

Decentralisation and Inequality in Pakistan: Bridging the Gap that Divides?

Ali Cheema¹ and Shandana Khan Mohmand²

It is a lamentable fact that India's ancient and self-governing village communities have...disappeared, under the too centralised administration of British Rule...no representatives of the village population help the administration...and an alien Government lacks that popular basis, that touch with the people....

R.C.Dutt (1903)³

What is the village community but a sink of localism, a den of ignorance, narrow-mindedness and communalism. I am...surprised that those who condemn...communalism should come forward as champions of the village community.

B. R. Ambedkar (1948)

The smaller the society, the fewer the distinct parties and interests composing it...the more frequently will a majority be found of the same party; and the smaller the number of individuals composing a majority, and the smaller the compass within which they are placed, the more easily will they concert and execute their plans of oppression.

J. Madison (Federalist Papers No. 10)

1. Introduction

Easterly (2003) has succinctly described Pakistan's development experience as the paradox of growth without development. This paradox is recognition of the fact that Pakistan's successful 60 years of economic growth has not been able to translate into meaningful social development for a majority of its citizens. This has meant that Pakistan's development trajectory has resulted in unequal social development, especially in terms of public service delivery. The literature on poverty and governance reforms in Pakistan has emphasised some aspects of this inequality, such as the variation that exists in schooling and public health outcomes across provinces and across the rural-urban and gender divide. Household data sets and micro research reveal that considerable inequality in social development outcomes also exists across different ethnicities, *quoms*, and *biraderis* and across income groups (Gazdar 2000, 2002 and Filmer 2001, UNDP 2004). However, the literature has paid less attention to other aspects of inequality (Easterly 2003, Keefer et. al. 2006). What has not been emphasized in the literature at all is that Pakistan's development experience has also been fraught with tremendous inequality in

¹ Associate Professor of Economics, Lahore University of Management Sciences.

² Teaching Fellow, Lahore University of Management Sciences.

³ All three quotes from Mookherjee (2004).

provision outcomes even at the smallest unit of administration, the union council. Provision inequality exists between and within union councils, even when they lie within the same *tehsil* and district.

This chapter addresses the extent to which Pakistan's latest experiment with local government reforms, encapsulated in the Local Government Ordinance 2001, has been able to reduce the inequality or gaps in provision outcomes within union councils. The chapter uses household data generated as part of the LUMS-McGill Social Enterprise Development Programme (SEDP) to analyze whether the inequality in provision outcomes between different villages within a union council, and between different social, political and occupational groups within each village has been reduced or exacerbated as a result of these reforms. These questions are addressed through a unique dataset that provides pre-reform household level baselines and provision outcomes for the year 2003-04. In order to conduct the analysis at the household level, our outcome variable is the post-reform change in a household's access to a state-provided concrete (*pucca*) sanitation drain. We use this as our outcome variable for two reasons: (a) drains were a much demanded public good by our sample households and (b) this good was divisible at the intra-village level. This analysis is conducted using a random sample of 364 households in a sample of union councils, which during 2003-04 came under the jurisdiction of the Khurrianwala chief officer's unit⁴, Jaranwala *tehsil* in district Faisalabad.

Pakistan's Local Government Ordinance (LGO 2001) has strengthened electoral decentralization and expenditure devolution and there is reason to believe that the design features of the reform would reduce spatial and social inequality by reducing gaps in provision between villages within a union council, and between social and income groups within a village. We are particularly interested in analyzing the impact that the targeting of development schemes by union council mayors (*nazims*) and deputy mayors (*naib nazims*) has on spatial and social inequality of provision within a union council. The emphasis on union executives is pertinent because, together with union councillors, these are the only directly elected local politicians in the system. Union executives are expected to be more accountable to excluded villages and social and political groups because relative to national and provincial electoral constituencies the local electoral constituency is smaller, and, as a result, is likely to increase the electoral weight of excluded villages and households. These executives are also expected to be more responsive to local citizens because their role as district and *tehsil* councillors gives them access to a larger pool of devolved development funds than was previously the case, at least in the Punjab. When analyzing the impact of union, *tehsil* and district development schemes that came under the purview of union executives we take great care in identifying through triangulation⁵ that these executives were pivotal in the selection of these schemes.

⁴ We restrict our analysis to these unions because our sample unions lie in the cluster of unions that come under the purview of the Khurrianwala Chief Officer's (COs) unit in Jaranwala Tehsil. In terms, of geography these unions lie in close proximity to Khurrianwala, one of Faisalabad's fastest growing towns. Although, 15 unions are administered by the Khurrianwala COs unit we have dropped the urban unions from our sample as well as union council 34, which is a one village union.

⁵ Information on this was triangulated through detailed interviews with the *tehsil nazim's* office, the relevant union office and surveys of village citizens.

The main question we set out to explore is whether LGO 2001 has indeed resulted in the expected reduction in spatial and social inequality in provision. Through surveys combined with ethnographic fieldwork we also attempt to identify the factors that determine the degree of responsiveness of union executives to different villages and social, political and occupational groups.

