Final report

State capacity in Punjab's local governments

Benchmarking existing deficits

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June 2019

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STATE CAPACITY IN PUNJAB'S LOCAL GOVERNMENTS: BENCHMARKING EXISTING DEFICITS◆

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This Version: August 2019

Abstract

As the developing world urbanizes, there is increasing pressure to provide local public goods and local governments are expected to play an important role in their provision. However, there is little work on the nature of of capacity deficits faced by local governments and whether these deficits are acting as a constraint on performance. We use financial accounts data from Punjab's local governments for 2018-19 to measure their ability to utilize budgets and find that there is considerable variation in this metric across local governments. We supplement this with a management survey with the top managers whose decisions affect budget utilization in a random sample of 129 out of 193 urban local governments in Punjab. We find that the capacity deficits in local governments are particularly challenging in terms of human resource capabilities, the adoption of automated systems, and legal and enforcement capacity. We also find that better human resource capabilities and the use of managerial incentives are positively correlated with budget utilization. Our evidence provides new insights on the importance of management and human resource capabilities and systems capacity in local governments in a developing country setting.

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Contents

1. Introduction

There has been growing interest among social scientists in understanding the relationship between state capacity and economic development (Besley and Persson 2011, Acemoglu and Robinson 2012, Pepinsky et. al. 2017, Rasul and Rogger 2016 and Rasul et. al 2017). There are many strands of this literature. One of these strands focuses on analyzing the performance of bureaucracies, which is considered a critical element of state capabilities (Rasul and Rogger 2016 and Rasul et. al 2017). Building effective bureaucratic capabilities matters for effective service delivery, the quality of regulation, and the ability of governments to raise revenue (Duflo et al. 2018, Khan et al. 2016, 2019). In Russia, 60 percent of the price variation in standard procurement contracts is due to the ability of individual bureaucrats and the quality of the organizations in which they work (Best, Hjort, and Szakonyi 2017). If the worst-performing 20 percent of bureaucrats can be made as effective as the median bureaucrat, the Russian government would save 10 percent of its procurement costs.

The ability, motivation and productivity of bureaucrats are often mentioned as key determinants of governments' ability to implement policies and to effectively deliver infrastructure and services to citizens (World Bank 2019). Recent literature has focused on middle-tier bureaucrats in central government service in developing countries (Bertrand et. al. 2016, Finan et. al. 2016, Rasul and Rogger 2016 and Rasul et. al 2017). There is, however, little evidence in the literature about the effectiveness of local government capacity in weak institutionalized settings.

The challenge of building state capacity to deliver services has acquired greater salience for many developing countries including Pakistan. As the developing world urbanizes, there is increasing pressure to provide local public goods that allow people to live in dense communities. Given the externalities involved, local government is likely to play a large role in the provision of these services. Most current studies of the provision of local public goods start by assuming a competent local government and then set out to understand how incentives and institutions facilitate or hinder public good provision. However, both anecdote and evidence suggests that it is premature to assume that government has the capacity to provide basic services. What is hard is unpacking and unpacking the relevant dimensions of organizational capacity, understanding the interaction with incentives, and coming up with

feasible interventions to build organizational capacity given that copying best-practice solutions from elsewhere does not seem to work and may undermine building of actual capacity to deliver by fostering isomorphic mimicry to gain organizational legitimacy (Andrews, Pritchett and Woolcock 2017).

In Pakistan, an institutionalized and empowered local government system in Punjab and Khyber Pakhtunkhwa (KP) provinces has emerged as a major manifesto and reform commitment of the recently elected provincial governments in these provinces.

In line with this, the Government of Punjab passed the Local Government Act 2019 (PLGA 2019) on 30th April, 2019 which, among other things, commits to a minimum devolution of 26% of general revenue receipts of the province to local governments. This is a significant step towards fiscal devolution as it will increase the funds available to local governments by 8 times compared to the amount disbursed in 2017-18 by the previous government.

The history of local governments in Pakistan shows a countercyclical pattern of national and local democracy (Cheema, Khan and Myerson 2015) with military regimes creating non-partisan elected institutions of local government and subsequent civilian governments either disbanding these institutions or weakening their remit through the centralization of functions and finances. Recent years have, however, seen a revival of interest in empowering local governments. This is a consequence of the enactment of Article 140-A of the Constitution in 2010, which requires provincial governments to devolve political, administrative and financial responsibility to elected local governments. While the ruling Pakistan Tehreek-i-Insaf (PTI) had emerged as a protagonist of local government reform as early as 2013, the other mainstream parties have lacked enthusiasm for introducing wide ranging devolution during their time in power.

An important policy reason given by opposition parties for this reluctance is the weak governance capacity at the local level, which they argue will increase leakages and inefficiency in service delivery. While protagonists recognize the importance of building local government capacity as a pre-condition for success, they also point to institutional distortions in provincial-local government relations that have weakened the functioning and capacity of local governments. However, there is little evidence and analysis in the debate about which

elements of local government capacity are functional and which elements remain dysfunctional.

The current paper aims to address the evidence gap in the policy debate. It does this by analyzing the evidence on the performance of local governments in terms of their capacity to utilize budgetary funds. Section 3 analyzes whether certain types of local governments perform worse than others in terms of budget utilization. This section uses a primary dataset of annual fiscal accounts of local governments prepared by the Local Fund Audit Department. The main insight of the section is that there is huge variation in budget utilization capacity across local governments, which is weakly correlated to local government size. These findings set the context for section 4, which analyses the types of capacity deficits faced by urban local governments that may be constraining their performance. The section analyses capacity challenges faced by local governments in terms of human resource capabilities, organizational capacity and budgetary and financial management capacity. It also looks at the constraints imposed by political interference. This section uses a primary survey of 265 top managers of key local government offices that include the Chief Officer, Municipal Officer Finance, Municipal Officer Infrastructure, Municipal Officer Planning, Municipal Officer Regulation and Municipal Officer Services. The survey was conducted with the managers of these 6 offices in a random sample of 129 out of 193 urban local governments in Punjab. The survey conducted in collaboration with the Local Government and Community Development (LGCD) Department elicits responses on different dimensions of local government management capacity and performance. The aim of the section is to identify elements of capacity that have wider deficits than others. Section 5 puts these capacity challenges into perspective and analyzes the correlations between Local Government (LG) performance and different dimensions of capacity. Section 6 presents the implications of this evidence for an institutional and capacity building reform agenda. The next section describes the structures of local governments before and after the passage of PLA 2019.

2. The Structure of Local Governments

Two local government bills have been introduced in Punjab in the current decade. The Punjab Local Government Act (2013) was enacted by the previous Pakistan Muslim League (N) government, while the Punjab Local Government Act (2019) was passed by members of the ruling PTI government in Punjab and their coalition partners. This section describes the local government structure that was institutionalized under PLGA (2013) as the analysis in this paper relates to local governments functioning under this law. However, the section also describes the salient changes that will be brought about by PLGA (2019) to provide a context for the future implications of the findings.

2.1: PLGA (2013): Basic features

An important feature of PLGA (2013) was the creation of separate local governments for rural and urban areas. Urban local governments consisted of: (1) municipal committees (MCs) for urban areas with a population between thirty thousand and five hundred thousand[1] and (2) municipal corporations (MCorp) for urban areas with a population greater than five hundred thousand[2] (Figure 1). The capital city district of Lahore with a population of 11.1 million was designated a metropolitan corporation under the law. The residual rural area of every district was classified as a Zila (district) Council (ZC), which was the basic unit of rural local governments (Figure 1). These local governments were placed under the direct political authority of elected local governments and were granted service delivery, regulatory and revenue powers.

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[1] Section 11(2)(c) of PLGA (2013). Under the law the government, however, retained the authority to notify an urban area with a population of less than thirty thousand to be a MC.
[2] Section 11(2)(d) of PLGA (2013). Under the law the government, however, retained the authority to notify an urban area with a population of less than five hundred thousand to be a MCorp.

Figure 1: Structure of local governments under PLGA (2013)

District

Elected Urban Governments

Elected Zila (rural) Governments

Municipal Committees

Metroploitan or Municipal Corporations

Union Councils

Wards

Union Councils

District Health Authories

District Education Authories
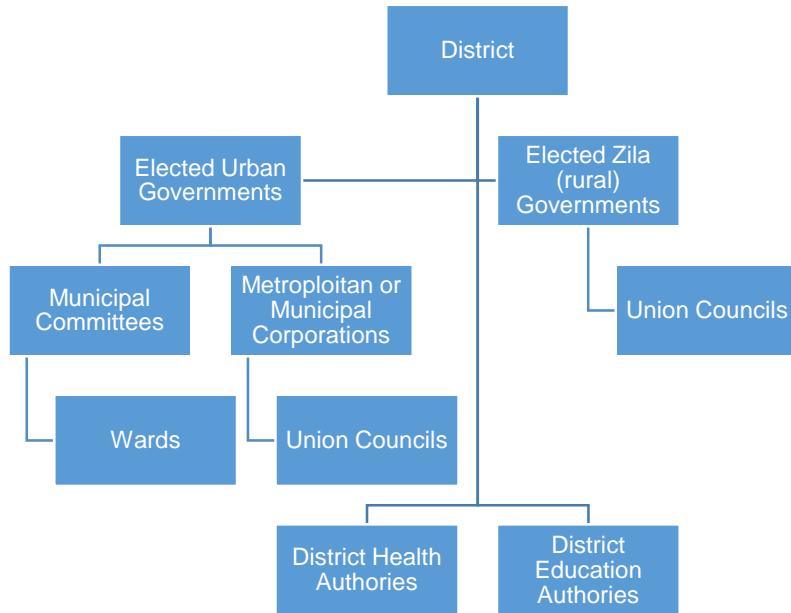
In addition, the law created separate district education and district health authorities[3] that were delegated provincial functions related to education and health but were not placed under the direct political authority of elected local governments. In Pakistan, districts are the most important units of civil administration at the provincial level and typically consist of multiple cities and urban towns of different sizes along with designated rural areas. Punjab, for instance, consists of 36 districts that are subdivided into 144 tehsils, which is a lower sub-unit of provincial civil administration [4].

Another important feature of PLGA (2013) was that local governments were headed by chairpersons (or mayors) who were indirectly elected by members of the local council of a rural or urban area. In MCs, members of the council were elected on a partisan basis through plurality elections from single-member electoral wards. In ZCs and MCorps, citizens directly elected councilors and chairpersons of a smaller unit of local government called 'union councils,' (UCs) and directly elected chairpersons of all UCs in a ZC or MCorp became members of the council. The main difference between a ward and a UC is that the former is only a local electoral constituency, whereas a UC is both an electoral ward and also a smaller unit of local

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[3] Section 11(1)(e) of PLGA (2013).
[4] The population of an average district in Punjab is 3 million and the population of an average tehsil is slightly more than 0.7 million.

government with a limited assignment of functions. Figure 2 gives a schematic description of the local electoral system under PLGA (2013).

