect representatives for blocks of about fifty households. Block representatives form village councils; each level then chooses the one above it, through UCs and tehsils to the district. A directly elected Mayor leads the district, while a District Assembly of UC heads legislates on local matters. A District Board comprising elected members and independent experts appoints and oversees a professional District Manager, recruited

[1] *Dawn*, June 2026: https://www.dawn.com/news/amp/2010298

[2] FAFEN, January 2026: https://fafen.org/islamabad-lg-elections-postponed-for-4th-time/

[3] Royal Commission upon Decentralization in India (1909), chaired by Sir Henry William Primrose; quoted in V. N. Alok, *Role of Panchayat Bodies in Rural Development*, Indian Institute of Public Administration, 2011.

competitively on a performance contract. Citizens would vote directly for their Block Representative and District Mayor; representatives at the intervening tiers would be chosen by the elected tier immediately below. Districts would raise local revenue, particularly through property taxation, and receive a guaranteed, formula-based share of provincial resources. The office of the Deputy Commissioner as a parallel executive would be retired, and district policing would become answerable to local government.

At the village level, elected Representatives of ten Blocks would together form a Village Council, drawing on the historical panchayat tradition. The proposed Village Council would resemble the traditional council in scale and purpose, but differ in three decisive respects: its members are chosen by universal adult franchise rather than by age, lineage or landholding; women and non-landowning residents sit on it by right; and its authority rests on statute and audited public funds rather than on social standing. The proposal draws on the region's historical institutions of village self-government, adapted to modern requirements of representation and accountability.

Beyond a uniform national framework, two further measures are required. The first, and the more consequential, is a single territorial framework. Pakistan currently maintains three parallel systems of territorial division: census blocks drawn by the Pakistan Bureau of Statistics, electoral constituencies delimited by the Election Commission, and local government units defined separately under each province's local government law. They are drawn by different authorities, on different criteria, at different times, and they do not nest within one another. The consequence is that population and service data cannot be aggregated to the unit that actually delivers services, and that every amendment to a provincial local government law triggers fresh delimitation and further delay. The paper proposes that the geo-referenced census block become the common building unit for all three purposes, so that every local government tier and every electoral constituency is formed by aggregating whole census blocks.

The second is systematic training. The proposed system would bring a substantial number of newly elected representatives into public office and place professional managers in charge of district administration. Neither group can be expected to perform without preparation. The paper proposes mandatory induction for every elected representative on taking office, annual refresher and thematic training, and professional certification for District Managers and departmental heads before appointment. Pakistan already has an institutional foundation for such training in the Punjab Local Government Academy, established in 1953 as a successor to the Village Aid and Basic Democracies training institutes, which has trained approximately 132,000 participants.[4] The decisive change is to make relevant training and certification a prerequisite for transferring functions to each tier.

Recognizing the scale of change, the paper proposes constitutional safeguards for a uniform national Local Government framework, followed by a phased transition over one electoral cycle. This protection would fix its term, require timely elections, bar dissolution by executive order, define its functions and guarantee its finances. Functions would move to lower tiers only as their capacity is demonstrated.

In 2010, Pakistan devolved power from the federation to the provinces. The next step is to extend that devolution to the level where citizens live and government directly serves them.

[4]Punjab Local Government Academy, Government of the Punjab, institutional profile and training statistics: https://plga.punjab.gov.pk/, accessed October 2026.

SECTION ONE

The Missing Tier of Government

Why Effective Governance Requires Devolution below the Provincial Level

In brief

- Most public services that citizens rely on are local in nature, yet Pakistan delivers them through provincial departments and appointed officers
- The Constitution requires elected local governments with real authority; in practice the tier exists only intermittently
- A country of over 240 million and still growing, with provinces larger than many countries, requires effective government below the provincial level
- Without effective Local Government, local revenue remains underdeveloped, local priorities receive limited representation and accountability for local services remains weak

Citizens experience government most directly through the public services available to them. Water and sanitation, local roads, schools and mechanisms for addressing everyday grievances are essentially local functions. In well-functioning systems, responsibility for such services rests largely with local governments accountable to the communities they serve.

The Scale of the Challenge

The 2023 Census counted 241.49 million people living in 38.3 million households, and recorded an annual intercensal population growth rate of 2.55 percent.[5] Punjab alone had 127.6 million people according to the last census, more than Japan, and the number of Pakistani cities with over half a million residents rose from 14 to 22 between the last two censuses.[6] At this scale, centralized provincial administration becomes increasingly distant from the varied needs of local communities. A decision on a drain in a Faisalabad neighborhood or a school in a Tharparkar village should not have to travel to Lahore or Karachi and back.

The Constitutional Basis for Local Government

The constitutional basis for local government is clear. Article 32 directs the State to encourage local government institutions composed of elected representatives, with special representation for peasants, workers and women. Article 140-A requires each province to establish a local government system and to devolve political, administrative and financial responsibility to its elected representatives, and assigns the conduct of local elections to the Election Commission of Pakistan (ECP). The Elections Act 2017 further requires elections to be held within 120 days of the expiry of a local government's term.[7]

[5] Pakistan Bureau of Statistics, *7th Population and Housing Census 2023*, results approved by the Council of Common Interests, 5 August 2023; United Nations, Department of Economic and Social Affairs, Population Division, *World Population Prospects 2024* (New York: United Nations, 2024).

[6] Pakistan Bureau of Statistics, 7th Population and Housing Census 2023; "Census 2023 detailed results," Dawn, 19 July 2024.

[7] Constitution of the Islamic Republic of Pakistan, Articles 32 and 140-A; Elections Act 2017, Section 219(4).

Practice tells a different story. Implementation has remained inconsistent despite these constitutional and statutory provisions. In Punjab[8], Islamabad[9] and Khyber Pakhtunkhwa[10], successive legislative changes, dissolved councils and delayed elections have repeatedly interrupted elected local representation. Changes to local boundaries and council structures have further undermined continuity. These cases illustrate the continued absence of institutional continuity in elected local government.

The Consequences of Weak Local Government

The absence of effective local government has three important consequences. The first, and most damaging, is the absence of direct accountability to citizens. Residents cannot effectively hold the officials responsible for water, sanitation, waste disposal and urban services answerable through elected local institutions: those officials report upwards to provincial departments, authorities and companies, not downwards to the communities they serve. In most districts, the unelected Deputy Commissioner remains the principal representative of the state. The second concerns revenue. Urban property tax, a major source of local revenue internationally, is collected by provincial excise departments on behalf of local governments and yields about 0.03 percent of GDP, compared with roughly 1.1 percent across OECD countries. Punjab as a whole collects less urban property tax than the Indian city of Chennai.[11] Limited local control over revenues also weakens the link between taxation, service delivery and accountability. The third concerns representation. In the absence of elected councils, local priorities are often channeled through provincial and national legislators, although their primary constitutional responsibilities are legislation and oversight rather than the allocation of local roads, water schemes and other municipal services. Constituency development funds allocated to members of the National and Provincial Assemblies further undermine Local Government by placing local development spending under legislators. This paper proposes discontinuing these allocations and transferring responsibility for local development expenditure to elected Local Governments through transparent, formula-based financing.

International experience demonstrates a substantially greater role for local government. In Denmark, local governments account for 64.3 percent of total public spending, and in Sweden for 50.7 percent.[12] The comparable Pakistani figure is approximately 4.7 percent, and it has fallen from around 10 percent in 2005.[13] Provincial governments, by contrast, account for roughly a third of general government expenditure.[14] The share of public money passing through elected local institutions has therefore halved over two decades, during the same period in which the Eighteenth Amendment substantially strengthened the provinces. Devolution has taken place in Pakistan, but it has stopped at the provincial capital. The question is how to carry meaningful functions, resources and accountability to a durable local tier below it.

[8] On the 2019 dissolution and the Supreme Court judgment of 25 March 2021, see "Punjab govt disenfranchised voters by dissolving local bodies, says SC judgment," *Dawn*, 6 July 2021; on the proposed polling window, "ECP plans Punjab LG polls by Jan 15," *The Express Tribune*, 21 August 2026.