Using these methods, we find that the reforms have brought a large number of previously underprovided households and villages into the provision net. However, we also find that the beneficiary households are more likely to reside in a village where the union executive is resident and are likely to be households at the apex of the village social and occupational hierarchy. This suggests that within a union, post-reform, social and spatial inequality may have been exacerbated. We also find that it is not always the case that voting for the winning candidate pays off. Union executives in many instances appear to discount their voters, especially those from low income groups and non-dominant *biraderies*. This is surprising because in our case unions the executives won by a small margin, which would suggest that the cost of discounting votes is high in electoral terms. The chapter tries to explain this behaviour by analyzing the sociology of how people collectivise and vote in the local political and electoral sphere.

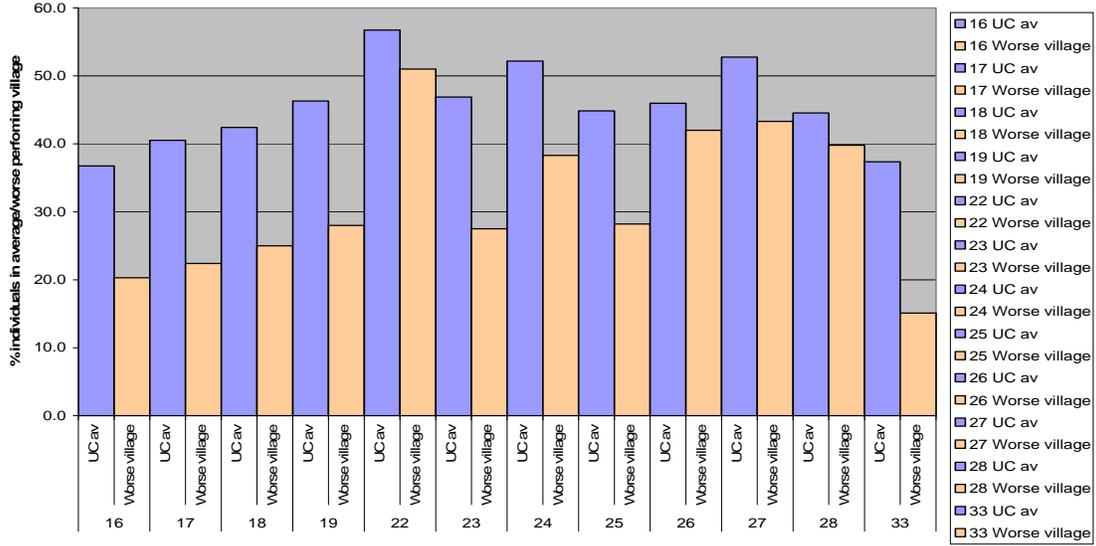
The next section explains the extent of the inequality that exists in inter- and intra- union council provision outcomes. Section 3 describes the salient features of the institutional reform, which are relevant to this analysis, and explains why the new institutional design may be expected to reduce inequality within union councils and between different social, political and occupational groups. Section 4 details the survey and sampling methodology. Section 5 describes the socio-economic context of the surveyed union councils, villages and households. Section 6 presents the results regarding the changes in spatial and social provision gaps within our sample union councils. Sections 7 and 8 analyze political channels that affect the targeting of public goods between villages and households and hence the inequality in provision. The penultimate section describes the channels of accountability that make the union executives more or less responsive to their constituents. The final section presents our conclusions.

2. Union-level Inequalities in Provision Outcomes

How large has the inequality in provision outcomes been between and within union councils? We answer this question using the 1998 Population Census data for the 12 rural union councils, which provide the sampling frame for this study⁶. For a range of variables that include literacy, female primary school outcomes and provision of potable water the data shows considerable inequality in provision across and within union councils, measured by the gap between the worst performing and the average village in each union (figures 2.1 – 2.3).

Figure 2.1. Literacy in Rural UCs under Khurrianwala CO-Unit

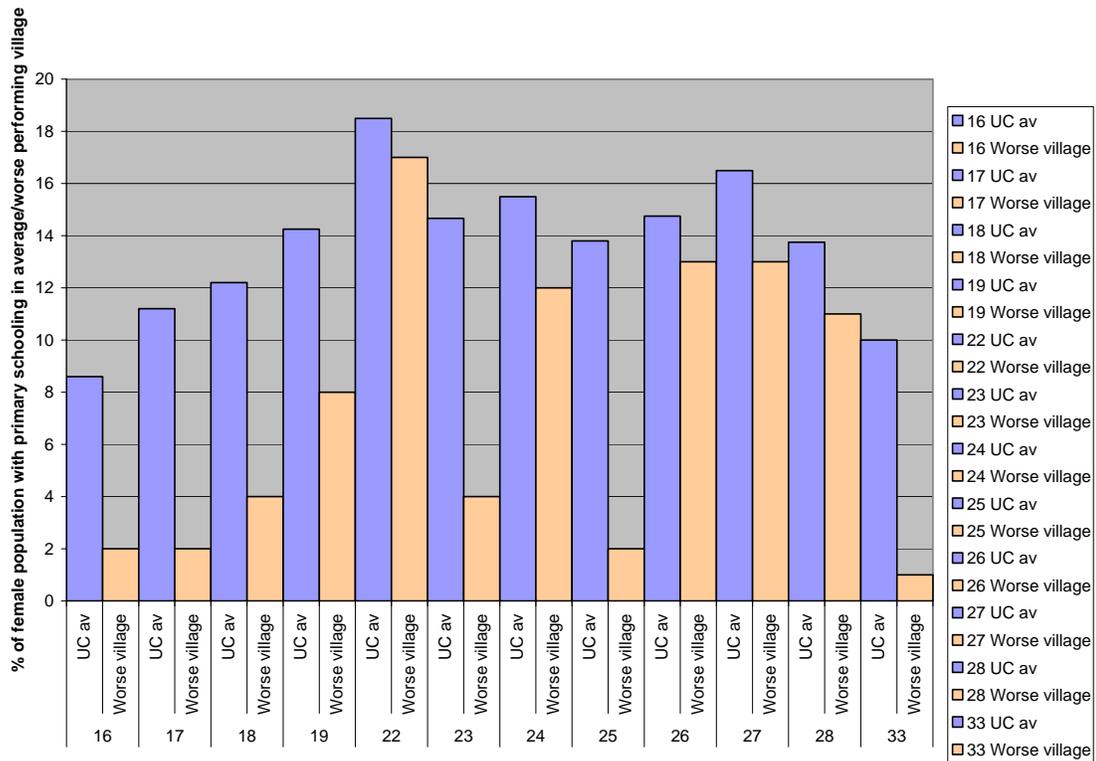
⁶ As pointed out earlier these 12 union councils came under the Khurrianwala chief officer's unit in Jaranwala tehsil during 2003-04.