Figure 2: Local electoral system: PLGA (2013)
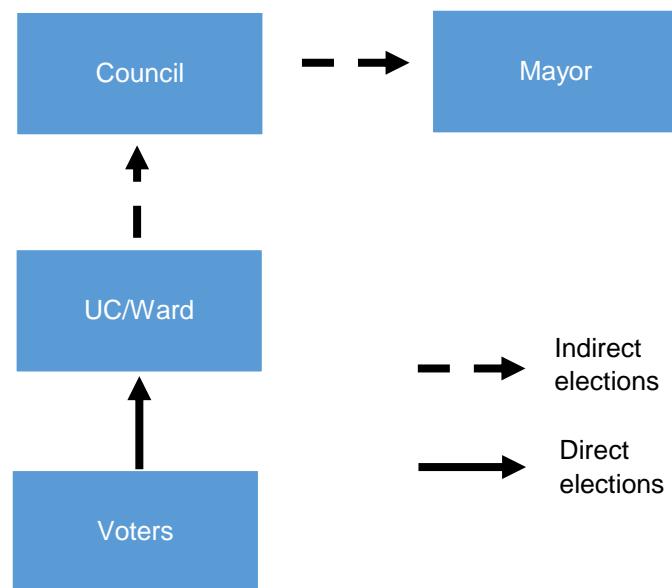
PLGA (2013) thus created 35 Zila councils or rural local governments and 194 urban local governments that were governed through a weak-mayor form of government (Gaebler and Roesel 2019, Sweeting 2017, Schragger 2006) with a mayor lacking the power to veto council votes on matters related to budgets, development planning and setting local tax rates.

2.2: PLGA (2019): Basic features

PLGA (2019) has maintained the separation of urban and rural local governments created under the previous law. However, it has multiplied the number of rural local governments by stipulating that in every district, rural local governments will be created at the level of tehsils instead of districts (Figure 3). It has also abolished district education and district health authorities and devolved education to rural and urban local governments or joint authorities[5] of these governments, whereas functions related to health have been reassigned to the provincial level.

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[5] Chapter VII of PLGA (2019) deals with joint authorities.

Figure 3: Structure of local governments under PLGA (2019)
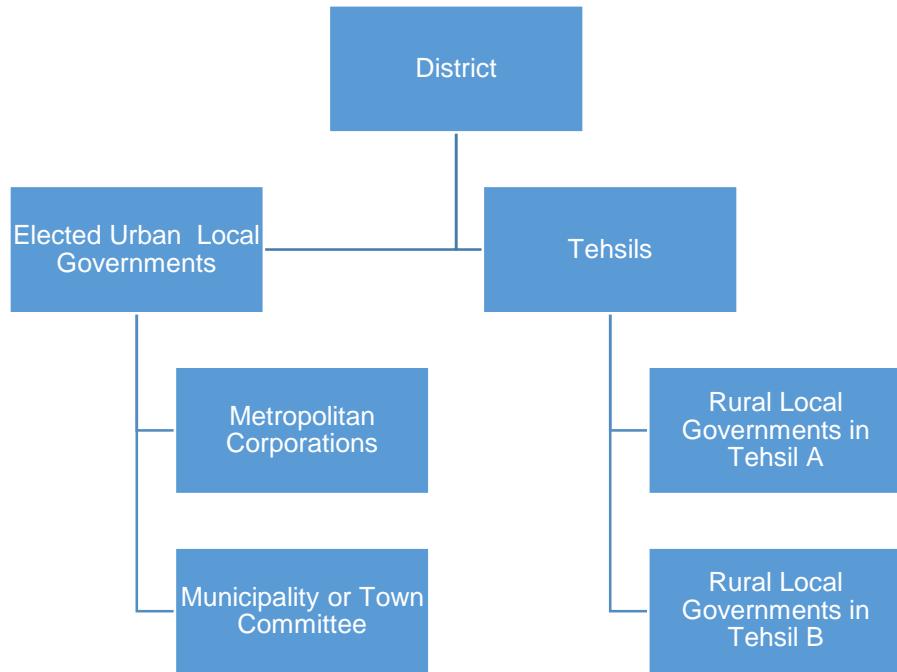
PLGA (2019) has also changed the classification of urban local governments. It has classified nine cities as metropolitan corporations[6]. The remaining urban areas with a population of 75,000 or more and urban areas designated as tehsil headquarters have been classified as municipalities. It has also recognized urban areas with a population of 20,000 or more that don't fall in the previous two categories as town committees.

Figure 4 shows that these changes have proliferated the number of local governments in Punjab under the 2019 Act. Whereas the number of urban local governments has increased by 27 to a total of 221 relative to 2013, the law will lead to a proliferation of an additional 104 rural local governments to a total of 139.

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[6] These include the district of Lahore and the cities of Bahawalpur, Dera Ghazi Khan, Faisalabad, Gujranwala, Multan, Rawalpindi, Sahiwal and Sargodha.

Figure 4: Number of local governments under the two laws
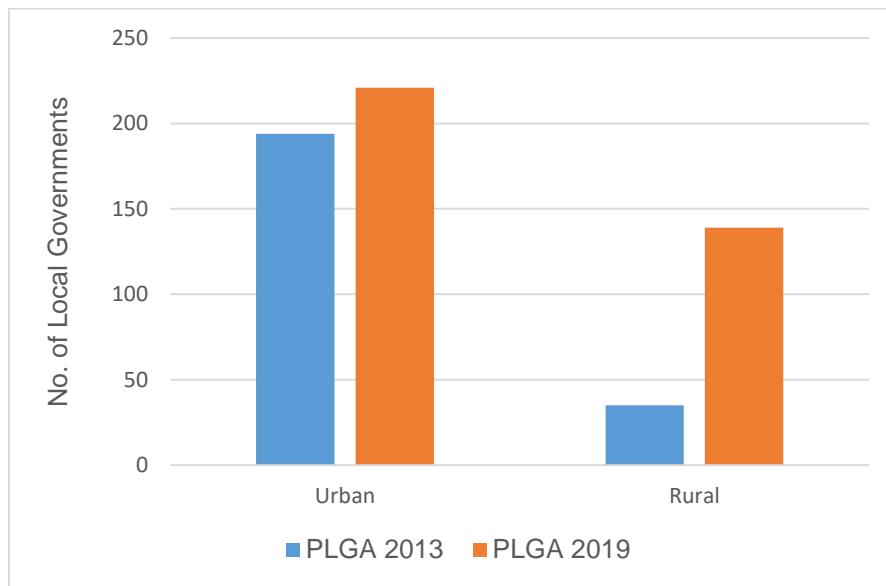
Source: LGCD and Population Census (2017)

However, PLGA (2019) has radically changed the model of local governance in Punjab by adopting a strong mayor-council model of government (Gaebler and Roesel 2019, Sweeting 2017, Schragger 2006). The Act has introduced direct elections of mayors[7] on a partisan basis in both rural and urban local governments, which is considered a key feature of the strong mayor-council model (figure 5). Under the new law, local councilors will be directly elected on the basis of a partisan closed list proportional representation system[8] (figure 5). This implies that an entire local government area will be a single member ward for the election of the mayor and a multi-member ward for councilor elections. The expectation is that the new electoral system will result in competitive mayoral contests in local elections as the electoral competition was intense in a majority of Punjab's constituencies in the 2018 General Election.

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[7] Section 83(2) of PLGA (2019).
[8] Section 83(3) of PLGA (2019).

Figure 5: Local electoral system: PLGA (2019)
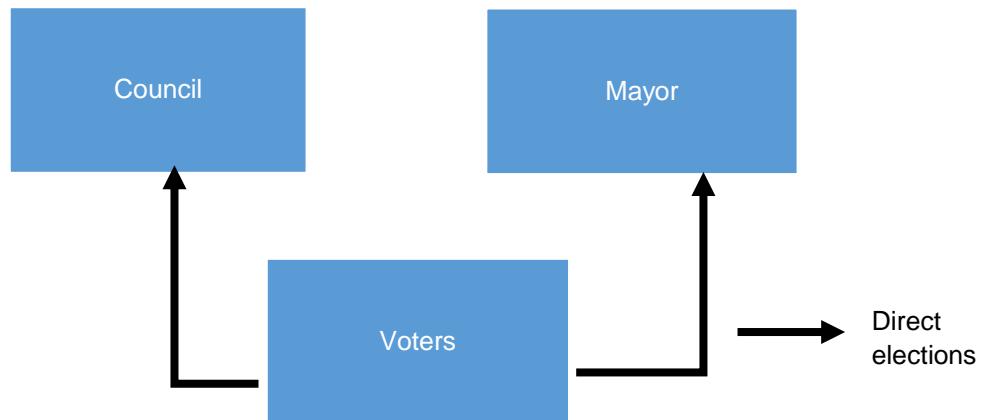
PLGA (2019) has also created a separation of executive and legislative functions, which is another important feature of a strong mayor-council model. Executive functions have been assigned to the office of the mayor, while the unicameral council has been assigned legislative and oversight functions. The power to propose the budget, development plans and the spending plan falls under the purview of the mayor[9] whereas the council has the power to approve and review mayoral actions[10] and the power to bring a vote of no-confidence against the mayor[11]. Finally, the new law allows a mayor to appoint a cabinet consisting of elected councilors and unelected professionals[12], which is another feature that is found in international examples of the strong mayor-council model.

2.3: Devolution of finances and the human resource function: comparison of the two laws

The main instrument of fiscal devolution under both laws is the Finance Commission (PFC) Award. Both laws require the Punjab Government to institutionalize an independent Finance Commission consisting of government and independent members[13]. The main function of the Finance Commission is to recommend a rule-based fiscal transfer award that determines the

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[9] Section 42 of PLGA 2019 describes the duties and powers of the mayor. Sections 131, 157 and 251 give the mayor the powers to propose the budget, local tax procedures and local development plan respectively.
[10] Section 18(c) of PLGA 2019 describes the duties of councilors. Sections 131, 157 and 251 describe the powers of the council to review and approve the budget, local tax procedures and local development plan respectively. Section 202 describes the power of the council to remove a mayor.
[11] Section 42 of PLGA 2019 describes the duties and powers of the mayor. Sections 131, 157 and 251 give the mayor the powers to propose the budget, local tax procedures and local development plan respectively.
[12] Section 19 of PLGA 2019 describes the composition of the mayoral cabinet.
[13] Chapter XIV of PLGA (2013) and chapters XXII and XXIII of PLGA (2019) deal with the Finance Commission.

distribution of provincial revenue receipts between the provincial and local governments as well as the horizontal distribution of local transfers between local governments.

An important difference between the two laws is that PLGA (2019) has introduced a provision that requires the Punjab Government to devolve at least 26% of its general revenue receipts to elected local governments[14]. PLGA (2019) is a significant step towards fiscal devolution as it will increase the funds available to elected local governments by 8 times compared to the amount disbursed in 2017-18 under the previous government. This provision is a response to the tendency of provincial governments to devolve meagre funds to local governments. During 2017-18 the last year of the previous government, 43.5 billion was transferred to elected local governments, which was considered meagre by the Punjab Finance Commission (PFC). The 2018-2023 PFC Award instead recommended that 108.5 billion be transferred to elected local governments in 2018-19 Therefore, if PLGA (2019) is implemented, it will result in a substantial transfer of finances to local governments.