[9] Free and Fair Election Network (FAFEN), "Islamabad LG Elections Postponed for 4th Time," January 2026; "Elusive LG elections in Islamabad," Business Recorder, 19 January 2026.

[10] "ECP says ready to hold LG polls in Punjab, KP, blames last-minute amendments for delays," Dawn, 31 July 2026.

[11] Property Tax in Punjab, working paper, City, University of London, March 2024 (Pakistan figure for 2020–21; OECD average for 2019); S. Wani, H. Shaikh and O. Harman, Urban Property Taxes in Pakistan's Punjab, International Growth Centre policy brief, October 2020.

[12] OECD, *Government at a Glance 2025*, "Revenues and spending by level of government" (2023 data).

[13] World Bank, *Strengthening Fiscal Federalism in Pakistan* (2026), Executive Summary and Table 1: https://documents1.worldbank.org/curated/en/099060626042014186/pdf/P507205-d279e611-c636-411a-949c-875c1a4c8c30.pdf

[14] OECD/UCLG, World Observatory on Subnational Government Finance and Investment, Pakistan profile (2020 data; scope: provinces only): https://www.sng-wofi.org/country_profiles/pakistan.html

SECTION TWO

The Evolution of Local Government in Pakistan

Institutional Development, Repeated Discontinuity and the Limits of Past Reform

In brief

- Village self-government is indigenous to the subcontinent: the panchayat managed revenue, records, disputes and common property for centuries
- Colonial administration displaced rather than abolished it, transferring its functions to the patwari, the police official and the magistrate
- Statutory local bodies were then created as instruments of administration, and the pattern of control from above survived independence
- The weaknesses are structural: inadequate constitutional protection, continued provincial and bureaucratic control, fiscal dependence and complex institutional design

Local Governments in Pakistan have undergone repeated institutional change since independence, without becoming a stable and enduring tier of government. This history explains both the weaknesses of the present system and the persistence of earlier administrative arrangements.

The Panchayat: An Indigenous Tradition of Village Self-Government

The region has a long history of indigenous institutions of community decision-making, including the panchayat and other locally rooted councils whose forms differed across present-day Pakistan. For centuries before colonial administration, village affairs across the subcontinent were conducted by the panchayat (literally a council of five) composed of the village's senior and respected residents. Its functions were not mere ceremonial. The panchayat apportioned the village's collective revenue obligation among cultivators and remitted it to the state, maintained the record of landholdings, settled disputes over land, inheritance and personal conduct, managed common property such as wells, tanks, grazing land and pathways, and organized the village watch. Because it combined fiscal, judicial and administrative authority at the only scale at which every household was known, it was able to perform functions that no distant administration could perform as well.

Historical records provide evidence of the institutional development of village self-government. Two inscriptions at Uttaramerur in southern India, dated 919 and 921 CE in the reign of the Chola king Parantaka I, set out written rules for constituting the village assembly. The village was divided into thirty wards, each of which nominated candidates; names were written on palm-leaf tickets, placed in a pot and drawn by a young boy, a procedure known as *kudavolai*. Eligibility was defined by age, residence, landholding and learning; those who had failed to account for public funds previously entrusted to them, or who had served recently, were disqualified; members served fixed terms of one year and sat on specialized committees for irrigation tanks, gardens and annual supervision.[15] Written qualification, disqualification for misuse of public funds, fixed terms and functional committees are recognizably the elements of accountable local government.

[15] Inscriptions of Parantaka I at Uttaramerur, Tamil Nadu, dated 919 and 921 CE, recording the constitution of the village assembly and the *kudavolai* system of selection, committee structure, eligibility criteria and terms of office.

The institution's durability was noted by colonial administrators themselves. Charles Metcalfe, who later served as acting Governor-General, observed that "the village communities are little republics, having nearly everything they can want within themselves... Dynasty after dynasty tumbles down... but the village community remains the same."[16] In the territories now constituting Pakistan, local decision-making also took varied forms, including *jirgas* in parts of present-day Khyber Pakhtunkhwa and the customary councils known in Sindh as the *faislo*. These differed from the panchayat in a respect material to this paper: membership rested on lineage, tribal rank or social standing rather than on selection by the community, participation was confined to men, and their function was the settlement of disputes rather than the administration of village affairs.[17] Colonial administration formalized them as instruments of indirect rule, the Frontier Crimes Regulation of 1901 providing for a council of elders nominated by the political agent rather than chosen locally.[18] The Supreme Court held in 2019 that such forums may arbitrate where the parties consent, but may not act as parallel courts.[19] The precedent drawn on in this paper is therefore the panchayat as a body of village administration, not the customary forum as a model of representation.[20]

The Erosion of Panchayat System

Colonial administrative reforms progressively displaced the panchayat by transferring its functions to appointed officials and formal state institutions. It was displaced, function by function. Revenue settlement made individual landholders or intermediaries liable directly to the state, removing the panchayat's role in apportioning and remitting the village's collective obligation, and with it the fiscal authority on which its other functions rested. In Punjab the state thereafter dealt with an appointed village headman, the numberdar (or *lambardar*), who collected revenue on commission and answered to the revenue administration rather than to the village.[21] The record of landholdings passed to the patwari, a salaried official maintaining records for several villages. Policing was centralized under the Police Act of 1861, and the village watchman, once appointed and paid by the village, became an auxiliary reporting to the police station rather than a servant of the community. Judicial authority passed to magistrates and courts. Within a generation the panchayat had lost revenue, record and adjudication, retaining only the social authority of its elders.

Later colonial reforms recreated local bodies, but as instruments of administration rather than self-government. Lord Ripon’s Resolution of 1882 promoted local self-government and political participation. Ripon, who had been appointed Viceroy by Gladstone’s Liberal government, said its main purpose was political education rather than better administration.[22] The development of Local Government during the nineteenth century also reflected the objectives of encouraging democratic participation, developing local political leadership and mobilizing local resources. In practice, however, substantial authority remained with district officials and many members were nominated. The Royal Commission on Decentralization recommended in

[16] Charles Metcalfe, minute of 1830, submitted to the Select Committee of the House of Commons on the affairs of the East India Company; quoted in V. N. Alok, *Role of Panchayat Bodies in Rural Development*, Indian Institute of Public Administration, 2011.

[17] Amnesty International, Pakistan: The Tribal Justice System, ASA 33/024/2002, on the convening and composition of jirgas and of the faislo in Sindh; Sindh Judicial Academy, Study on Informal Justice System in Pakistan.

[18] Frontier Crimes Regulation, 1901, which provided for the reference of disputes to a council of elders nominated by the political agent rather than chosen by the community; in Baluchistan the administrative system introduced from 1877 operated through tribal chiefs in receipt of government allowances. The Regulation was repealed in 2018 on the merger of the tribal districts with Khyber Pakhtunkhwa.

[19] National Commission on the Status of Women v. Government of Pakistan, PLD 2019 SC 218 (16 January 2019), holding that jirgas and panchayats may act as arbitration, mediation or reconciliation forums where the parties consent, but not as parallel courts.

[20] S. Muazzmi, A. Zia and M. Muazzmi, "Lego-political Judicial Institution Panchayat: A Journey from Colonial to Post-colonial Times," *Global Anthropological Studies Review* III(I), 2020, pp. 21–30.

[21] On the office of the numberdar or lambardar, its revenue-collection function and the *pachotra* commission, see the Punjab Land Revenue Act 1887 and its successor in Pakistan, the West Pakistan Land Revenue Act 1967, provisions relating to village officers. On the centralization of policing, see the Police Act 1861.

[22] Government of India, Resolution on Local Self-Government, 18 May 1882; Benjamin Weinstein, “Liberalism, Local Government Reform, and Political Education in Great Britain and British India, 1880–1886,” *Historical Journal* 61(1), 2018, pp. 181–203.

1909 that village panchayats be constituted for local affairs, but explicitly that they remain under the supervision of district authorities. Provincial legislation followed in the 1920s, including the Punjab Village Panchayat Act of 1921, which gave panchayats statutory recognition and limited judicial powers while leaving their composition and oversight substantially in official hands. The village council was thus re-created as an institution, without the authority it had formerly exercised, and that distinction has shaped every subsequent attempt at local government in Pakistan. The objectives set out in 1882 nonetheless remain relevant: Local Government is not merely a mechanism for delivering municipal services, but also an institution through which citizens learn to govern themselves.