Source: Population Census 1998

Figure 2.1 shows that the average literacy difference between the worst performing village and the union mean across our case unions is 17 percent and a test for differences in mean suggests a statistically significant difference. The figure also reveals considerable variation in literacy rates between union councils.

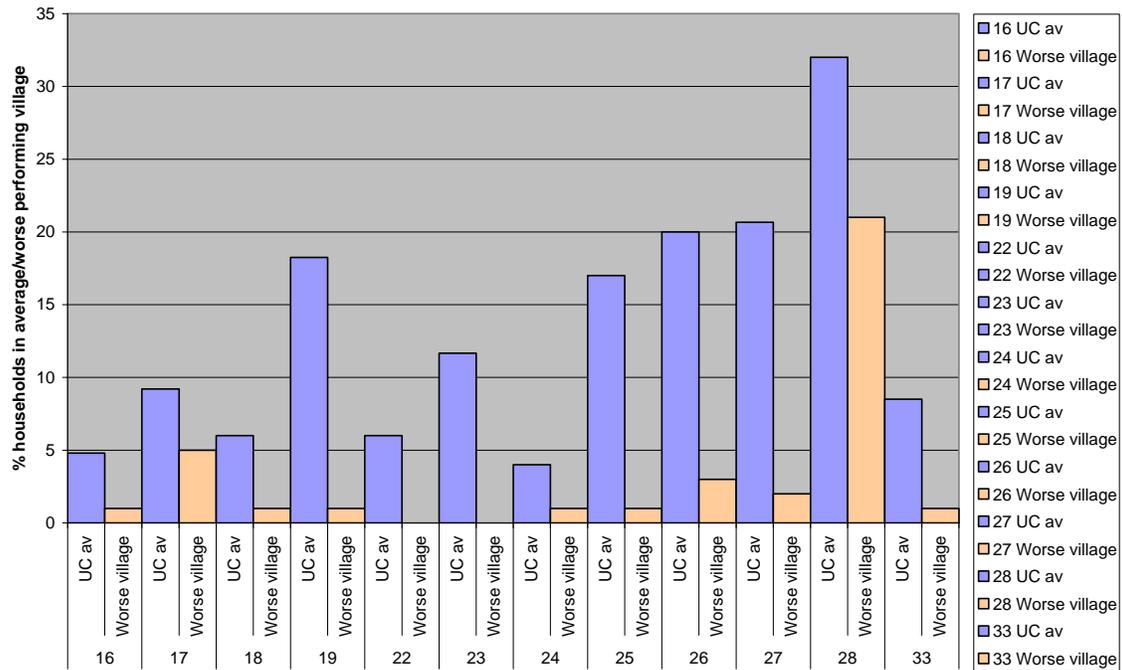
Figure 2.2. Female Primary School Outcomes in Rural UCs under Khurrianwala CO-Unit



Source: Population Census 1998

A similar story exists for female primary schooling outcomes with the gap between the worst performing village and the average village being 8 percent across our sample unions, which again is a statistically significant difference (Figure 2.2.). Statistically significant gaps also persist (not reported here) in male primary schooling outcomes, a gap of 8 percent, and in electricity provision, a significant gap of 25 percent.

Figure 2.3. Provision of Potable Water in Rural UCs under Khurrianwala CO-Unit



Source: Population Census 1998

Interestingly, very large gaps persist within a union in the provision of potable water with the worst performing village doing much worse than the union average in most unions (Figure 2.3). The average gap in potable water provision between the worst village and the union mean across our 12 unions is 12 percent and again this difference in means is statistically significant. Again, we find considerable between UC variation in the provision of potable water.