However, there is also a history of weak institutionalization of rule-based fiscal transfers in Pakistan. The draft report of the Punjab Finance Commission (PFC 2018) written during the tenure of the last government highlighted a number of institutional risks related to provincial control over local government transfers. The PFC noted that the Commission's meetings were not being called on a regular basis by the provincial government, which compromised its oversight role in ensuring that the terms of the PFC Award were being met and any shortcomings in it could be corrected without delay. The report's findings imply that provincial control over the release of funds may result in constraining local governments from planning and implementing their spending plans effectively. The Finance Commission also documented the practice of the government encroaching on local government revenue bases and functions and assigning them to provincial companies and authorities. It is estimated that reassigning encroached functions back to local governments would increase the vertical transfers to local government by 6% of provincial revenues. It observed that it was important to address these institutional risks as they were affecting the functioning of local governments. As the PLGA (2019) rules of business are under formulation, it is unclear whether these distortions related to provincial control will be mitigated in the new system.

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[14] Section 189(1) of PLGA (2019).

Both laws give limited authority over hiring and firing of personnel and creation of new posts and no authority over personnel pay to local governments. Any action pertaining to hiring, firing and creation of new posts requires the consent of the provincial government. While PLGA (2019) grants mayors the authority to conduct the annual performance review of the administrative head of local government, it is unclear whether he can prescribe suspension or transfer an officer on grounds of performance or reward good performance. The new law appears to continue with the practice of maintaining provincial control over the human resource function of local governments.

## 3. Budget Utilization: Performance Across Local Governments

The performance of local governments can be assessed on several outcomes that are linked to their functions for which these governments are provided resources. We start off with a basic question that is testable using administrative data: how well did elected local governments perform in terms of utilization of budgetary funds during the tenure of the last government? It is important to analyze the fund utilization capacity of local governments as PLGA (2019), if implemented, will devolve a much larger share of provincial resources to local governments. International evidence suggests that direct mayoral elections tend to have much more salience with voters (Sweeting 2017). Therefore, citizens' expectations from the state are likely to be high, especially given the intensity of electoral competition in Punjab. Hence, it is important that local governments have the capacity to spend resources efficiently.

While budgetary utilization is not an ultimate outcome of interest, it is a necessary condition for local governments to perform, and given the weak linkage between actions and final outcomes in many sectors, it provides a clear signal of the performance capacity of these governments.

We answer this question using the annual fiscal accounts of all urban and rural local governments created under PLGA (2013) for the fiscal years 2017-18 and 2018-19 prepared by the Local Fund Audit Department. We restrict our analysis to 2018-19 because we have data for the whole fiscal year.

We find that there was tremendous variation in the capacity of local governments to utilize funds assigned to them in 2018-19 (Figure 6). There is a cluster of low performing local governments that were unable to utilize even half their funds; in contrast there is a decent cluster that was able to utilize between eighty and hundred percent of the funds assigned to them. While there is a negative correlation between the size of a local government and its ability to utilize funds, this can only explain a small portion of the variation in the utilization of budgetary funds.

Figure 6: Budget utilization and local government size
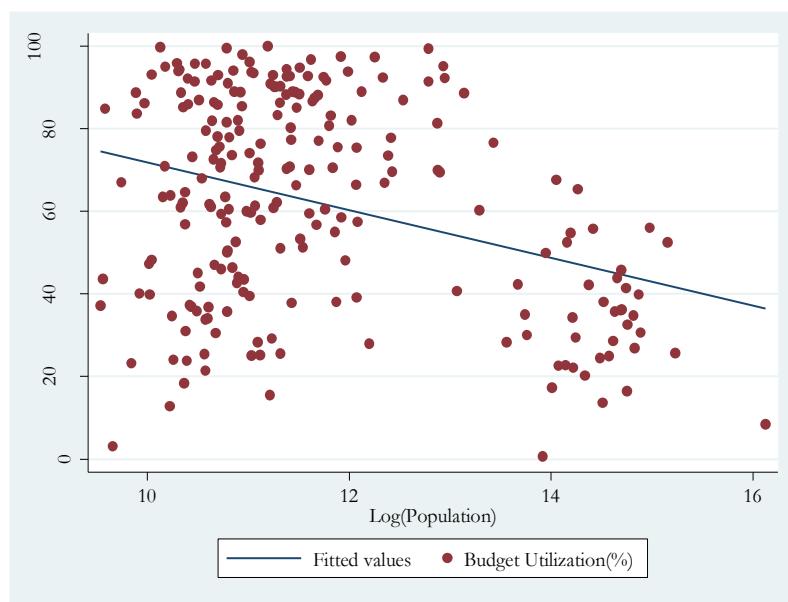
Source: Local Fund Audit Data and Census (2017)

However, we do find a big difference in the ability of rural and urban local governments to utilize funds. Figure 7 shows that the median rural local government utilized only 33% of its funds, whereas the median urban local government had a utilization of 71%. This has important implications for the 2019 local government reform as it has increased the number of rural local governments by more than 3 times.

Figure 7: Budget utilization by local government type
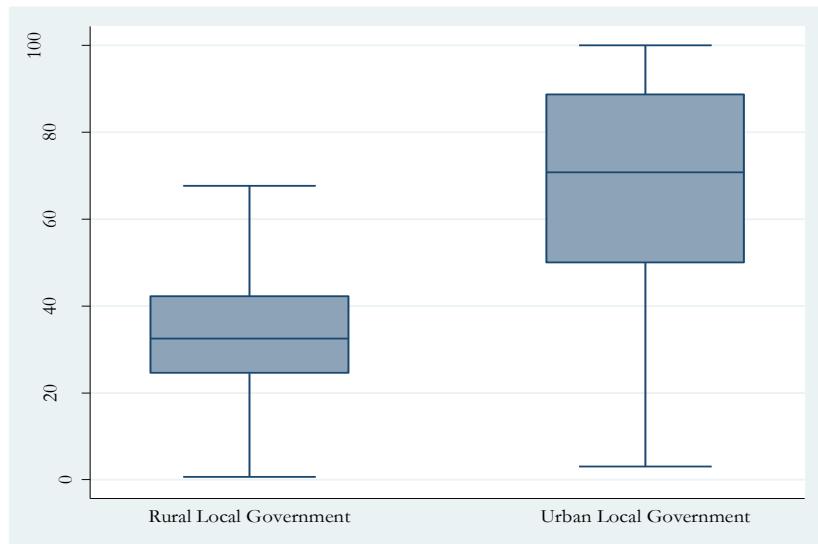
Source: Local Fund Audit Data

This evidence seems to suggest that the impact of the 2019 local government reforms is going to be low unless, at a minimum, measures are taken to improve the capacity of local governments in Punjab to utilize budgetary resources and ensure efficiency of spending plans.

4. State Capacity Challenges in Punjab's Local Governments

Given the evidence in section 3, it is important to ask what types of capacity deficits are constraining local governments. We answer this question for urban local governments using a primary survey of 265 top managers serving in 6 key positions in a random sample of 129 out of 193 urban local governments in Punjab. It was conducted in collaboration with the LGCD and elicits information from the top bureaucrats of local government on several dimensions of capacity and related themes, including organizational planning, bureaucratic autonomy, budgetary utilization, human capital, physical and managerial capital, incentives, interactions with politicians and citizens, and project implementation. The survey is motivated by the World Management Survey[15] and further adapted to the conditions of the public sector in Pakistan. The survey was two hours long on average, and to the best of our knowledge constitutes the first extensive survey of its type in Pakistan. The survey was

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[15] https://worldmanagementsurvey.org/

conducted between October 2018 and April 2019. We only conducted the survey with officers of urban local governments as our research is focused on urban local governments. In particular, we use the survey data to identify capacity challenges faced by urban local governments in the areas of human resource capabilities and organizational, budgeting and financial management capacity. We also use survey data to analyze the constraints imposed by political interference.

4.1: Ranking the severity of capacity deficits

The survey asked our respondents to rate whether the institutional capacity of their local government was weak or strong on a scale of 1 (extremely weak) to 5 (very strong) in the areas of human resources, adoption of modern automated systems, legal and enforcement capacity, planning, financial management and the delivery of services. Figure 8 reports the percentage of respondents who said their local government had weak capacity in each area. In the view of our respondents, the most severe capacity constraints exist in human resources with 84% saying that their local government lacks functional human resource capabilities. This is followed by the weak adoption of modern automated systems and legal and enforcement capacity. Between 50-63% of local government bureaucrats state that their local government has weak financial management and planning capacity, while less than 50% report having weak service delivery capacity.

Figure 8: Institutional capacity deficits in urban local governments
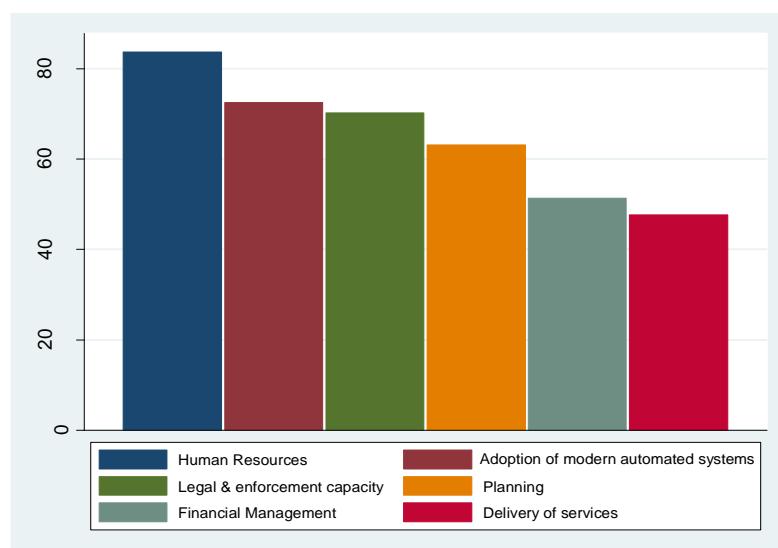

Source: Punjab Local Government Management Capacity Survey 2018.

This suggests that at least in the view of senior local government bureaucrats, the most binding capacity constraint relates to human resource capabilities followed by the lack of adoption of automated systems and weak legal and enforcement capacity.

4.2: Understanding human resource challenges

The survey asked the top managers in our sample of urban local governments to rank the skill level of their subordinates on a scale of 1 (poor) to 10 (high). Less than 10% of our respondents give a skill level of 9 or 10 to their subordinate staff (figure 10).

Figure 9: Skill level of subordinate staff in the top 6 local government offices
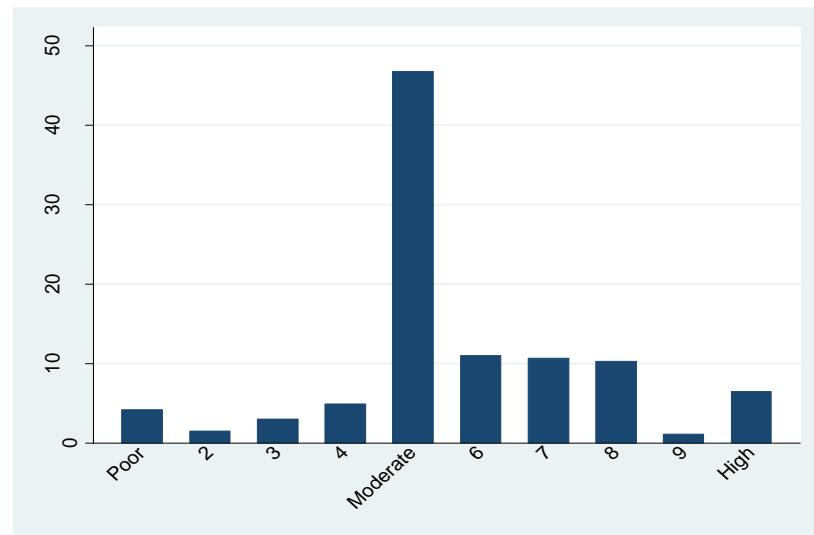
Source: Punjab Local Government Management Capacity Survey 2018.