Figure 1. *Local government in Pakistan: introduced, dissolved and redesigned. Sources: as cited in Sections One and Two.*

The Post-Independence Pattern

Under Ayub Khan, the Basic Democracies Order of 1959 established around 80,000 elected representatives, who also formed the electoral college that confirmed him as President in 1960 and participated in the 1965 presidential election. While representation at the UC level was elected, the administrative bureaucracy remained embedded in the tiers above it, with the Deputy Commissioner chairing the District Council and the Divisional Commissioner chairing the Divisional Council.[23] General Zia-ul-Haq's ordinances of 1979 produced non-party elections in 1979, 1983, 1987 and 1991, but the councils had limited powers and were dissolved between 1991 and 1993, with officials taking charge.[24] General Pervez Musharraf's Devolution Plan of 2001 transferred substantially greater authority to elected district, tehsil and union governments under Nazims and abolished the office of district magistrate. Its institutional structure, however, involved multiple layers of authority, while its constitutional protection was temporary. In 2009, elected Nazims were replaced by appointed administrators across the country.

The 2001 devolution system, however, deserves particular attention because it represented Pakistan's most extensive attempt to transfer administrative authority to elected district governments. It demonstrated the potential of empowered Local Governments to improve service delivery, but also exposed weaknesses in land revenue administration, policing arrangements and institutional continuity. Its gains were real. Provinces were required to share funds with districts by a fixed formula rather than at their discretion. About 60,000 women were elected or nominated as councilors in 2001 and 2005.[25] The share of children aged five to nine attending

[23] Banglapedia, "Basic Democracies" and "Khan, Field Marshal Mohammad Ayub"; 1960 presidential referendum results as reported by the Election Commission.

[24] "A broken local government system," The News on Sunday, 2025; US Department of State, Country Reports on Human Rights Practices for 1998: Pakistan.

[25] UNDP Pakistan, Outcome Evaluation: Local Authorities and Communities in Rural and Urban Areas Enabled and Involved in Planning and Management of Development Activities (Islamabad: UNDP, 2013)

primary school rose from 42 to 55 percent between 2001–02 and 2007–08.[26] A panel study of Punjab districts associates the larger local share of spending in this period with higher enrolment and immunization, an effect that weakened after 2008.[27] The gains were nonetheless uneven. Field research found that small, targeted schemes such as street drains increased, as councilors could direct them to their own neighborhoods, while the quality of schools and health facilities did not, because Union Councils had little authority over the staff who delivered these services.[28] Local governments' own-source revenue remained below 0.1 percent of GDP,[29] and much of the development funding reserved for Citizen Community Boards went unspent.[30] Pakistan's Human Development Index rose noticeably between 2000 and 2008, but the South Asian average rose by a similar margin, and the period also saw average growth of about 7 percent a year and a sharp fall in measured poverty. The national trend cannot therefore be attributed to devolution.[31] The weakest elements were land records and police oversight. The public safety commissions intended to oversee the police were constituted late, partially or not at all. When Sindh repealed its 2001 law in 2011, it restored the Commissionerate system and the Police Act of 1861, citing large-scale illegal changes in land rights under the devolved arrangement.[32] The proposed system draws on these lessons while introducing stronger constitutional protection, professional district management and independent accountability.

After the 2001 system lapsed, Local Government elections were not held again until 2013–2016, and then only after sustained intervention by the Supreme Court, despite the Eighteenth Amendment of 2010. Punjab has since enacted successive Local Government laws in 2013, 2019, 2022 and 2025. This history reflects a broader pattern of institutional discontinuity. Local Government systems established under military governments were closely linked to their wider political arrangements, while elected provincial governments have repeatedly altered, dissolved or delayed elected Local Governments. In both periods, Local Governments remained dependent on higher tiers rather than developing as an autonomous and durable tier of government. India, which inherited the same administrative structure, took the opposite course in 1992 by giving its panchayats constitutional status; Pakistan's village councils have never held a comparable place in law.

Structural Weaknesses in the Existing Framework

Four structural weaknesses have contributed to this institutional discontinuity. First, Local Governments lack adequate constitutional protection. Article 140-A requires their establishment but does not specify their tenure, the timing of elections or the functions to be devolved. The ECP has itself sought stronger legal safeguards to prevent changes to Local Government laws immediately before elections.[33] Proposals for stronger constitutional protection were discussed during the Twenty-sixth and Twenty-seventh Amendment processes but were not adopted.[34] Second, provincial governments and appointed officials retain substantial administrative control. Important local functions remain with provincial departments and authorities, while much of the administrative machinery at district level continues to report through provincial structures. Third,

[26] Federal Bureau of Statistics, *Pakistan Integrated Household Survey 2001–02* and *Pakistan Social and Living Standards Measurement Survey 2007–08*, net primary enrolment rate (age 5–9).
[27] Mehr-un-Nisa and S. Khalil, "Impact Assessment of Fiscal Decentralization in Improving Public Service Delivery: A Case Study of Districts in Punjab," *PUTAJ – Humanities and Social Sciences* 25(1), 2018, pp. 142–156.
[28] S. K. Mohmand and A. Cheema, "Accountability Failures and the Decentralization of Service Delivery in Pakistan," *IDS Bulletin* 38(1), 2007.
[29] Shahid Kardar, "Local Government Finance in Pakistan Post 2001," *Lahore Journal of Economics*, Special Edition, 2006.
[30] Takashi Kurosaki, "Determinants of Collective Action under Devolution Initiatives: The Case of Citizen Community Boards in Pakistan," *Pakistan Development Review* 44(3), 2005, pp. 253–269.
[31] UNDP, Human Development Report data, HDI time series for Pakistan and South Asia; Government of Pakistan, *Pakistan Economic Survey 2006–07* (growth) and *2009–10* (poverty).
[32] International Crisis Group, *Reforming Pakistan's Police*, Asia Report No. 157, 14 July 2008; "High court asks govt to form public safety commissions," *Dawn*, 14 December 2023; "Sindh restores Commissionerate system," *Dawn*, 10 July 2011.
[33] "ECP wants Article 140 (A) amended," The Express Tribune, 2022; "ECP seeks amendment in Elections Act to ensure timely conduct of local govt polls," Dawn, 2025.
[34] "MQM-P confident local government changes will feature in next amendment," Daily Times, 18 November 2025; "The 28th Constitutional Amendment: New Provinces and Federal Restructuring," Daily Pakistan, 11 September 2026.

Local Governments remain fiscally dependent. Their own-source revenues are limited, leaving them reliant on provincial transfers whose timing and allocation are not always predictable. Fourth, institutional arrangements have often been complex. Multiple tiers, indirect elections and delayed filling of reserved seats can blur lines of responsibility and make it difficult for citizens to identify which institution or office is accountable for a particular function.

These institutional weaknesses are not unique to Pakistan. The next section compares how countries with similar administrative legacies, as well as advanced democracies, have built more durable Local Government systems.

SECTION THREE

Devolution in Comparative Perspective

Lessons from Developed and Post-Colonial States

In brief

- Former colonies including India, Indonesia, the Philippines, Kenya, South Korea and Brazil have established durable systems of Local Government despite strong traditions of centralized administration
- Their common instrument was legal or constitutional protection of the local tier, its elections and its revenue
- Advanced democracies combine elected political leadership with professional management
- Sustained investment in training elected representatives and local officials is a common feature of the successful cases
- Devolution succeeds when authority, finance and accountability move together

Comparative experience provides useful evidence on how countries with centralized administrative traditions have established more durable systems of Local Government. Several of these countries share institutional legacies relevant to Pakistan.