This analysis suggests that, at least in our case villages around Khurrianwala town, significant inequality persists in social indicators and provision outcomes within and between union councils. Interestingly, the population of a village and its level of development, measured by the proportion of *kuccha* (mud) houses, do not explain the difference in social indicators and social provision outcomes between the worst performing village and the mean for the remaining villages in each union⁷. That is, it is not necessarily less populous and poorer villages that suffer from poor social development and provision indicators. This shows that the story regarding inequality of outcomes in Pakistan is not straightforward. Inequality not only persists across gender, class and region, as stressed by the literature, but also persists across localities that lie in close proximity to each other and are expected to face similar structural constraints.

⁷ The only exceptions are electricity provision and female primary schooling attainments where the difference between the worst village and the other union villages is positively explained by the difference in the proportion of kucha houses in these villages.

3. Local Government Ordinance 2001: The issue of institutional design

Clearly the spatial and social inequalities, which the previous section described, reflect political, bureaucratic and electoral accountability failures. LGO 2001 has re-structured accountability relations in order to make local politicians and agents of the deconcentrated bureaucracy more responsive to excluded villages and social, political and occupational groups. The salient features of the reforms that are likely to impact accountability and provide incentives for the reduction of spatial and social inequality are described below.

3.1. Salient features of institutional design

(a) Devolution of expenditure and service delivery functions

There has been a significant devolution of key provincial functions to the district and *tehsil* levels. The scope of the district government and *tehsil* administration has been increased considerably by a reassignment of expenditure functions. For example, primary and secondary education and primary healthcare have been assigned to district governments. Most importantly, budgetary and planning functions that used to reside with provincial secretariats have been transferred to the district government and the *tehsil* administration. These changes have meant a considerable increase in the districts' share of consolidated provincial and local government expenditure (Cheema *et. al.* 2006 and Charlton *et. al.* 2003). Protagonists of the reform expect that the devolved expenditure assignment will strengthen the accountability of governments to citizens by reducing the distance between citizen and service providers, thereby allowing citizens to better monitor the workings of government.

(b) Making bureaucrats electorally accountable

Another significant change is that service providers at the district and *tehsil* levels have been made accountable to elected representatives. In particular, district bureaucrats who were previously accountable to unelected bureaucrats now have to work under an elected mayor (*nazim*). A similar arrangement of electoral accountability has been strengthened at the *tehsil* level.

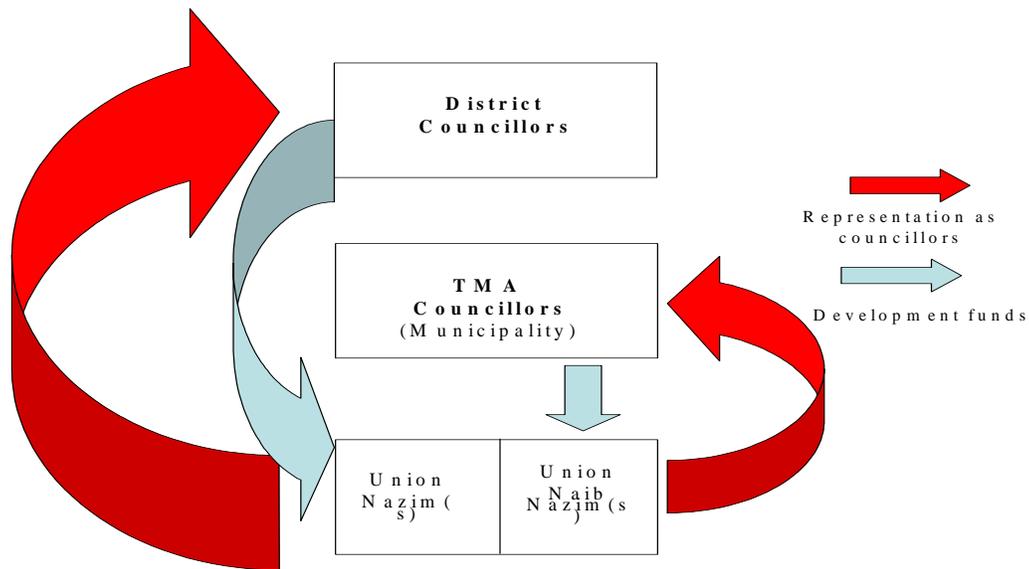
(c) Empowering the Union

For the purposes of this analysis the most significant feature of the reform is the heightened empowerment of union council mayors (*nazims*) and deputy mayors (*naib nazims*). The electoral accountability relationship is the strongest at the union level, where rural citizens directly elect the councillors, *naib nazim* and *nazim* of the union council.

In addition, by integrating the union into the upper tiers of local government these recent reforms have heightened the authority of the union executive (*nazim* and *naib nazim*) in selecting development schemes to be executed in their respective union councils at the

village, lane and household levels. The integration of the union into the upper tiers of local government has occurred by virtue of two features of the institutional design. Union *nazims* and *naib nazims* are automatically appointed as district and *tehsil* councillors, respectively. By getting integrated into the legislature of the higher tiers of local government the executives of the union become integral players in the district and *tehsil* level budgetary process, which gives them access to development funds at these tiers of local government (figure 3.1).