We probe this question further by asking respondents that out of every 10 subordinates, how many would be able to write an office memo? Less than 21% of our respondents say that over 30% of their staff will be able to write a memo (Figure 10). This evidence points to extremely severe human resource deficits within the key offices of local government.

Figure 10: Out of every 10 subordinates how many can write a memo?
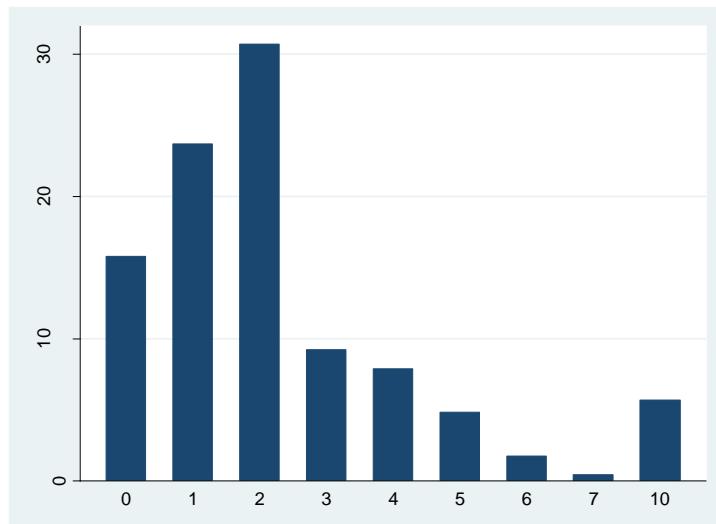
Source: Punjab Local Government Management Capacity Survey 2018.

The above questions asked top managers to report the skill levels of their subordinates. We also measure the human capital of these top managers themselves, by asking them for their highest educational qualification. As shown in Figure 11, only around 30% of our respondents report having a post-graduate qualification, close to half hold a Bachelor's degree while almost 20% do not have a Bachelor's degree.

Figure 11: Highest educational qualification of top local managers
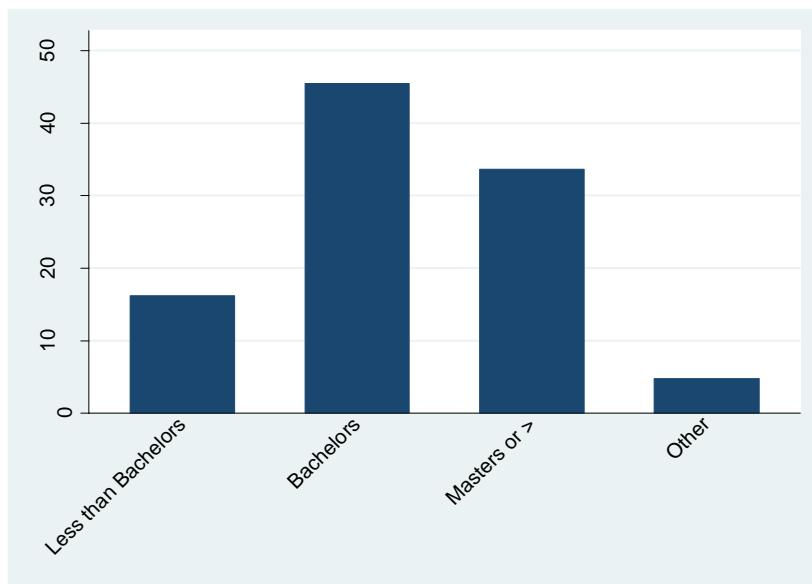
Source: Punjab Local Government Management Capacity Survey 2018.

While it is of concern that a substantial proportion of top local government managers do not have college degrees, what is of even more serious concern is the level of computer skills self-reported by senior officers. Our survey asked respondents to rank their level of computer skills as basic, intermediate or proficient. This is an important question since our respondents manage key offices in local government that require modern automated systems to be fully functional. We find that over half of our sample reports either no or only basic computer skills (Figure 12). The proportion of respondents who report having proficient skills is less than 10%. This points to an acute human capital shortage in local governments that must be addressed by capacity building reforms. Other sources have also identified this as a particularly serious issue for the public sector in Pakistan – a World Bank study (2019) reports that many bureaucrats lack basic IT skills and that staff in Pakistan can spend as much as half of their daily time at work on noncore tasks.

Figure 12: Computer skills of top local managers
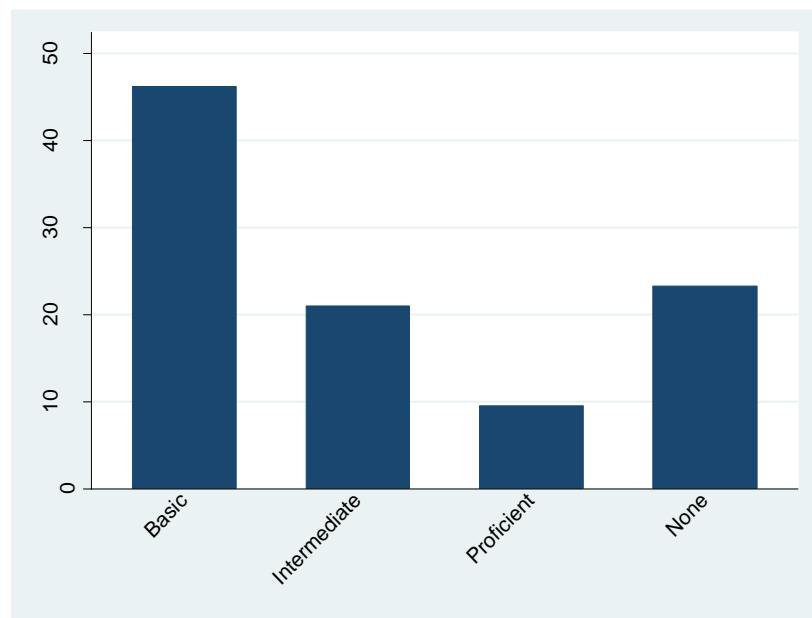

Source: Punjab Local Government Management Capacity Survey 2018.

Organizations with such a skewed distribution of skills have a tendency to place a disproportionate burden on their small pool of skilled staff. Our survey finds that this is, indeed, the case in Punjab's urban local governments. Nearly 80% of top managers in our sample report being overburdened (Figure 13).

Figure 13: Percentage of top local managers who report being overburdened in their job
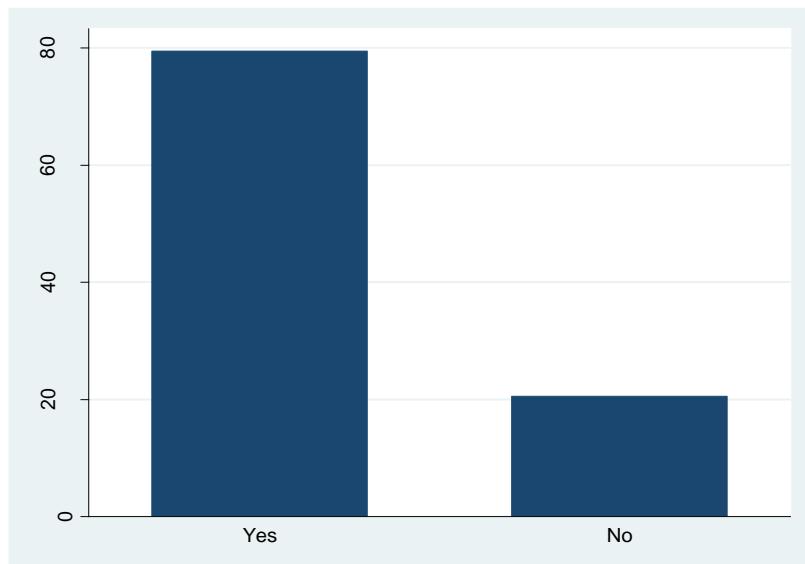
Source: Punjab Local Government Management Capacity Survey 2018.

The respondents also report that the primary reason for staff being overburdened isn't a lack of funds (figure 14). Instead, they cite vacancies against sanctioned posts, lack of sanctioned posts and shortage of skilled staff as the primary reasons for staff being overburdened. Provincial centralization and the lack of local government control over their hiring and firing functions (discussed in section 2.3) appears to have raised the transaction costs associated with getting posts sanctioned and filling vacancies. This is because local governments require approval from the Punjab LGCD before creating a new post or hiring against an existing post. It appears that the centralized nature of this process is adversely affecting human resource capabilities in local governments.

Figure 14: Reasons why staff are overburdened
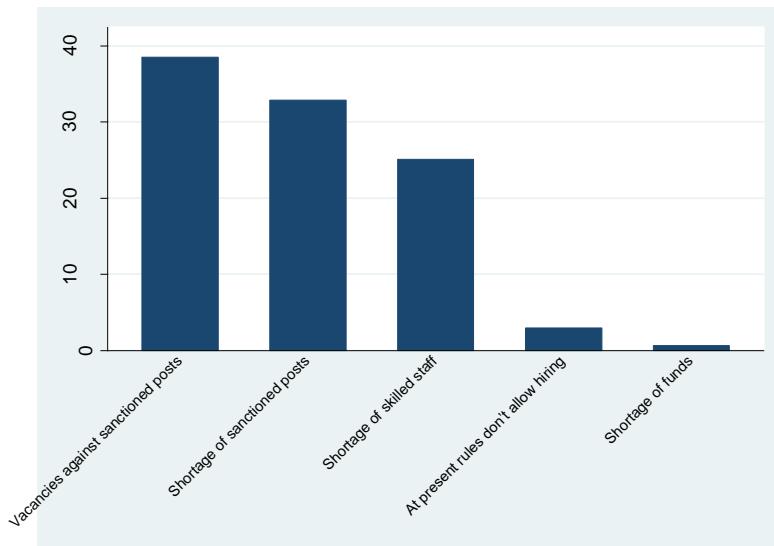
Source: Punjab Local Government Management Capacity Survey 2018.

We probe this issue further by collating data on vacancies among the top 3 managerial positions in local government, that is, the Chief Officer, Municipal/District Officer Finance and Municipal/District Officer Infrastructure. Figure 15 shows that the proportion of vacant positions is much higher among urban local governments relative to rural local governments. This suggests that provincial control over local governments' human resource function is adversely affecting the manning of posts at the senior most levels as well.