Post-Colonial Reformers

India, which shares Pakistan's administrative inheritance down to the district collector, gave its local bodies constitutional status through the 73rd and 74th Amendments of 1992. The reforms established five-year terms, required elections within six months of premature dissolution, provided for State Election Commissions and periodic State Finance Commissions, and reserved at least one-third of seats for women. India now has more than 270,000 Gram panchayats and over 2.5 million elected local representatives, nearly half of them women.[35] The state of Kerala went further in 1996, initially earmarking around 35–40 percent of State Plan resources for Local Governments and establishing participatory planning processes centered on Gram Sabhas and other local institutions.[36]

Indonesia, a former Dutch colony, moved abruptly from one of the most centralized states in Asia to one of the most decentralized. Laws passed in 1999 transferred most functions to districts: a 2004 law introduced direct election of regional heads, and the Village Law of 2014 recognized nearly 75,000 villages as self-governing units, entitled to at least ten percent of central transfers. By 2017 villages were receiving about US$7.4 billion a year.[37] **The Philippines**, under its Local Government Code of 1991, guarantees local governments 40 percent of national taxes, released automatically; a 2019 Supreme Court ruling widened the base to all national taxes, raising local shares by about 27 percent from 2022.[38] **Kenya's** 2010 Constitution

[35] Government of India, Ministry of Panchayati Raj, National Panchayati Raj Day note, April 2026 (Press Information Bureau); Constitution of India, Articles 243D–243K.

[36] Government of India, NITI Aayog Development Monitoring and Evaluation Office, Decentralized Planning Experience in Kerala.

[37] J. Vel, Y. Zakaria and A. Bedner, "Law-Making as a Strategy for Change: Indonesia's New Village Law," Asian Journal of Law and Society 4 (2017); World Bank, Project P165543 appraisal document (2018).

[38] Senate of the Philippines, Economic Planning Office, "IRA in 2022," At a Glance, March 2022.

created 47 elected county governments and guarantees them at least 15 percent of national revenue; the 2026 allocation of KSh 428 billion represented 20.9 percent.[39]

South Korea's experience most closely mirrors Pakistan's. Local councils were abolished after the military coup of 1961 and replaced by centrally appointed officials for three decades. Councils were restored in 1991 and elected mayors and governors followed in 1995; residents later gained the right to hold local referendums and to recall officials.[40] **Brazil's** 1988 Constitution, adopted after military rule, gave municipalities real fiscal space, and in 1989 Porto Alegre began inviting residents to set the city's investment priorities through participatory budgeting, a practice since adopted worldwide.[41]



Figure 2. *Local government reform in post-colonial and advanced democracies. Sources: as cited in this section.*

Local Governments in Advanced Democracies

Advanced democracies also provide useful examples of institutional autonomy and professional administration. **Germany's** Basic Law guarantees municipalities the right to regulate local affairs on their own responsibility within the limits of the law. **Japan's** post-war constitutional framework provides for directly elected chief executives of local public entities. In the United States, cities and counties have elected governing bodies, with arrangements varying by jurisdiction: some cities elect mayors who lead the executive, while others elect councils that appoint professional city managers; counties commonly elect commissioners or supervisors and may also appoint professional administrators. Under the council-manager model, the elected council sets policy and appoints a manager responsible for day-to-day administration. These systems differ in form, but share two features: political direction that is elected and accountable to voters, and administration that is professional and appointed on defined terms by the elected body. The District Mayor and District Manager proposed in Section Four apply the same division at district level.[42]

[39]Constitution of Kenya 2010, Article 203(2); "Counties to share Sh428 billion as Ruto signs County Allocation of Revenue Bill 2026," The Standard, 2026.

[40]Y. Cho and H. J. Kim, "Surprising Results of the 2026 Local Elections in South Korea," Institute for Security and Development Policy, June 2026.

[41]World Bank, Brazil: Toward a More Inclusive and Effective Participatory Budget in Porto Alegre (Washington, DC, 2008).

[42]International City/County Management Association, Forms of Local Government and Municipal Form of Government Survey; United States Census Bureau, Census of Governments, for the elected governing bodies of counties.

Building Capacity as a Matter of Policy

Several countries have supported Local Government reform through sustained investment in the training and professional development of elected representatives and administrators. Kerala established the Kerala Institute of Local Administration in 1990, specifically to support implementation of the constitutional amendments, and it now functions as a dedicated training and research institution for elected representatives and local officials alike.[43] At national level, India funds local capacity building through a dedicated scheme, the Rashtriya Gram Swaraj Abhiyan, with an outlay of Rs 5,911 crore for the period 2022–23 to 2025–26, its first stated objective being to develop the capacity of elected representatives so that panchayats can function effectively as a third tier of government.[44] The Philippines maintains a Local Government Academy within its Department of the Interior and Local Government for the same purpose. These countries support the development of local administrative capacity through dedicated institutions and recurring public financing.

Lessons for Pakistan

Lesson	Evidence	Implication for Pakistan
Protect the tier in the constitution	India (1992); Kenya (2010)	Fix terms, election timing and protection from dissolution
Guarantee finance by formula	Philippines, Kenya, Indonesia	A fixed minimum share of provincial resources, released automatically
Elect the executive directly	Indonesia (2004), South Korea (1995)	A directly elected Mayor for every district
Separate politics from management	United States, Germany, Denmark	An elected Board that appoints a professional District Manager
Invest in capability	Kerala (KILA); India (RGSA); Philippines	Dedicated academies and funded, mandatory training for representatives and managers
Bring citizens into decisions	Kerala; Porto Alegre; Indonesian villages	Block representatives and village councils with a say in local plans
Sequence devolution to capacity	Kerala; Indonesia	Functions move to lower tiers as capacity is demonstrated

Table 1. *Lessons from international experience*

These cases also carry cautions. Indonesia's village funds and Kenya's county budgets have both raised concerns about local corruption and capacity. Devolution does not remove the need for accountability; it relocates it. Authority, finance and oversight must therefore move together.

[43] Kerala Institute of Local Administration (KILA), Local Self Government Department, Government of Kerala: https://www.kila.ac.in/about-us/, accessed October 2026.

[44] Government of India, Ministry of Panchayati Raj, "Objectives of Rashtriya Gram Swaraj Abhiyan," Press Information Bureau release, 2025.

SECTION FOUR

A New Architecture for Local Government

A Cascaded Model from Village to District

In brief

- A simple cascade from a block of about fifty households to the district, with direct election at the base and a directly elected Mayor at the top
- The village tier restores the panchayat in elected, representative and statutory form
- A District Board of elected members and independent experts appoints and oversees a professional District Manager
- Mandatory training and certification for elected representatives and managers, as a condition of devolving functions
- Accountability built in: published performance targets, independent evaluation and third-party monitoring

The proposed system is built from the local level upward, with each successive tier constituted through representation from the level below and accountable to it.

A Note from the Author

The structure proposed in this section did not begin at an academic symposium or a political gathering. It began in a new planned village the author helped to build, and in a conversation, he has returned to ever since, recounted here in his own words.

Around 2010 we laid out a new planned village of a hundred homes at Shahgarh, Muzaffargarh (South Punjab), with households grouped into blocks of seventeen, each electing one representative. I remember telling a group of residents that we would build a school for their daughters. One man, whom I shall call Muhammad Bashir to protect his identity, was unmoved. “Sahib,” he said, “iss ne kahan jana hai school?” — what is she going to do with school? Leave her be. He gave the usual reasons, the distance and the expense. I did not think they were his real ones, because neither was applicable.

Sometime later the blocks elected their representatives, and Bashir was chosen for his seventeen homes. When I next met him, he was a different man: not louder, but settled, willing to argue a point and hold it. Then he told me what he had not told me before.

[Translated] “When they moved us here,” he said, “I would tell my wife every evening: do not make this place your own. Do not plant anything. They will turn us out soon enough. These things are built for show, and then they are taken away.”

That was why he had not wanted a school for his daughter. Not that he placed no value on her education, but that nothing had given him reason to believe anything built around him would last, or was truly his. A man who fears being displaced does not invest in his children’s future. He waits.

What changed was not his income, nor any argument of mine, but that seventeen households had asked him to speak for them. For the first time, he felt he had a voice and a stake in his community.

> Pakistan's difficulty at the local level is not only administrative or fiscal. The citizen has no durable stake in the place where he lives. The architecture that follows is an attempt to give several hundred thousand Muhammad Bashirs that standing, by law rather than by favor.