Figure 3.1. Political integration of the union into higher tiers of local government

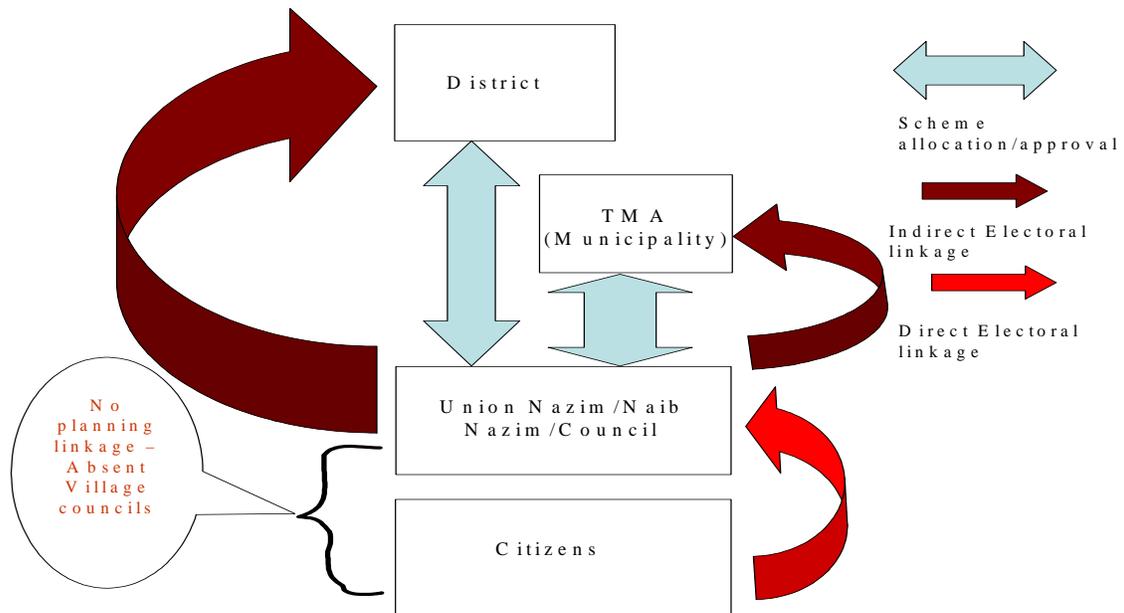


Furthermore, all executives and councillors of unions falling within the jurisdiction of a district or a *tehsil* comprise the Electoral College for the election of the district and *tehsil nazims*, respectively (figure 3.2). The combined electoral and legislative leverage of union executives vis-à-vis the executive of the higher tiers of local government gives them political bargaining power that allows them to wrestle development funds, in the form of development schemes, for their own unions from the district and *tehsil* development budgets.

Apart from the leverage that union executives get from these features of the new institutional design, they have much better information about provision short-falls within their own union councils, especially with regard to lane and household level public goods. This is largely because government has extremely outdated and poor inventory and mapping of provision short-falls for lane and household level public goods at the union council level. The paucity of information of local public goods with the state gives the union executives a monopoly over information that enhances their voice in the

selection of villages and lanes that are selected as the beneficiaries of development schemes within their union councils.

Figure 3.2. Electoral integration of the union into higher tiers of local government



(d) Design of the electoral constituency at the union level

The reformed system has mandated that for the purposes of union council elections the Electoral College will comprise of all villages falling within the jurisdiction of a union. Under the reformed system members of the union council and executive will not be elected by their respective villages but by all eligible voters falling within the jurisdiction of a union.

3.2. Impacting inequality of provision outcomes

The protagonists of the reform argue that inequality of provision outcomes will be reduced as a result of the implementation of LGO 2001 not only because of the devolution of expenditure assignments and funds but because of heightened electoral accountability and empowerment at the union level. Union executives are directly accountable to the citizens of the union council and their greater access to funds, a consequence of the political and electoral integration of the union executives into higher tiers of government, is expected to make them more responsive to their constituents.

More importantly, the small size of the union as an electoral constituency is expected to increase the electoral weight of previously excluded villages and households, thereby creating incentives for reducing social inequality in provision outcomes. Finally, the union being a multi-village ward is expected to reduce the spatial bias in provision, which would result from union executives targeting schemes to their villages of residence. This suggests that the reforms would act as a structural break that is expected to reduce within union inequality in provision between villages and between social, political and occupational groups.

4. Methodology and Sampling Strategy

Sampling strategy

The focus of this paper and our research is on rural areas because of a higher incidence of poverty in these areas and because, despite the fact that 70 percent of all Pakistanis live in rural areas, social service provision has always been much worse in these parts as compared to urban areas. In terms of choosing a case district, we felt that it would be instructive to analyse the impact of devolution in rural areas that have seen considerable socio-economic change as a result of urbanization and industrialisation. Therefore, we decided to choose a fieldwork site in Faisalabad, Punjab's second most industrialized and urbanized district. Within Faisalabad we chose Jaranwala *tehsil* because it is dominated by peasant proprietors, rather than large landlords, and, therefore, can be expected to have more competitive elections and more responsive representatives. Within this *tehsil*, we chose two rural unions that were close to major market activity and opportunities for industrial and service sector employment. More importantly, we chose unions where the union nazim had won the 2001 local government elections by an extremely small margin so that we could expect the nazim to be responsive to citizens on account of the threat of being ousted by a small 'vote swing' in the next elections. In order to maintain the confidentiality of our respondents we label the first union, 'Case UC 1' and the second union, 'Case UC 2'.