Figure 15: Percentage of top 3 local managerial posts vacant
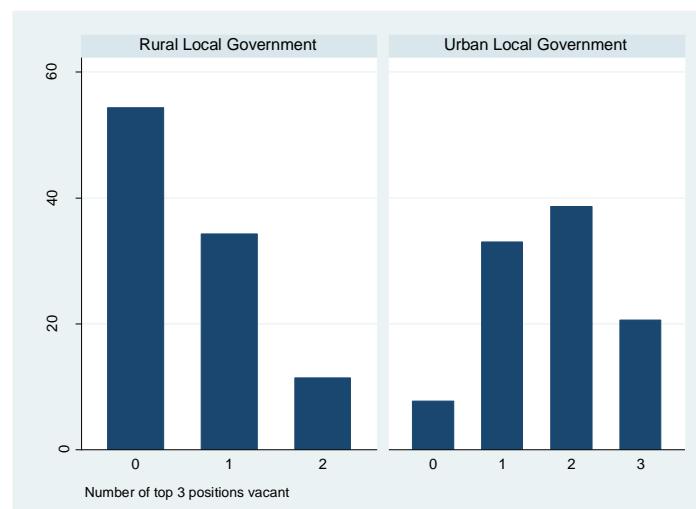
Source: Data provided by LGCD

In order to understand the human resource capability deficits, we asked respondents about the skills deficits these challenges are creating. More than half our respondents report that these challenges are creating a deficit of specialized technical skills and around a third report that they are creating a deficit of managerial skills (Figure 16). These are critical skills that are needed to build effective administrative capacity in local governments.

Figure 16: Reported shortage of skills among staff
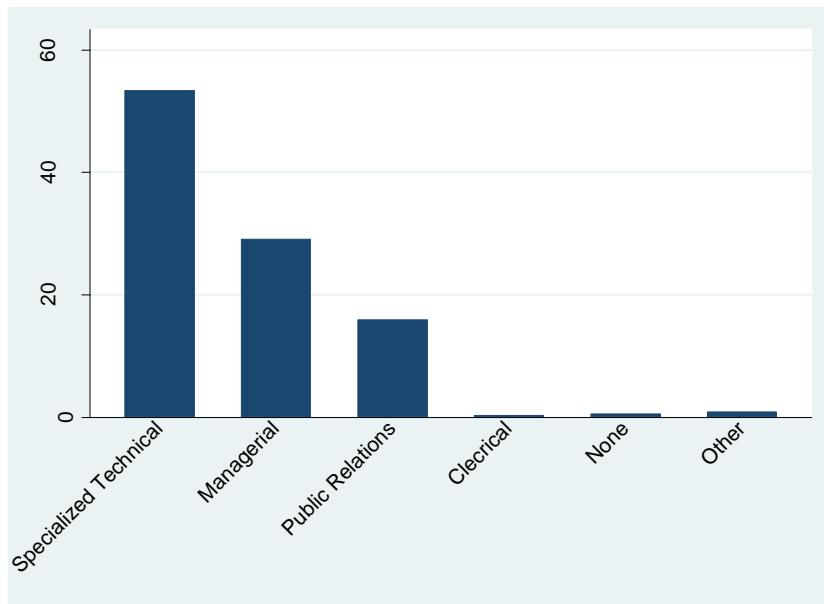
Source: Punjab Local Government Management Capacity Survey 2018.

These findings suggest that building human resource capability should be a key area of local government reform. An important aspect of this reform should be experimentation with rules that give local governments greater autonomy and control over their human resource function and enable them to make human capital investments. Furthermore, these reforms must prioritize inducting technical professionals and high-quality managers since these skills appear to be in greatest shortage according to the higher-level managers of these local governments. This highlights the need to attract and attain high-quality talent in managerial and technical positions in local governments.

4.3: Understanding organizational capacity constraints

The survey also asked respondents which systems they would invest in if rules and funds allowed them. Our respondents were evenly divided between adopting automation, modern

human resource management, and financial management and accounting systems (Figure 17). That it is hard to provide a consistent ranking of the need for the two systems is possibly a reflection of the archaic nature of the existing systems; something that should be a priority for a reform effort.

Figure 17: Preference for adoption of different systems
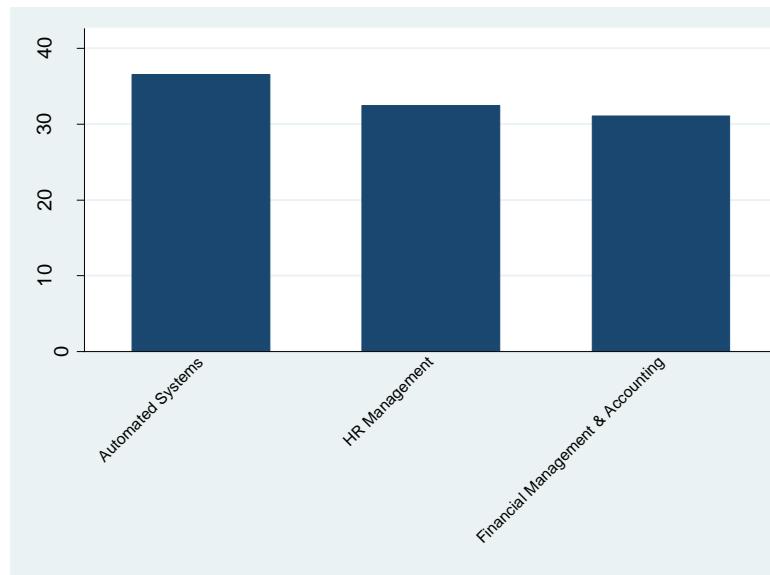
Further, in the spirit of Rasul and Rogger (2016), we construct indices of incentive systems and managerial autonomy at the local government level. The incentives index is composed of the average response given by local government officials to three questions that ask about the existence and ubiquity of incentives to reward good performance and disciplinary action for rule-breaking. The managerial autonomy index is similarly composed of average responses to three questions aimed at capturing the degree of control that local government officials exercise over their schedule and over setting priorities.

Figure 18 shows the distribution of the standardized scores of these indices at the local government level. As shown in Panel A, a relatively small proportion of local governments have strong incentives schemes, resulting in a slightly left-skewed distribution. This indicates that the majority of local governments are constrained in the incentives that can be offered to its officers and the disciplinary actions that can be taken in the event of rule-breaking. The autonomy index in Panel B, however, approximates a bimodal distribution indicating that

there is a fair amount of variation in the degree of autonomy that can be exercised by local government officials.

Figure 18: Management practices across local governments

A. Incentives Index
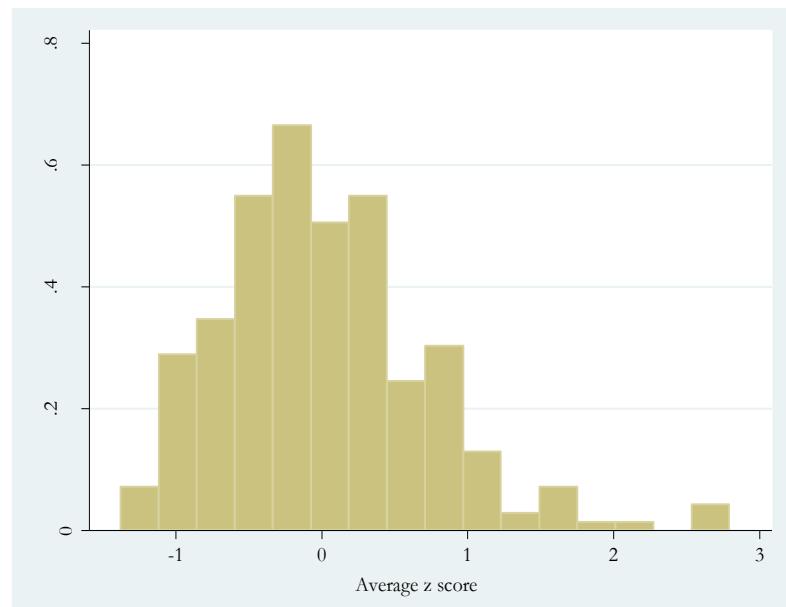
B. Managerial Autonomy Index
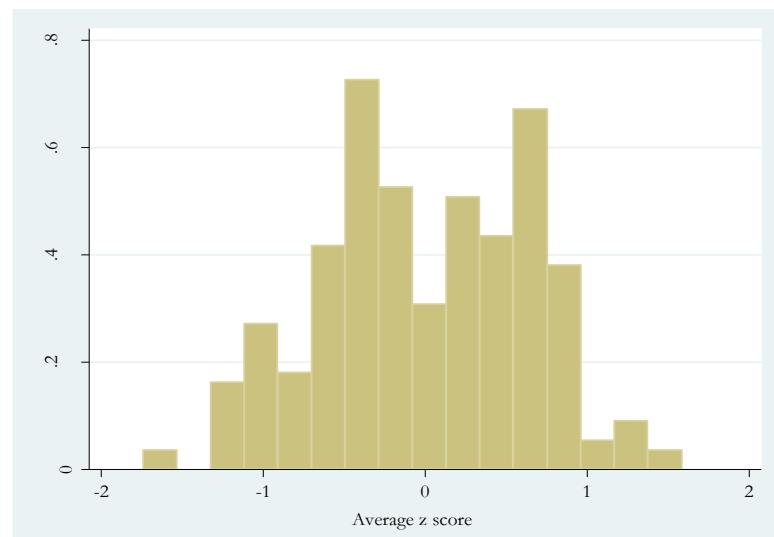
Source: Punjab Local Government Management Capacity Survey 2018.

4.4: Understanding constraints in budgeting and financial management

Is lack of funding a challenge for local governments? To answer this question, we asked respondents whether they were satisfied with the non-salary and development (capital expenditure) budgets given to their office. Level of satisfaction was asked on a scale of 1 (not at all) to 10 (fully satisfied). While there is considerable variation in the responses to this question across respondents, most of the respondents report being at least somewhat satisfied with their non-salary budget (Figure 19).

Figure 19: Satisfaction with non-salary budget
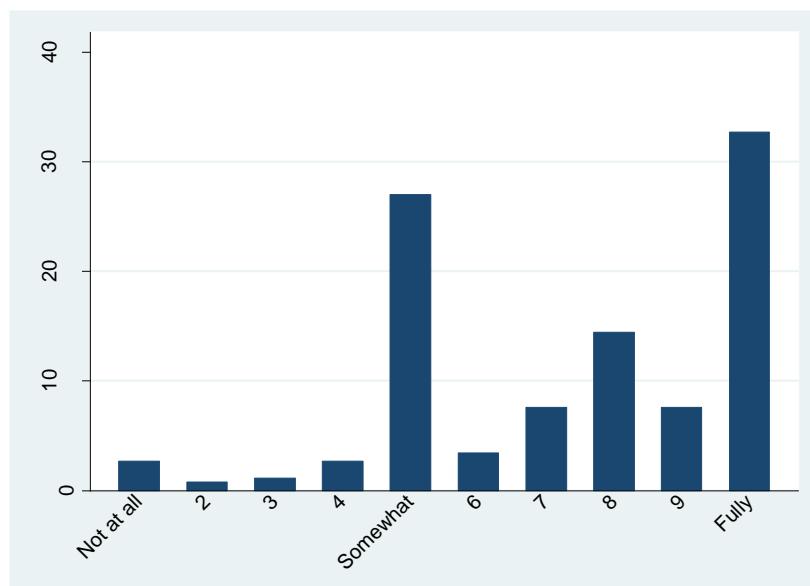
Source: Punjab Local Government Management Capacity Survey 2018.