Design Principles

The proposed model is guided by seven principles. First, Local Governments should derive their authority from citizens, with elected representation forming the basis of the system at every level. Second, they should have sufficient institutional autonomy to perform their assigned functions without undue political, military or bureaucratic interference. Third, the structure should remain simple, with clearly defined responsibilities and lines of authority that citizens can readily understand. Fourth, autonomy should be accompanied by strong monitoring and accountability, both within the Local Government system and through appropriate external oversight. Fifth, administration should be oriented toward performance and service delivery, with responsibilities linked to measurable outcomes. Sixth, the institutional design should draw on established international experience, while remaining suited to Pakistan's administrative and political context. Finally, devolution should proceed in line with institutional capacity, with functions transferred downward as each tier develops the administrative, financial and human resources required to perform them effectively.

The Cascade: From Block to District

The basic unit of the proposed system is the block, comprising approximately 50 households, or about 315 people at the 2023 national average household size.[45] Voters in each block directly elect one representative. Ten blocks, representing about 500 households, form a village. The ten Block Representatives constitute the Village Council and elect one of their members as the Village Councilor. Eight villages form a UC of approximately 4,000 households, equivalent to around 25,000 people at the national average household size. This is broadly consistent with the population range of 22,000 to 31,000 adopted for UCs under Punjab's 2025 Local Government framework.[46] The eight Village Councilors constitute the UC and elect one of their members as UC Nazim. Fifteen UCs form a tehsil, with a Tehsil Council comprising the 15 UC Nazims, who elect one of their members as Tehsil Nazim. Three tehsils then form a district, comprising approximately 180,000 households, or about 1.1 million people. At the district level, the political structure changes: the mayor is directly elected by all voters in the district, while the District Assembly comprises the 45 UC Nazims representing its constituent UCs (Figure 3).

[45] Pakistan Bureau of Statistics, *7th Population and Housing Census 2023: National Census Report*, 2024. The national average household size was 6.26 persons.

[46] "Punjab completes local govt delimitation," The Express Tribune, 28 August 2026.

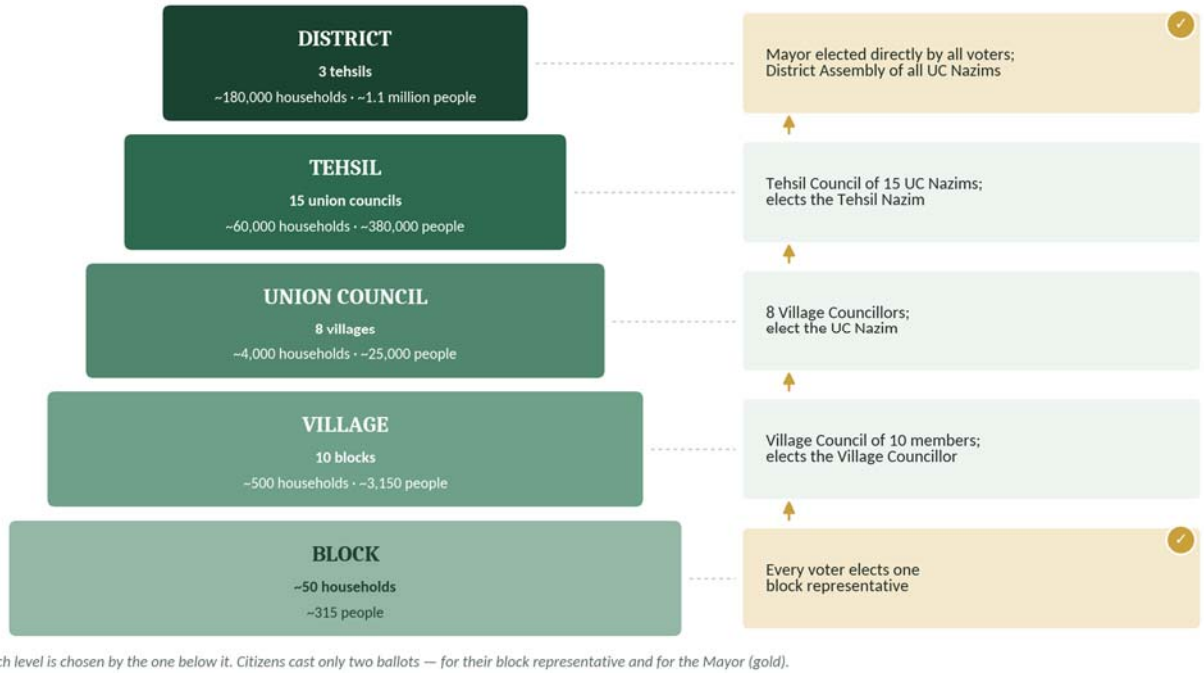


Figure 3. *The cascaded local government system (illustrative averages at 6.3 persons per household).*

These population figures are illustrative averages rather than proposed delimitation criteria. Existing boundaries of villages, UCs, tehsils and districts would generally be retained. Larger districts and metropolitan areas would therefore contain more UCs and tehsils, with urban tehsils functioning as towns. Applied nationally, a block size of approximately 50 households would imply around 767,000 elected Block Representatives, or roughly one representative for every 315 citizens. Citizens would cast only two direct ballots, one for their local representative and one for the mayor. All intermediate offices would be elected from among representatives already elected at the level below.

The model does not rely on separately nominated or indirectly elected reserved-seat members. Instead, representation would be incorporated into direct elections at the local level. Women and landless residents will have appropriate representation, alongside safeguards for minorities and other groups as required by the Constitution. The small size of block constituencies would further strengthen the connection between elected representatives and the communities they represent.

Continuity with the Panchayat

The proposed village tier draws on the institution of the panchayat. A Village Council of ten Block Representatives, each elected by and answerable to roughly fifty neighboring households, corresponds closely in scale and purpose to the panchayat described in Section Two: a body small enough for its members to know the circumstances of every household, and therefore competent to allocate local resources, maintain local records and resolve local disputes. The proposed Council differs from the traditional panchayat in three decisive respects. Its members are chosen by universal adult franchise rather than by age, lineage or landholding. Women and residents without land sit on it by right rather than by concession. And its authority derives from statute, public funds and an audited budget rather than from social standing, which also makes it answerable in ways the traditional panchayat was not.

This continuity addresses an objection frequently raised against devolution in Pakistan: that elected village government is a foreign model unsuited to local conditions. However, village self-government is indigenous to the subcontinent, and it was centralized administration, introduced in the nineteenth century and retained

after independence, that proved to be the imported arrangement. Informal panchayats continue to perform dispute-resolution functions in parts of rural Pakistan, although they operate outside formal structures of legal authority and public accountability. The proposal is to give that function a lawful and accountable form rather than to leave it outside the state.

District Government

The district would serve as the principal unit of Local Government (Figure 4). The mayor, directly elected by district voters for a four-year term, would provide political leadership and be directly accountable to the electorate. Direct district-wide elections may favor candidates with greater financial resources. Transparent campaign-finance rules, enforceable expenditure limits and equal access to electoral information would therefore be important safeguards for encouraging wider political participation. The District Assembly, comprising all UC Nazims in the district, would approve the budget and local taxes, adopt by-laws, decide zoning matters, and oversee the executive through departmental standing committees with equal representation from treasury and opposition members. Executive authority would be exercised through the District Board, chaired by the mayor and comprising two treasury and two opposition members of the District Assembly, together with five independent experts drawn from relevant professional fields. The mayor, two treasury members and two opposition members would select five independent experts, one for each cluster of The Pakistan Plan: Education; Health and Social Safety; Governance; Agriculture, Water, Energy and Environment; and Economic Development, on the basis of relevant professional qualifications and experience. The Board would appoint the District Manager, establish annual performance targets, review performance and have the authority to remove the Manager for defined cause.