In each of these unions, we surveyed in two villages. The first village chosen in each union was the elected union nazim's village of residence because local interviews as well as international literature (Besley *et al*, 2004) suggest that local elected mayors tend to oversupply to their own villages at the expense of other localities. We refer to these villages as nazim village 1 (NV 1 in Case UC 1) and nazim village 2 (NV 2 in Case UC 2). The second village in each union was chosen on the basis of having the least or no representation on the union council. These villages are labelled non-nazim village 1 (NNV 1 in Case UC1) and non-nazim village 2 (NNV 2 in Case UC 2). In each village we surveyed 22-30 percent of households, which gave a total sample of 364 households. The household sample was randomly drawn and stratified according to the *biraderi*⁸ composition of the village, based on the fact that *biraderis* are considered good proxies for social positions.

⁸ Hierarchically ordered, patrilineal kinship groups that retain an element of the occupational caste system.

5. Socio-Economic Characteristics of Sample Villages

This section describes the key socio-economic features of our case villages. The important finding is that *nazim* and non-*nazim* villages share fairly similar socio-economic features (Table 5.1). There is little difference in land ownership, occupation patterns and adult male education between the two types of villages. Other similarities include religious homogeneity in all four villages (most belong to the Sunni sect of Islam) and the fact that both *nazim* and non-*nazim* villages have un-empowered communities with no presence of citizen-based organizations, cadre-based political and social groups and grassroots-based political party activity. No evidence of NGO or donor-supported work was found either. The main difference between the two types of villages is in adult female educational attainment.

Both types of villages conform to Faisalabad's small peasant holding pattern. The pattern is interesting as it shows that a majority of households are working as small peasants or labourers, with a bulk of workers employed in the factories that mark the Sheikhpura and Jaranwala access roads. It appears, however, that access to industrialization has meant little in terms of positive economic and social changes, and has really only meant the proletarianization of peasants in these villages. The two types of villages also have little difference between them in terms of wheat productivity. In fact, both Case UC 1 and 2 have low land utilization because of irrigation breaches, which have reduced the supply of water to these rural areas and have ended up increasing the income deprivation of peasants that inhabit these villages.

Table 5.1. Socio-Economic Features of Case Villages

	Land ownership and productivity		Primary Occupation		Educational Attainment		Voting
	Average Land holding (acres)	Average yield of wheat (maunds per acre)	% HH reporting Agriculture	% HH reporting Labour	% Adult Males with Primary Schooling	% Adult Females with Primary Schooling	% HH where at least 1 adult voted in 2001
<i>Nazim</i> Villages	5.6 (5.8)	25.1 (11.5)	45.9	30.4	65.0%	43.1%	74.0
Non- <i>Nazim</i> Villages	6.9 (8.4)	25.2 (9.4)	43.7	33.9	55.3%	14.4%	72.3

Source: LUMS-McGill SEDC Survey data

Note: Standard deviation in parenthesis

What kind of political alignments do these village level social structures give rise to? Table 5.2 shows that while there was a very large majority of households where the head voted for the *nazim* in the *nazim* villages, a majority also voted for the *nazim* in the non-*nazim* villages. We would, therefore, expect the *nazim* to be responsive to both types of villages.

In both types of villages voting transcended narrow *biraderism* as small peasant, majority *biraderis*⁹ and non-agricultural castes provided approximately 80 percent of the votes received by the *nazims*. Interestingly, the dominant *biraderis* in the non-nazim villages, which were the village influentials' *biraderis*, voted against the *nazims* of our case unions. Basically, the weak and the poor in the non-*nazim* villages voted for the *nazims*, while the village influentials of these villages vote against the *nazim*.

Table 5.2. Voting Behaviour in Sample Villages

	<i>Nazim Villages</i>	<i>Non-Nazim Villages</i>
Households where Head voted for Nazim (% of households)	80	54
	% of total HH who voted for <i>Nazim</i>	
Majority Agrarian <i>Biraderi</i>	59.3	45
Non-agricultural castes (including Muslim Sheikh)	21	43
Dominant <i>Biraderi</i>	n/a	0

Source: LUMS-McGill SEDC Survey data

6. Post-reform Impact on Social and Spatial Provision Inequality: The Evidence

This section provides evidence in answer to our main question – has Pakistan's latest experiment with local government reforms been able to reduce the spatial and social inequality in provision outcomes that have plagued the country's development experience? We provide three pieces of evidence to address this question. At the most preliminary level we assess whether villages that were previously excluded from provision are now benefiting from it. We then assess whether union executives are parochially targeting schemes to villages where they are resident. It was argued, in section 3, that the union being a multi-village electoral constituency would reduce the incentive for parochial provision by the union *nazim* and *naib nazim*. We are able to undertake this analysis by virtue of our sampling strategy that has randomly sampled households from villages where a union executive was resident and villages that not only did not have the union executive resident but also had a paucity of councillors. Lastly, we assess whether provision gaps have been reduced or exacerbated between social and occupational groups at the upper and bottom ends of the social hierarchy of villages.