Similarly, most of the respondents report being at least somewhat satisfied with their development budget (Figure 20). Since this is possibly an equilibrium response to their expectations about the level of finances they can receive and the level of work they are expected to perform given those resources, we need further work to determine whether the officials' satisfaction with the budget is a consequence of their low expectations of fund availability or a true reflection of budgetary requirements.

Figure 20: Satisfaction with development budget
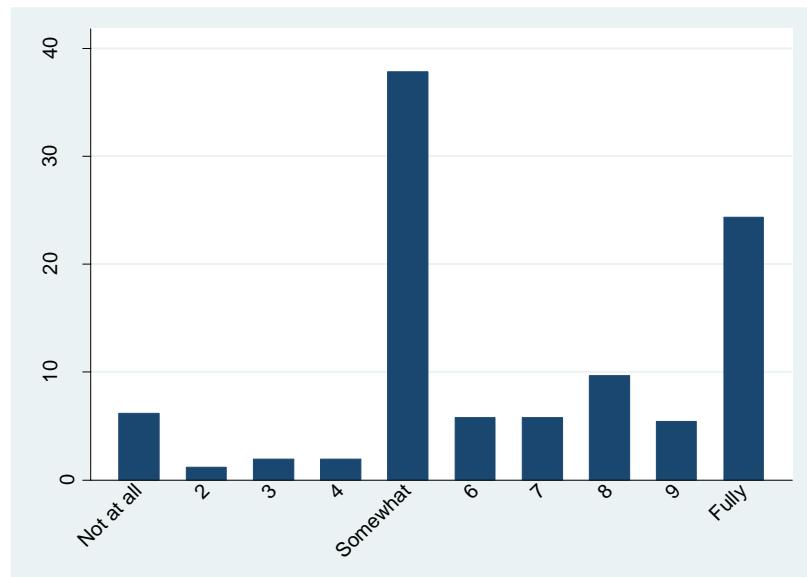
We have seen in section 3 that there is considerable variation in local governments' capacity to utilize their budgetary funds. The survey probes this issue by asking respondents to report factors that are impairing their capacity to utilize the budget. Around a fourth of our respondents report that budget utilization wasn't an issue for their offices, which is in line with the variation found in the analysis of budget utilization in section 3 (Figure 21). The remaining respondents cite provincial control over finances as the most important reason affecting utilization. In particular, they cite provincial bans on local government spending (28%) and late releases of funds by the province (26%) as impairing their capacity to utilize the budget. It appears that, as observed by the Punjab Finance Commission, the institutional risks associated with provincial control over local government finances are imposing serious constraints on the ability of local governments to effectively manage their fiscal and financial plans. Giving greater autonomy to local governments over their finances and creating institutional checks that ensure predictable releases of local government transfers are another important area of reform.

Figure 21: Hurdles to budget utilization
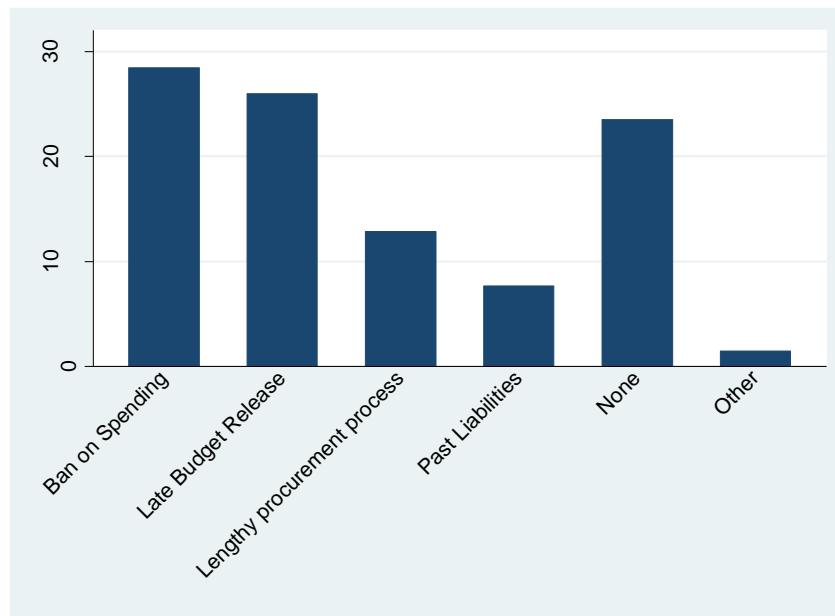
Source: Punjab Local Government Management Capacity Survey 2018.

There is also a need to strengthen the process and institutions of budgetary planning in urban local governments. We asked the top government officials the extent to which the non-salary and development budgets of their offices were prepared with their consultation, where 1 was without consultation and 10 complete consultation (Figures 22 and 23). Over a fourth of our respondents report that both budgets were prepared without consulting them. Only around 10% of respondents report robust consultation in the formulation of their budgets. Strengthening budgeting and planning functions within local governments also appears to be an important area of reform.

Figure 22: Extent of consultation in non-salary budget preparation
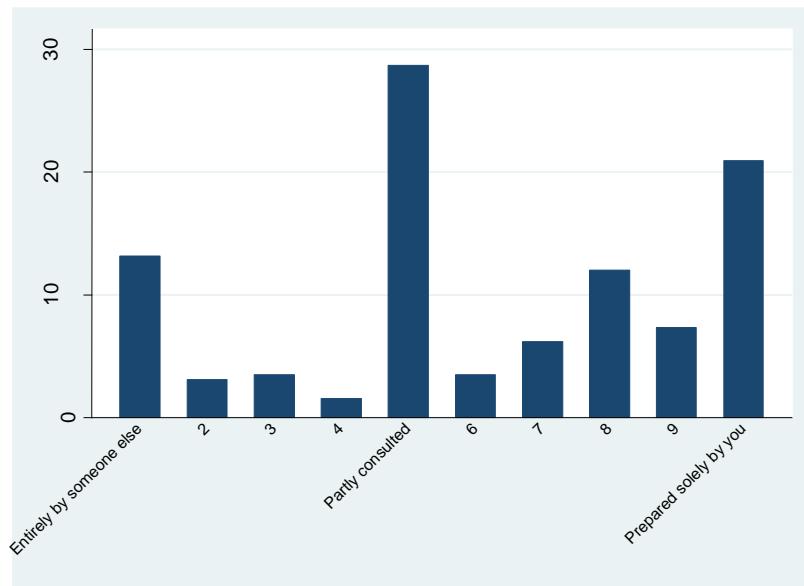
Source: Punjab Local Government Management Capacity Survey 2018.

Figure 23: Extent of consultation in development budget preparation
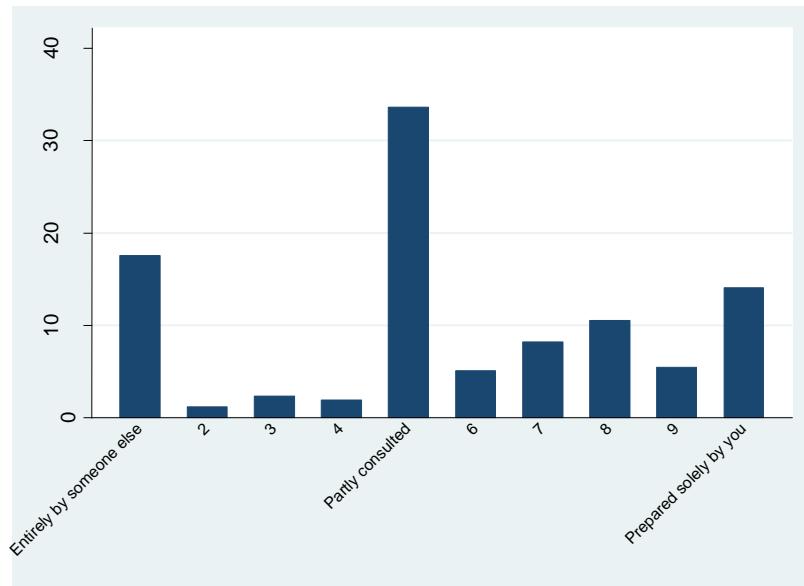
Source: Punjab Local Government Management Capacity Survey 2018.

4.5: Political interference in local government functions

An important pre-condition for building effective local government institutions is autonomy from political interference in operational and administrative matters (World Bank 2019). We asked respondents whether they faced political pressure in operational matters and hiring

and transfers of officers. Over 80% of the respondents reported facing political pressure. We then asked respondents to rate the intensity of political pressure that they face on a scale of 1 (don't face political pressure in any decision) to 10 (face political pressure in every decision). Less than 5% of respondents report not facing political pressure and around 20% report facing intense political pressure (Figure 24). However, the distribution of responses suggests that local government managers face considerable political pressure in operational matters. While accountability of local officials to elected politicians is understandable and indeed desirable on final outcomes, such interference on routine operational matters may be indicative of clientelist settings and may not be conducive to improved government performance.

Figure 24: Intensity of political pressure faced by top local government managers from local government members
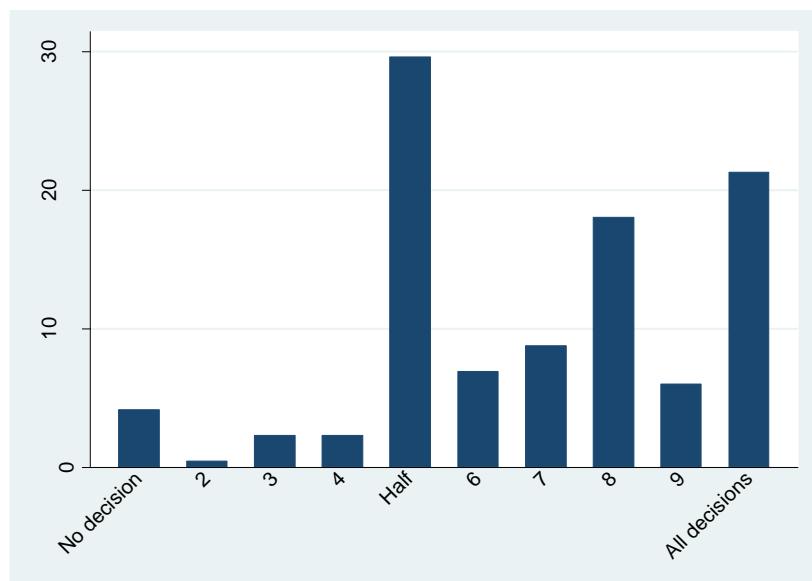
Source: Punjab Local Government Management Capacity Survey 2018.

We also asked respondents to report whether they faced pressure from local politicians, national or provincial politicians and provincial officers. Figure 25 shows that a majority report interference not only from local (90%) but also from national and provincial politicians (79%) and around 40% report interference from provincial officers.

This finding about political interference is not unique to Pakistan and has resonance in the recent literature on bureaucratic performance (Gulzar & Pasquele, 2017; Nath, 2015). In democratic settings, bureaucrats need to be accountable to elected politicians for overall

performance. However, this responsiveness needs to be balanced with appropriate checks and balances and protections for bureaucrats as otherwise bureaucrats having little protection may be forced to submit and pander to politicians' whims. This is especially true for local government officials in Pakistan who do not face many opportunities for horizontal and vertical mobility. Our results suggest that the perceived threat of political interference is very high from local and higher-level politicians. This suggests that the reform agenda must include safeguards against interference from provincial politicians and officers.