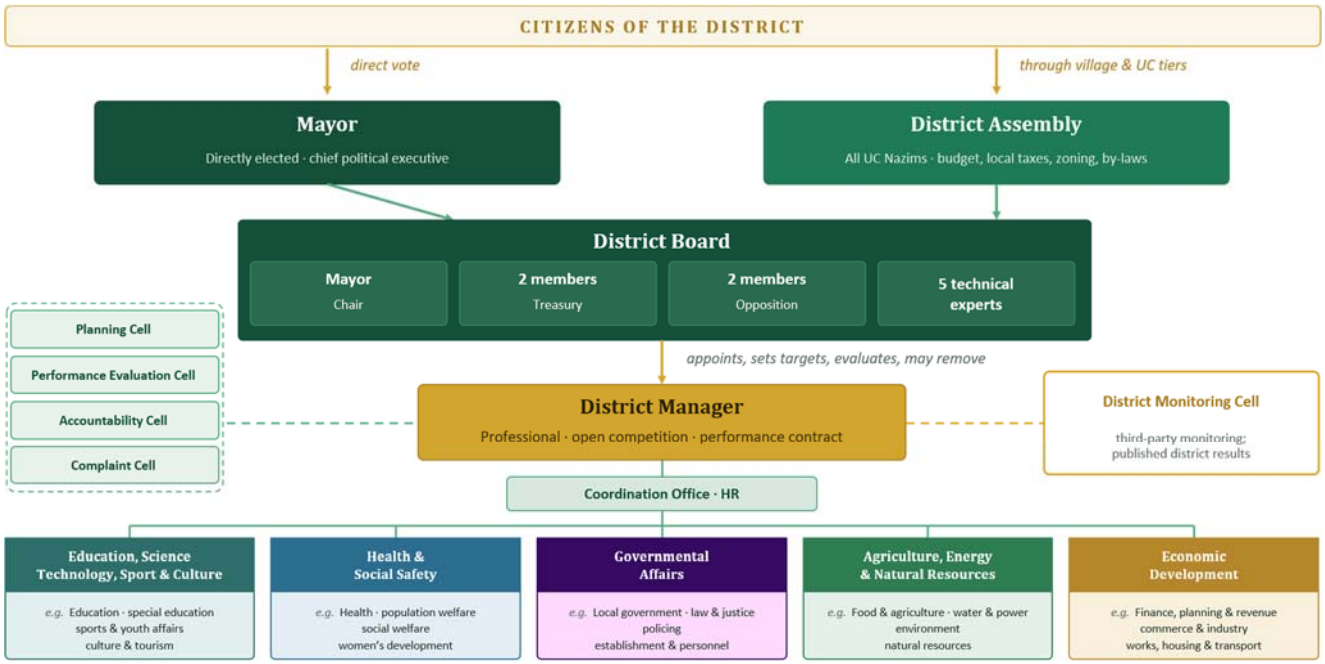


Figure 4. *District government: Each of the five technical experts leads one cluster of The Pakistan Plan; the Board plans collectively.*

The District Manager would be a professional administrator recruited through open competition on a fixed-term, performance-based contract and responsible for the district administration. Reporting to the Manager would be a Coordination Office and nine departments: Health; Education; Agriculture; Energy and Environment; Enterprise and Investment Promotion; Finance, Planning and Development; Law and Justice; Works and Services; and Civil Defense. Under this structure, the office of the Deputy Commissioner would cease to operate as a parallel district executive. Revenue administration would transfer to the Finance,

Planning and Development Department, while magisterial functions would rest with the judiciary. District policing would fall under the Law and Justice Department and be accountable to the Local Government, while crimes extending beyond district boundaries would fall within the jurisdiction of a federal investigation service, consistent with the reforms proposed in the first paper of this series.

Recruitment, Training and Certification

All local government posts, from the District Manager and departmental heads to specialist and support staff, would be filled through openly advertised vacancies, with recruitment based on relevant qualifications and competence. A digital recruitment portal would provide a common platform for advertising positions, receiving applications and managing selection transparently. Pakistan's higher education system now produces more than half a million graduates annually, providing a substantial pool from which local governments can recruit professional and technical talent. Recruitment should also be open to qualified expatriate Pakistanis. Serving provincial employees may initially be seconded to districts on protected terms, with permanent transfers taking place as the new system becomes established.

Open recruitment alone, however, does not produce capable institutions. The proposed system would bring several hundred thousand representatives into elected office, the majority of them holding public office for the first time, and would place professional managers in charge of district budgets, procurement and service delivery. Neither group can be expected to discharge these responsibilities without systematic preparation. Training should therefore be treated as a core function of the system rather than as a project-funded supplement to it, organized around three distinct requirements:

- Induction for elected representatives. Every Block Representative, Village Councilor, UC and Tehsil Nazim, Mayor and member of a District Assembly would complete a mandatory induction course expeditiously after assuming office, as prescribed by law, covering the powers and duties conferred by law, budget preparation and approval, procurement rules, audit and reporting obligations, conflict-of-interest standards and the conduct of council business.
- **Certification for managers and officers.** The District Manager, departmental heads and the officers of the Planning, Performance Evaluation and Accountability Cells would be required to hold a professional certification in local government administration, obtained before appointment or within a defined probationary period, and renewed through continuing professional development.
- **Recurrent and thematic training.** Annual refresher courses, together with short thematic programs in areas such as municipal finance, urban planning, procurement, public health administration, disaster preparedness and digital service delivery, available to representatives and officers throughout their terms.

The Punjab Local Government Academy at Lalamusa, established in 1953 as the Village Aid Training Institute and later operating as the Basic Democracies Training Institute and the Local Government Training Institute, has trained approximately 132,000 participants across some 5,300 courses.[47] The institutional foundation therefore exists; what is absent is scale, a comparable academy in every province, a common standard of certification and a secure source of finance. Each province should maintain a Local Government Academy, with curriculum and certification standards set nationally so that qualifications are recognized across provinces, and with a defined minimum share of local government budgets reserved for training. Kerala's institute was established alongside its devolution reforms rather than after them, and India finances capacity building through a standing scheme rather than discretionary allocations.

Training should also carry consequences. Consistent with the principle that devolution follows capacity, no function should transfer to a tier of Local Government until the officers and elected representatives responsible

[47] Punjab Local Government Academy, Government of the Punjab: https://plga.punjab.gov.pk/, accessed October 2026.

for it have completed the relevant certification. This would link the pace of devolution to demonstrated institutional capacity and encourage each tier to develop the competencies required for additional responsibilities.

Performance Monitoring and Accountability

Accountability would be built into the proposed system at several levels. Within each district, a District Planning Cell, led by the District Manager with the five expert members of the District Board, would prepare plans across the five clusters of The Pakistan Plan: Education; Health and Social Safety; Governance; Agriculture, Water, Energy and Environment; and Economic Development. A District Performance Evaluation Cell would establish key performance indicators and commission independent third-party monitoring, while a District Accountability Cell, comprising an accountability manager and legal officers, would handle complaints and follow up on audit findings. A District Complaint Cell will examine and act upon complaints from citizens.

Tehsil, union and village councils would monitor district projects within their jurisdictions and compete for funding on the strength of their plans. At the provincial level, a District Monitoring Cell in the Chief Minister's Office would commission independent monitoring and publish comparable results across districts. The province would retain responsibility for its own projects and competitive grants, but would no longer exercise line control over district administration. An elected Local Government could be suspended only on legally defined grounds and through judicial process, with fresh elections required within ninety days.

SECTION FIVE

Making Devolution Work

Finance, Accountability and the Transition Roadmap

In brief

- A constitutional anchor: a fixed term, timely elections, no dissolution by executive order, defined functions and guaranteed finance
- One territorial framework for census, elections and local government, built on the geo-referenced census block
- Districts raise their own revenue and receive a formula-based, automatic share of provincial resources
- A phased transition over one electoral cycle provides continuity and protects the terms of serving staff

Pakistan's experience shows that establishing Local Governments is not sufficient to make them endure. A durable system requires legal protection, a coherent territorial basis, predictable financing, clear accountability and a managed transition from existing arrangements.