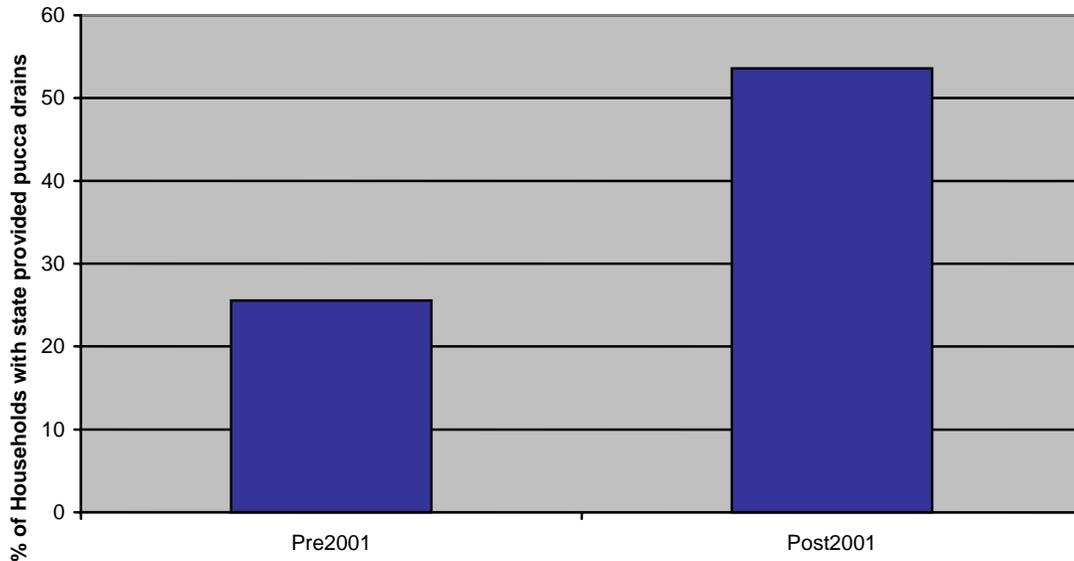
6.1. Are excluded villages benefiting?

Figure 6.1 shows that post-reform there has been an impressive change in government provided sanitation to households that had previously been excluded from the benefits of state provision. State provided drain provision to households has increased by

⁹ In the nazims' villages these are the biraderis the nazim belonged to.

approximately 28 percent over and above the pre-reform level, which amounts to a doubling of provision in less than four years of the reform. The findings of our small sample are reinforced by Cockcroft *et al's* (2005) survey report, which shows that there has been a considerable increase in sanitation provision in Punjab to rural villages and households since the reform. The fact that this increase in provision is targeted towards previously underprovided villages appears to suggest a big plus for the reformed system.

Figure 6.1. Pucca Drain Provision in Sample Villages



Source: LUMS-McGill SEDC Survey data

Key respondent surveys suggest the following proximate causes for this impressive increase. The most important cause is that there is greater availability of funds in what were previously under-funded localities. There are a number of reasons for this change. Under the old system union councils were under-funded and did not have a ‘voice’ in either the determination of district council or provincial development funds nor did they have a say in the allocation of development funds across localities. The allocation of development funds under the old system was more a result of political bargaining than the outcome of a rational planning process. The ‘pivotal’ factor in the political bargain was the clout of the local influential in gathering votes/support for the provincial and national level politicians at the local level. Interviews suggest that the local influentials in our case unions did not have the necessary political clout with higher level politicians under the old system, and hence, these localities were not beneficiaries of district or provincial development funds on a sustained basis.

The under-provision of development funds to our case unions appears to have changed after local government reforms. This is partly because the district *nazim* of Faisalabad and the first *tehsil nazim* of Jaranwala attempted to ensure that every union council received development funds (Table 6.1). This itself reflects the difficulty of excluding unions from the flow of development funds under the new system, where union *nazims*

and *naib nazims* are also district and *tehsil* councillors, respectively. Furthermore, the role of union *nazims* and *naib nazims* as councillors allows them to have better information on the intended allocation of district and *tehsil* development funds across unions. This is not to suggest that the inequality in allocations across unions has disappeared (Table 6.1) but only to underscore the point that previously under-provided unions and localities have received an injection of development funds from higher level local governments, which has in turn led to increased provision.

Table 6.1. Distribution of Development Funds for Sanitation

Rural Unions under the Khurrianwala CO Unit	% of Cumulative Development Spending on Sanitation and Soling 2001-2004	% of union population under Khurrianwala CO unit
16	6.0	7.5%
17	8.1	6.6%
18	4.0	7.2%
19	6.9	10.0%
22	14.2	7.5%
23	9.3	7.9%
24	0	7.0%
25	32.8	9.3%
26	2	9.5%
27	4.6	8.3%
28	4.6	9.4%
33	7.4	9.8%