Figure 25: Sources of political interference
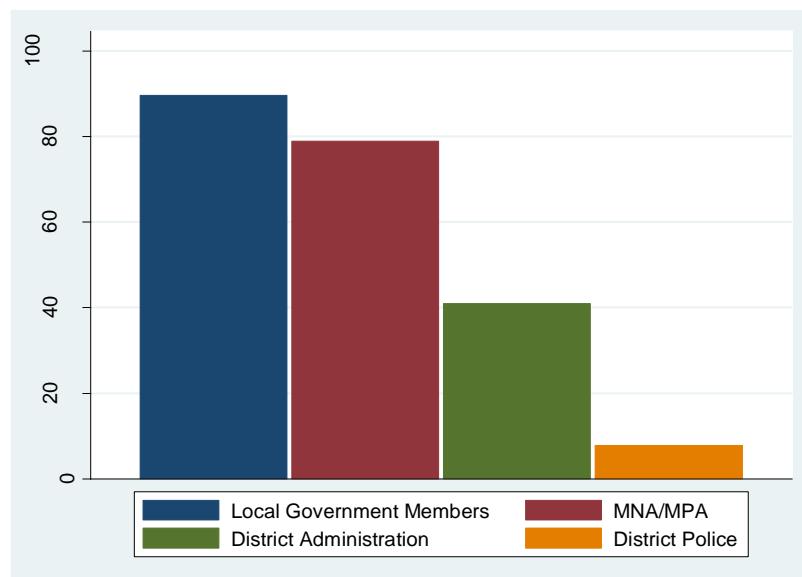
Source: Punjab Local Government Management Capacity Survey 2018.

5. Correlates of Local Government Performance

This section analyzes whether local government budget utilization is correlated with capacity deficits, human resource vacancies and political economy factors. We estimate the following OLS specification, where y_i is the percentage of budget utilized for the *ith* LG :

$Y_i = β_0 + β_1$ *planning capacity index$_i$ + β_2 HR capacity index$_i$ + β_3 physical capital index$_i$ + β_4 budget consultation index$_i$ + β_5 managerial autonomy index$_i$ + β_6 managerial incentive index$_i$ + β_7 vacancies$_i$ + β_8 political influence index$_i$ + β_9 city non-aligned$_i$ + β_{10} city affiliated with provincial incumbent$_i$ + e_{ij}* --------(1)

The planning and monitoring capacity index captures the extent to which a local government is able to plan and monitor tasks against targets. The HR capacity index measures the general and technical skillset of the managerial and subordinate officers in a local government. The physical capital index captures a local governments access to utilities and technology. The budget consultation index captures the degree of consultation used in the budget formulation process of a local government. The managerial autonomy index captures the extent to which bureaucrats in a local government are able to set their own tasks. The managerial incentives index captures provisions in place to reward good performance and the use of disciplinary actions in cases of violation of rules by bureaucrats. Vacancies is an indictor that measures the vacancies against the top 6 managerial posts in every local government. The political influence index captures the extent of political interference in the operational matters of an LG. City non-aligned is a dummy variable for local governments where a majority of seats in the council were won by candidates that were not affiliated with any political party. City affiliated with provincial incumbent is a dummy variable for local governments where a majority of the council is affiliated with the party in power at the provincial level at the time that the last provincial finance commission award was decided. The reference group in the case of political alignment variables is local governments where a majority of seats were won by opposition councilors.

The indices used in this analysis are based on survey data, appendix 7.2 table 2 provides details of the questions used in every index. As the survey was fielded to multiple officers in a local government, we construct the indices by converting survey responses into normalized z-scores with an increase in the magnitude of a response indicating better capacity along the relevant dimension. The z-scores of different survey respondents from each local government

are averaged out to construct the index value for a specific measure at the level of that government. As each index is a standardized z-score, the coefficient of each index measures the effect size of a one standard deviation change in the respective index. We have used robust standard errors.

Table 1 (appendix 7.1) presents the results. We find that the skill level of managers and their subordinate staff is positively correlated to local government budget utilization (row 2). We find that that a one standard deviation increase in the skill level of LG managerial and subordinate staff leads to a 6.3 percentage point increase in budget utilization. We also find that budget utilization is strongly correlated with managerial incentives - a one standard deviation increase in the provision of incentives leads to a significant 6.6 percentage point increase in budget utilization. This indicates that human resource management and managerial incentives are important correlates of performance.

We also find that a one standard deviation change in budget consultation process leads to a 6.5 percentage point decrease in budget utilization. This seems to suggest that consultations may be creating deadlocks and overloading of demands that may impede utilization. Interestingly, exposure to political influence and the partisan affiliation for city affiliated with provincial incumbent and non-aligned affiliation don't have a significant correlation with budget utilization. Given the amount of political interference reported by LG managers, it could be possible that these sources of external influence could be affecting LG operational matters and budget utilization through indirect means that need to be further explored before a relationship can be established between the two.

6. Conclusion: Implications for Local Government Capacity Reforms

Given the delivery of public services in many developing countries is very poor, literature has focused on weak state capacity and recently on lack of incentives for officials to perform adequately. However, a significant challenge to the delivery of public services might be the lack of capacity of those ultimately responsible, the bureaucrats. It is therefore important to measure the relative importance of inadequate capacity in the delivery of public service. This is especially true at the local government level where most of the service delivery happens.

This study has attempted to unpack the 'inner working' of the local government by looking at management practices and local government performance. We worked with the Local Government and Community Development Department (LGCD) in Punjab to design and conduct a unique diagnostic and management practices survey to gauge the capacity of local governments in Punjab.

Our findings point out serious deficits in capacity of local governments along various dimensions that constrain local government performance. These relate to human resource capabilities, lack of adoption of automated systems, weak legal and enforcement capacity, weak project management and excessive political interference. We find suggestive evidence that HR skills capacity and provision of incentives are important correlates of local governments' ability to utilize their budgets.

Our findings apply to urban local governments where our surveys were conducted but it would be good to extend these surveys to rural settings. If anything, we expect these capacity deficits to be even more severe in rural local bodies.

High-capacity organizations select high-ability staff, delegate appropriate authority and autonomy to them and provide them with the necessary resources, and motivate them to perform better and to serve the public. This does not seem to be the case with the local government officers in our study. Our findings point to extremely severe human resource deficits within the key offices of local government. This is also borne out by the performance measures even using a simple metric like utilization of budget.

Our findings highlight the importance of investing in government capability – the ability to effectively implement government policies and effectively achieve the desired outputs in regulation, infrastructure provision, and service delivery (Andrews, Pritchett and Woolcock 2017). This involves establishing financial, HR and other systems and management practices that underpin stronger organizational capacity enabling better performance.

Given the failure of the internal audit system and given excessive political interference, this will also involve balancing adequate protection of local government managers with appropriate responsiveness and accountability to the elected politicians and ultimately the citizens. This may involve establishing objective standards for assessing the performance of

local government managers and establishing 3rd party audits to complement and in many cases substitute for weak internal audit systems.

7. Appendix

7.1 Budget Utilization and Local Government capacity

Table 1: Budget utilization and LG capacity

VARIABLES	(1) Budget Utilization (OLS)
Planning & Monitoring Capacity	-1.703
	(4.003)
HR Capacity	6.323*
	(3.388)
Physical capital	3.410
	(3.509)
Budget consultation index	-6.481*
	(3.873)
Managerial Autonomy	-0.834
	(4.027)
Managerial Incentives	6.582**
	(3.018)
HR Vacancies	0.191
	(0.134)
Exposure to political influence	-1.635
	(2.458)
City non-aligned affiliation	-14.20
	(10.77)
City affiliated with Provincial Incumbent	-8.128
	(9.578)
Constant	63.10***
	(13.15)
Observations	100
R-squared	0.119

Robust standard errors in parentheses
*** $p<0.01$, ** $p<0.05$, * $p<0.1$

7.2 Questions used for the construction of the indices

Table 2: Specific questions used for the construction of the indices

Indices	Specific Questions Used
Organizational (Planning & Monitoring Capacity)	How effectively you are able to monitor that your official tasks are being fulfilled? How effectively would a conflict within your organization be dealt with? How highly regarded is the collection and use of data in planning? How regularly do you engage with neighboring local governments to share best practices/resources? How often does your organization meet its targets? How regularly do monitoring systems track official tasks in your office? How frequently is the information provided by the monitoring system reviewed by the CO/Mayor? How frequently is the information provided by the monitoring system reviewed by the subordinate staff? How often do you engage with local communities to track service delivery?
HR Skills Capacity	How skilled is your office in performing their jobs? What skills are missing? Are staff members overburdened due to shortage of skilled staff? Out of every 10 subordinate officers, how many have had some form of training? Out of every 10 how many can use a computer for writing a memo? Out of every 10 how many can use power point? Out of every 10 how many can use Excel to create a spreadsheet? What is the computer skill level of managerial officers?
Physical Capital Capacity	During a typical working day, how many hours is there electricity (UPS/Generator)? Out of the six working days, how many days is the network (GSM) coverage working for 50% of calls or more? During the six working days, how many hours is their internet access good enough to check emails per day? Out of every 10 of your subordinates above BPS 11, how many have access to a computer (desktop or laptop)? Out of every 10 of your subordinates above BPS 11, how many have access to a vehicle (privately owned or otherwise) that can be used for work?
Budget Consultation	Development budget prepared according to needs of your local area? What extent was the non-salary budget prepared with your consultation? What extent was the development budget prepared with your consultation? Non salary budget sufficient to cover non-salary needs?
Management Practices: Autonomy	What proportion of your time is spent on the tasks asked by your supervisor? What percentage of tasks are set by you? What percentage of tasks are not related to the responsibilities of your office?

Indices	Specific Questions Used
Management Practices: Incentives	Are there any schemes to reward high performers? What percentage of your subordinates have been given recommendation for honoraria? On a scale of 1 to 10, how motivated do you think your subordinates are in performing their tasks? If 10 subordinates broke rules in an average MC, what number out of 10 will face disciplinary action?
Exposure to Political Influence	Do you face political pressure from the following in operational matters: LG Members? MNA/MPA? District Administration? District Police? Anti-corruption establishment? If yes, how often are decisions taken due to the political pressure by each of the preceding authorities?