A Constitutional Anchor

A durable system of Local Government would require stronger constitutional protection in five respects: a fixed four-year term for Local Governments; elections within 120 days of the end of a term, with no changes to Local Government law during its final year; protection against dissolution by executive order; a constitutional schedule defining functions to be devolved to Local Governments; and a guaranteed minimum share of provincial resources. India's 73rd and 74th Constitutional Amendments demonstrate how constitutional protection can be established nationally. Pakistan should go further by fixing these guarantees uniformly across the country, but the mechanism requires political and legislative prudence. Local government is not enumerated in the Federal Legislative List, so the power to legislate on it rests exclusively with the Provincial Assemblies. Ordinary federal legislation cannot establish a national system.[48] Article 144 allows Parliament to legislate on a provincial subject where Provincial Assemblies invite it to do so, but the same provision permits any Province to amend or repeal the resulting law as it applies to that Province, which would leave a national statute less secure than the provincial laws it replaced.[49] The durable route is an amendment to Article 140-A. The guarantees set out above would be written into the Constitution as a minimum. Details above that minimum would remain a matter for ordinary legislation.[50] This gives Local Government the same constitutional security as the other tiers of government. Pakistan has also seen movement in this direction. In October 2025, the Punjab Assembly unanimously called for stronger constitutional protection of Local Governments, while a constitutional amendment bill introduced in the Senate in 2023 proposed an expanded framework and a schedule specifying Local Government functions.

[48] Constitution of the Islamic Republic of Pakistan, Article 142(c): a Provincial Assembly "shall, and Majlis-e-Shoora (Parliament) shall not, have power to make laws with respect to any matter not enumerated in the Federal Legislative List." Article 143 does not assist, as it operates only where Parliament is competent to enact.

[49] Constitution, Article 144, which provides that any Act so passed "may, as respects any Province to which it applies, be amended or repealed by Act of the Assembly of that Province." The corresponding provision in India, Article 252, has been used sparingly for the same reason.

[50] A private member's Constitution (Amendment) Bill introduced in the National Assembly in August 2025 adopts this approach, revising Article 140-A and inserting a new Article 160A on Local Government finances and Provincial Finance Commissions.

One Territorial Framework for Census, Elections and Local Government

A second requirement is less often discussed but equally fundamental. Pakistan currently maintains three parallel systems for dividing the same territory. The Pakistan Bureau of Statistics divides the country into census charges, circles and blocks for enumeration; in 2023 these blocks were digitally mapped and geo-tagged, and the national area frame comprised approximately 182,000 of them, averaging in the order of 210 households each.[51] The Election Commission separately delimits National and Provincial Assembly constituencies under the Elections Act 2017, which requires that population variation between constituencies should not ordinarily exceed ten percent.[52] Local Government units are defined under each province's own local government law, with population ranges that differ between provinces and change frequently, as the recent revisions in Punjab and Khyber Pakhtunkhwa illustrate.

Because these frameworks are drawn by different authorities, for different purposes, on different criteria and at different times, their boundaries do not nest within one another (Figure 5). The consequences are practical. Census and survey data cannot be reliably aggregated to the unit that actually delivers services, making it difficult to determine reliably, from published statistics, how many people, school-age children or households without piped water fall within a particular Union Council. This weakens local planning, budgeting and performance comparisons. Electoral and service boundaries diverge. And because Local Government delimitation is tied to provincial law rather than to a stable statistical base, every amendment to that law requires the exercise to begin again, which has been a recurring cause of postponed elections.

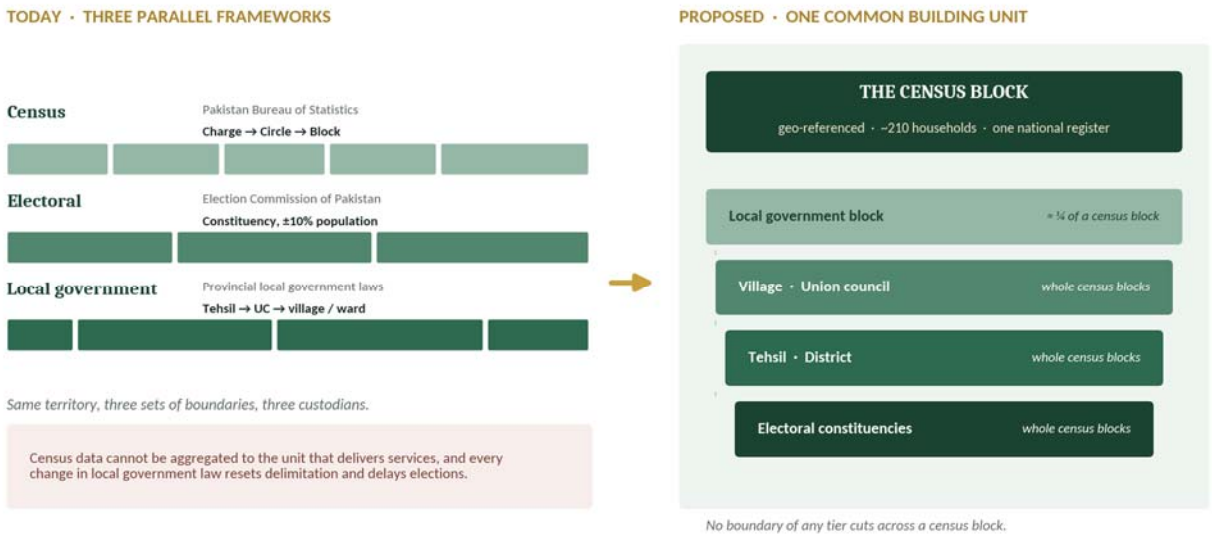


Figure 5. *Three parallel territorial frameworks, and a single building unit that would reconcile them.*

The remedy is to adopt one common building unit. The geo-referenced census block should become the standard territorial unit of the state, maintained by the Pakistan Bureau of Statistics in a single national register and shared with the Election Commission and the departments responsible for Local Government. Every Local Government tier and every electoral constituency should then be formed by aggregating whole census blocks, with no boundary of any tier cutting across a block. The proposed Local Government block of approximately

[51] Pakistan Bureau of Statistics, *7th Population and Housing Census 2023 — Provincial Census Report*, describing the division of census districts into charges, circles and blocks and the digital mapping of the area frame. Average block size derived from the national total of 38.3 million households.

[52] Elections Act 2017, Sections 17 and 20; on compliance with the ten percent rule in the 2024 delimitation, see Free and Fair Election Network (FAFEN), *General Elections 2024: Delimitation of Constituencies*, February 2024.

fifty households would be defined as an exact subdivision of a census block, so that four or five of them nest within one. The census is a subject of Part II of the Federal Legislative List and therefore falls within the remit of the Council of Common Interests, which could adopt this alignment without requiring a constitutional amendment.[53] Blocks would be revised only with the decennial census, and the register would record for each block its population, households and the tiers to which it belongs.

The proposed framework would primarily improve administrative coordination, planning and the consistency of territorial boundaries. Population and service data would flow directly from the census to the Local Government responsible for delivery. Delimitation at every level would become a largely arithmetic exercise conducted on a published dataset rather than a discretionary one repeated under each new law, compliance with the ten percent population rule would be independently verifiable, and the practice of redrawing Local Government units shortly before elections would become considerably harder to sustain. Establishing this register should form part of the first phase of the transition.

Revenue and Fiscal Arrangements

Districts would require sufficient own-source revenue to exercise meaningful financial authority. The principal source would be a property tax on non-public property, collected and retained within the district rather than administered by a provincial department. This would be supplemented by levies on land and property transactions, business licenses, tolls, parking and development impact fees. The proposed framework also provides for a 3 percent local sales tax and a 2 percent security levy to finance local policing. These measures would require harmonization with federal and provincial taxation arrangements, including the broader fiscal framework established through the National Finance Commission (NFC). Property tax revenues would be returned in full to the tehsil in which they are collected, strengthening the link between local taxation and local services. Other district taxes and fees would be distributed among tehsils through a transparent formula: 25 percent by population, 25 percent by area and 50 percent by each tehsil's share of the district economy (Figure 6). Research by Muhammad Mujtaba Piracha shows how centralized property-tax administration and divided institutional responsibilities weaken incentives for effective revenue collection.[54] This reinforces the need to align local revenue authority with responsibility for local services. Financial autonomy must, however, be accompanied by effective collection and realistic service charges. Local Governments should therefore be required to publish their collection efficiency, service costs and cost-recovery performance, so that citizens can judge both the taxes they pay and the services they receive.

[53] Census is a subject of Part II of the Federal Legislative List and therefore falls within the remit of the Council of Common Interests under Article 154 of the Constitution.

[54] Muhammad Mujtaba Piracha, *Property Taxes and State Incapacity in Pakistan* (Karachi: Oxford University Press, 2021).

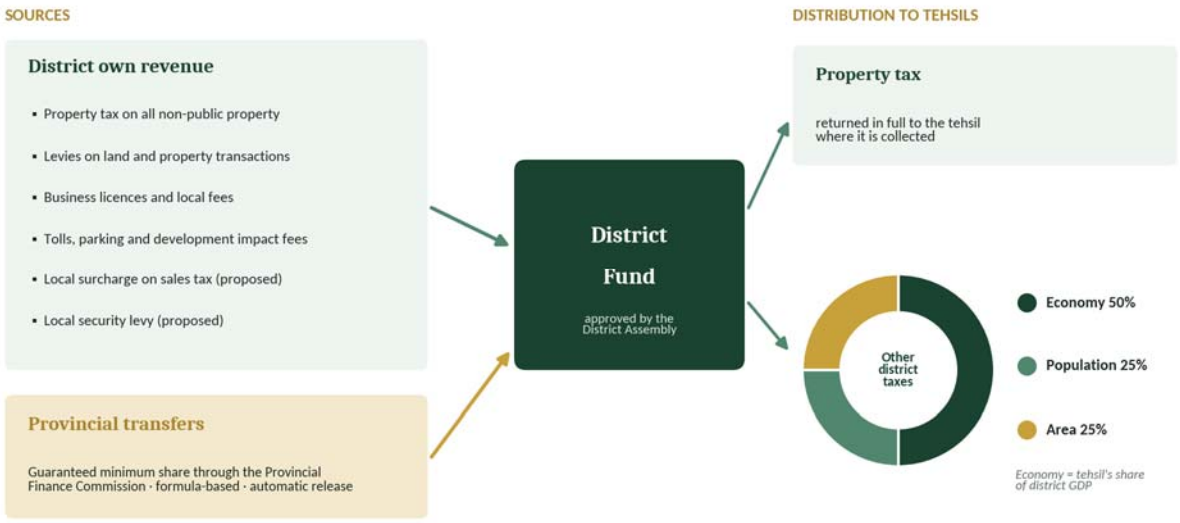


Figure 6. *How districts would be financed and how resources would reach tehsils.*

Own-source revenues would be complemented by a constitutionally guaranteed share of provincial resources, distributed among districts by the Provincial Finance Commission through a published formula and released automatically each quarter. Experience from the Philippines and Kenya demonstrates the importance of both a guaranteed share and predictable release of intergovernmental transfers.[55] Such arrangements allow Local Governments to plan expenditure with greater certainty and reduce their dependence on discretionary releases by higher tiers of government. A defined minimum share of each Local Government's budget should be reserved for training and institutional development, so that capacity building is financed as a standing obligation rather than from residual funds.

The Transition Roadmap

The transition would be implemented over one electoral cycle through four overlapping phases (Figure 7). The first phase would establish the legal and institutional foundations, including constitutional reform, new provincial Local Government laws, the unified block register, delimitation on that basis, and the recruitment portal. The second phase would hold block and mayoral elections, constitute District Boards, recruit District Managers and complete the first round of induction training for newly elected representatives. The third phase would transfer relevant departments, staff and budgets to districts, discontinue the Deputy Commissioner as a parallel executive, and transfer district policing and property tax administration to Local Governments. The transfer of local tax administration would be phased, using existing provincial records, collection systems and personnel wherever practicable, with responsibility transferred as district revenue capacity is established. The fourth phase would extend devolution below the district as elected representatives and relevant officials at tehsil, UC and village levels complete the required training and certification and develop the capacity to assume additional functions, followed by the first independent review of the system.

[55] Constitution of the Philippines, Article X, Section 6; Constitution of Kenya, 2010, Articles 202, 203 and 219.



Figure 7. *A phased transition over one electoral cycle.*

Addressing Key Concerns

Will urban municipalities be abolished? No. Existing territorial arrangements would generally be retained, but the administrative structure would reflect local conditions. Urban and rural areas require different service models, staffing and infrastructure. We propose classifying settlements with populations above 500,000 as urban centers, above 1 million as cities, and above 5 million as megacities, with progressively specialized arrangements for transport, land use, waste management, utilities and metropolitan coordination. Pakistani law and official statistics do not define these categories. The thresholds are therefore a proposal. Giving them effect would require definition in the Local Government law, application to the settlement or metropolitan agglomeration, not to the district, and revision at each census.

What would be the relationship with the province? Provincial oversight would operate through the Chief Minister's Office, the proposed monitoring framework and applicable law, rather than through direct administrative control by the Chief Secretary and provincial bureaucracy. Provincial powers to suspend an elected Local Government would be limited to legally defined grounds and subject to judicial process.

Do districts have the capacity to assume these responsibilities? Capacity would not be assumed to exist uniformly from the outset. Functions, staff and resources would initially be transferred at district level, supported by competitive recruitment, mandatory certification and professional development. Further devolution to tehsils, Union Councils and villages would proceed as capacity is demonstrated.

How would functions extending across district boundaries be managed? Services and infrastructure spanning several districts could be managed through inter-district arrangements or remain at the provincial level where scale and coordination require it. The principle would be to assign each function to the lowest level capable of performing it effectively.

Would stronger Local Governments increase the risk of local elite capture? The risk cannot be eliminated through institutional design alone. The proposed system would seek to reduce it through small electoral constituencies, direct representation, transparent budgets and performance information, independent monitoring and a professional administration accountable for measurable results.

Would caste or biradari voting leave smaller groups unrepresented in rural areas? Caste discipline has weakened appreciably as mobile telephony and internet access have reached deep into rural Pakistan, exposing a younger electorate to influences beyond the village. Small constituencies reinforce that shift: because the block is drawn at the scale at which communities actually live, groups that would be submerged in a larger ward retain representation on the Village Council.

SECTION SIX

Conclusion

From Administered Subjects to Self-Governing Citizens

Pakistan has established Local Government systems at different points in its history, but has not succeeded in making Local Governments a stable and autonomous tier of the state. Local administration has remained substantially dependent on provincial authority, with elected institutions repeatedly interrupted and important functions continuing to be exercised through provincial administrative structures.

This is a relatively recent condition. For centuries, village affairs in this region were managed by councils that raised and apportioned revenue, kept the village record and settled local disputes. That authority was not withdrawn by any deliberate decision of the people it served; it was transferred to a salaried administration designed for a different purpose. The reform proposed in this paper therefore seeks less to introduce a new institution than to restore an old function in a form appropriate to a modern state: elected rather than inherited, open to women and the landless, bound by statute and audits, and supported by professional administration.

The proposed structure would begin with representation at the community level and extend through villages, Union Councils and tehsils to the district. A directly elected Mayor would provide political leadership, while a professional District Manager would be responsible for administration and service delivery. Greater control over local revenues, formula-based provincial transfers, independent performance monitoring and constitutional safeguards would provide the institutional foundations required for Local Governments to function with greater continuity and accountability. A single territorial framework for the census, elections and Local Government would align representation, planning and service delivery on the same geographic boundaries, and sustained investment in training would ensure that those elected and appointed to run the system are equipped to do so.

The proposed reforms also connect directly with the wider agenda of this series. The specialist public service proposed in the first paper would require many functions currently exercised through provincial administrative structures to move to empowered Local Governments. Similarly, the population strategy proposed in the second paper depends on effective outreach and service delivery at the household and community levels. Both therefore require capable and accountable institutions below the provincial level.

The Eighteenth Amendment of 2010 substantially strengthened provincial autonomy within Pakistan's federal system. The next stage of devolution is to establish an equally durable framework for transferring appropriate political, administrative and financial authority from the provinces to elected Local Governments. Doing so would give practical effect to Article 140-A and establish Local Government as a functioning and enduring tier of the state.