7.3 List of Urban and Rural Local Governments in Punjab under PLGA (2013)

Table 3: Urban Local Governments

District	Name of Local Government
Bahawalpur	Municipal Corporation, Bahawalpur
Dera Ghazi Khan	Municipal Corporation, D.G Khan
Faisalabad	Municipal Corporation, Faisalabad
Gujranwala	Municipal Corporation, Gujranwala
Gujrat	Municipal Corporation, Gujrat
Lahore	Metropolitan Corporation, Lahore
Multan	Municipal Corporation, Multan
Rawalpindi	Municipal Corporation, Rawalpindi
Rawalpindi	Municipal Corporation, Murree
Sahiwal	Municipal Corporation, Sahiwal
Sargodha	Municipal Corporation, Sargodha
Sialkot	Municipal Corporation, Sialkot
Attock	Municipal Committee, Attock
Attock	Municipal Committee, Hazro
Attock	Municipal Committee, Hassanabdal
Attock	Municipal Committee, Fateh Jang
Attock	Municipal Committee, Pindi Gheb
Attock	Municipal Committee, Jand
Bahawalnagar	Municipal Committee, Bahawalnagar
Bahawalnagar	Municipal Committee, Haroonabad
Bahawalnagar	Municipal Committee, Chishtian
Bahawalnagar	Municipal Committee, Minchinabad

Bahawalnagar	Municipal Committee, Fortabbas
Bahawalnagar	Municipal Committee, Donga Bonga
Bahawalpur	Municipal Committee, Ahmadpur East
Bahawalpur	Municipal Committee, Hasilpur
Bahawalpur	Municipal Committee, Yazman
Bahawalpur	Municipal Committee, Khairpur Tamewali
Bahawalpur	Municipal Committee, Uch Sharif
Bhakkar	Municipal Committee, Bhakkar
Bhakkar	Municipal Committee, Darya Khan
Bhakkar	Municipal Committee, Kallur Kot
Bhakkar	Municipal Committee, Mankera
Bhakkar	Municipal Committee, Dullewala
Bhakkar	Municipal Committee, Jandanwala
Chakwal	Municipal Committee, Chakwal
Chakwal	Municipal Committee, Choa Saidan Shah
Chakwal	Municipal Committee, Talagang
Chakwal	Municipal Committee, Kallar Kahar
Chakwal	Municipal Committee, Lawa
Chakwal	Municipal Committee, Bhoun
Chiniot	Municipal Committee, Chiniot
Chiniot	Municipal Committee, Bhowana
Chiniot	Municipal Committee, Lalian
Chiniot	Municipal Committee, Chenab Nagar
Dera Ghazi Khan	Municipal Committee, Taunsa
Dera Ghazi Khan	Municipal Committee, Kot Chutta
Faisalabad	Municipal Committee, Chak Jhumra
Faisalabad	Municipal Committee, Jaranwala
Faisalabad	Municipal Committee, Khurrianwala
Faisalabad	Municipal Committee, Tandlianwala
Faisalabad	Municipal Committee, Mamukanjan
Faisalabad	Municipal Committee, Sammundri
Faisalabad	Municipal Committee, Dijkot
Gujranwala	Municipal Committee, Kamoki
Gujranwala	Municipal Committee, Wazirabad
Gujranwala	Municipal Committee, Nowshera Virkan
Gujranwala	Municipal Committee, Gakhar Mandi
Gujranwala	Municipal Committee, Ladheywala Warraich
Gujranwala	Municipal Committee, Qila Didar Singh
Gujranwala	Municipal Committee, Ali Pur Chatha
Gujrat	Municipal Committee, Kharian
Gujrat	Municipal Committee, Sarai Alamgir
Gujrat	Municipal Committee, Dinga

Gujrat	Municipal Committee, Lalamusa
Gujrat	Municipal Committee, Jalalpur Jattan
Gujrat	Municipal Committee, Kunjah
Hafizabad	Municipal Committee, Hafizabad
Hafizabad	Municipal Committee, Pindi Bhattian
Hafizabad	Municipal Committee, Jalalpur Bhattian
Hafizabad	Municipal Committee, Sukheki
Jhang	Municipal Committee, Jhang
Jhang	Municipal Committee, Shorkot
Jhang	Municipal Committee, Garh Maharaja
Jhang	Municipal Committee, Ahmadpur Sial
Jhang	Municipal Committee, 18 Hazari
Jhelum	Municipal Committee, Jhelum
Jhelum	Municipal Committee, Pind Dadan Khan
Jhelum	Municipal Committee, Dina
Jhelum	Municipal Committee, Sohawa
Jhelum	Municipal Committee, Khewra
Kasur	Municipal Committee, Kasur
Kasur	Municipal Committee, Mustafaabad
Kasur	Municipal Committee, Khudian
Kasur	Municipal Committee, Chunian
Kasur	Municipal Committee, Pattoki
Kasur	Municipal Committee, Phool Nagar
Kasur	Municipal Committee, Kot Radha Kishan
Kasur	Municipal Committee, Kanganpur
Kasur	Municipal Committee, Raja Jang
Kasur	Municipal Committee, Ellahabad
Khanewal	Municipal Committee, Khanewal
Khanewal	Municipal Committee, Mianchannu
Khanewal	Municipal Committee, Kabirwala
Khanewal	Municipal Committee, Jahanian
Khanewal	Municipal Committee, Abdul Hakeem
Khanewal	Municipal Committee, Talamba
Khushab	Municipal Committee, Khushab
Khushab	Municipal Committee, Noorpur Thal
Khushab	Municipal Committee, Quaidabad
Khushab	Municipal Committee, Jauharabad
Khushab	Municipal Committee, Hadali
Khushab	Municipal Committee, Nowshera
Khushab	Municipal Committee, Mitha Tiwana
Layyah	Municipal Committee, Layyah
Layyah	Municipal Committee, Choubara

Layyah	Municipal Committee, Karor Lal Eason
Layyah	Municipal Committee, Chowk Azam
Layyah	Municipal Committee, Fatehpur
Lodhran	Municipal Committee, Lodhran
Lodhran	Municipal Committee, Dunyapur
Lodhran	Municipal Committee, Kehror Pacca
Mandi Bahauddin	Municipal Committee, Mandi Bahauddin
Mandi Bahauddin	Municipal Committee, Malikwal
Mandi Bahauddin	Municipal Committee, Phalia
Mianwali	Municipal Committee, Mianwali
Mianwali	Municipal Committee, Isa Khel
Mianwali	Municipal Committee Piplan
Mianwali	Municipal Committee Kundian
Mianwali	Municipal Committee, Qamarmashani
Mianwali	Municipal Committee, Kalabagh
Mianwali	Municipal Committee, Daud Khel
Multan	Municipal Committee, Shujabad
Multan	Municipal Committee, Jalalpur Pirwala
Muzaffargarh	Municipal Committee, Muzaffargarh
Muzaffargarh	Municipal Committee, Kot Addu
Muzaffargarh	Municipal Committee, Alipur
Muzaffargarh	Municipal Committee, Jatoi
Muzaffargarh	Municipal Committee, Chowk Sarwar
Muzaffargarh	Municipal Committee, Shehar Sultan
Muzaffargarh	Municipal Committee, Sinawan
Muzaffargarh	Municipal Committee, Khangarh
Muzaffargarh	Municipal Committee, Daira Din Pana
Nankana Sahib	Municipal Committee, Nankana Sahib
Nankana Sahib	Municipal Committee, Shahkot
Nankana Sahib	Municipal Committee, Sangla Hill
Nankana Sahib	Municipal Committee, Warburton
Narowal	Municipal Committee, Narowal
Narowal	Municipal Committee, Zafarwal
Narowal	Municipal Committee, Shakargarh
Okara	Municipal Committee, Okara
Okara	Municipal Committee, Depalpur
Okara	Municipal Committee, Renala Khurd
Okara	Municipal Committee, Basirpur
Okara	Municipal Committee, Hujra Shah Muqim
Okara	Municipal Committee, Haveli Lakha
Okara	Municipal Committee, Mandi Ahmad Abad
Pakpattan	Municipal Committee, Pakpattan

Pakpattan	Municipal Committee, Arifwala
Rahim Yar Khan	Municipal Committee, Rahimyar Khan
Rahim Yar Khan	Municipal Committee, Khanpur
Rahim Yar Khan	Municipal Committee, Sadiqabad
Rahim Yar Khan	Municipal Committee, Liaqatpur
Rahim Yar Khan	Municipal Committee, Trinda Saway Khan
Rahim Yar Khan	Municipal Committee, Kot Samaba
Rahim Yar Khan	Municipal Committee, Zahir Pir
Rajanpur	Municipal Committee, Rajanpur
Rajanpur	Municipal Committee, Rojhan
Rajanpur	Municipal Committee, Jampur
Rajanpur	Municipal Committee, Fazilpur
Rajanpur	Municipal Committee, Kot Mithan
Rawalpindi	Municipal Committee, Kotli Sattian
Rawalpindi	Municipal Committee, Kahuta
Rawalpindi	Municipal Committee, Kallar Syedan
Rawalpindi	Municipal Committee, Gujjar Khan
Rawalpindi	Municipal Committee, Taxila
Sahiwal	Municipal Committee, Chichawatni
Sahiwal	Municipal Committee, Kameer
Sargodha	Municipal Committee, Kot Moman
Sargodha	Municipal Committee, Sahiwal
Sargodha	Municipal Committee, Bhalwal
Sargodha	Municipal Committee, Bhera
Sargodha	Municipal Committee, Shahpur Saddar
Sargodha	Municipal Committee, Sillanwali
Sheikhupura	Municipal Committee, Sheikhupura
Sheikhupura	Municipal Committee, Ferozewala
Sheikhupura	Municipal Committee, Safdarabad
Sheikhupura	Municipal Committee, Sharaqpur
Sheikhupura	Municipal Committee, Muridke
Sheikhupura	Municipal Committee, Farooqabad
Sheikhupura	Municipal Committee, Kot Abdul Malik
Sheikhupura	Municipal Committee, Narang Mandi
Sheikhupura	Municipal Committee, Khanqah Dogran
Sheikhupura	Municipal Committee, Mananwala
Sialkot	Municipal Committee, Daska
Sialkot	Municipal Committee, Sambrial
Sialkot	Municipal Committee, Pasrur
Toba Tek Singh	Municipal Committee, Toba Tek Singh
Toba Tek Singh	Municipal Committee, Gojra
Toba Tek Singh	Municipal Committee, Kamalia

Toba Tek Singh	Municipal Committee, Pir Mahal
Vehari	Municipal Committee, Vehari
Vehari	Municipal Committee, Burewala
Vehari	Municipal Committee, Mailsi

Table 4: Rural Local Governments

District	Name of Local Government
Attock	District Council, Attock
Bahawalnagar	District Council, Bahawalnagar
Bahawalpur	District Council, Bahawalpur
Bhakkar	District Council, Bhakkar
Chakwal	District Council, Chakwal
Chiniot	District Council, Chiniot
Dera Ghazi Khan	District Council, D G Khan
Faisalabad	District Council, Faisalabad
Gujranwala	District Council, Gujranwala
Gujrat	District Council, Gujrat
Hafizabad	District Council, Hafizabad
Jhang	District Council, Jhang
Jhelum	District Council, Jhelum
Kasur	District Council, Kasur
Khanewal	District Council, Khanewal
Khushab	District Council, Khushab
Layyah	District Council, Layyah
Lodhran	District Council, Lodhran
Mandi Bahauddin	District Council, Mandi Bahauddin
Mianwali	District Council, Mianwali
Multan	District Council, Multan
Muzaffargarh	District Council, Muzaffargarh
Nankana sahib	District Council, Nankana Sahib
Narowal	District Council, Narowal
Okara	District Council, Okara
Pakpattan	District Council, Pakpattan
Rahim Yar Khan	District Council, Rahimyar Khan
Rajanpur	District Council, Rajanpur
Rawalpindi	District Council, Rawalpindi
Sahiwal	District Council, Sahiwal
Sargodha	District Council, Sargodha
Sheikhupura	District Council, Sheikhupura
Sialkot	District Council, Sialkot
Toba Tek Singh	District Council, Toba Tek Singh
Vehari	District Council, Vehari

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