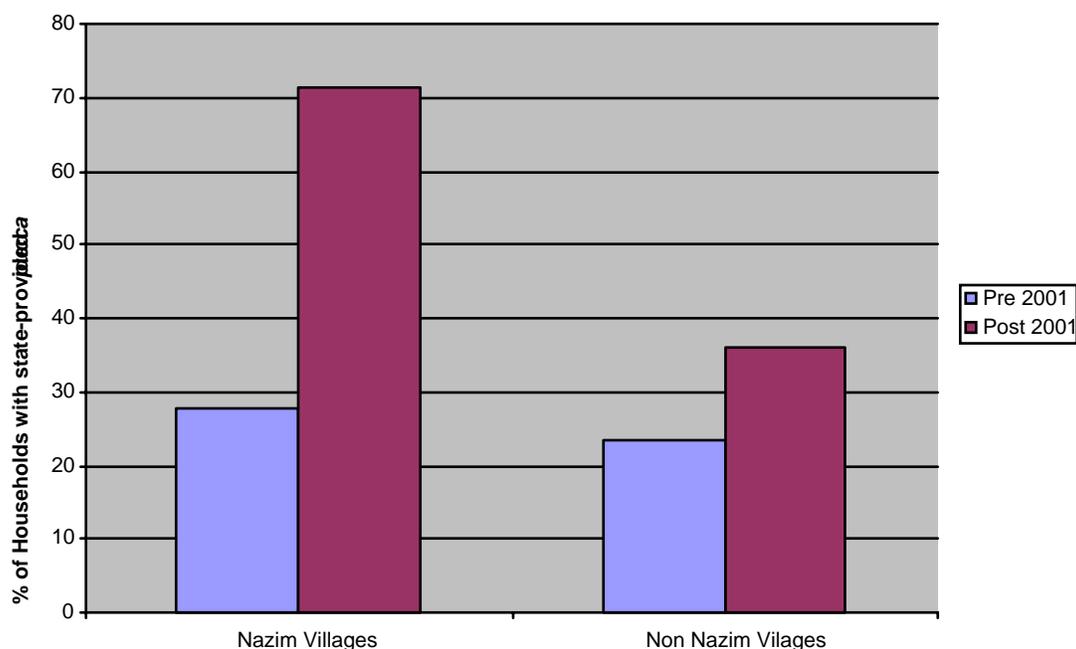
Source: Jaranwala *Nazim's* Office

Note: Cumulative development Spending includes funds allocated to sanitation schemes by the District Government and the *Tehsil* Municipal Administration

6.2. Do union executives target parochially to their own villages?

Figure 6.2 shows that, if anything, the tendency towards parochial targeting has been exacerbated in our sample unions. Over 40 percent of the households in the *nazim* villages (villages where the union executive is resident) have been provided drains post-local government reforms as opposed to only 14 percent of the households in the non-*nazim* villages. Interestingly, the provision deficit between the *nazim* and non-*nazim* villages was not that stark prior to the reform, even though overall provision was low in all villages. This suggests that even though the provision of state provided *pucca* drains has increased considerably post local government reforms, new provision is heavily targeted in favour of the *nazim* villages, which is contrary to expectations and worsens the spatial inequality in provision outcomes.

Figure 6.2. Pucca Drain Provision by Village Type



Source: LUMS-McGill SEDC Survey data

Data on local government budgetary spending on sanitation for Khurrianwala's 12 unions reinforces our finding regarding parochial targeting. Table 6.2 shows that in a majority of Khurrianwala's union councils the percentage allocated to sanitation and soling schemes in the union executives' village is greater than the percentage share of population of these villages, suggesting a trend towards parochial spending.

Table 6.2. Budgetary Development Spending on Sanitation

Rural Union Councils under the Khurrianwala CO unit	Cumulative Development Spending on Sanitation and Soling 2001-2004		
	Total Allocations (Rs. Million)	% Allocated to Nazim/Naib Nazim Villages	% population within Nazim/Naib Nazim Villages
16	1.50	100	44.6%
17	2.00	100	42.7%
18	1.00	50	59.3%
19	1.70	58	59.0%
22	3.52	42	72.9%
23	2.30	39	34.4%
24	0	n/a	62.3%
25	8.14	89	67.9%
26	0.5	0	61.0%
27	1.2	61	32.5%
28	1.2	100	56.8%
33	1.84	48	60.0%

Source: Jaranwala Nazim's Office

Note: Total allocations include funds allocated to sanitation schemes by the District Government and the Tehsil Municipal Administration

Is this sufficient evidence of parochial spatial targeting? Certainly this is prima facie evidence that suggests that union executives are much more responsive to the constituents of their own villages as opposed to the citizens of the non-*nazim* villages. However, this result could really be capturing the differences in the degree of activism between the communities in the *nazim* and the non-*nazim* villages. If this is the case then the difference in the *nazims'* responsiveness to the two types of villages would really reflect the difference in the degree of development of communities in the two types of villages, measured by the differences in literacy, political activism, economic wealth, etc. Furthermore, in the absence of rule-based spending, which assigns a high weight to inter-village equity, we would expect the two types of villages to display differential ability in holding the *nazim* accountable. However, we know from section 5 that there is little difference in the socio-economic characteristics of the *nazim* and non-*nazim* villages in our case unions measured in terms of differences in landownership, literacy and educational outcomes and occupational mix. In addition, we know that there was not much to choose between the two village types in terms of pre-devolution provision, which suggests that their levels of political development could not have been that different, at least in the pre-devolution set-up. This suggests that, most likely, the result regarding parochial targeting is not capturing underlying structural socio-economic differences in our case village communities. This provides the *first puzzle*, which asks what motivates the union executives to be excessively biased in serving his own village, given that the local electoral constituency is a multi-village ward. An answer to this puzzle is provided in section 7.

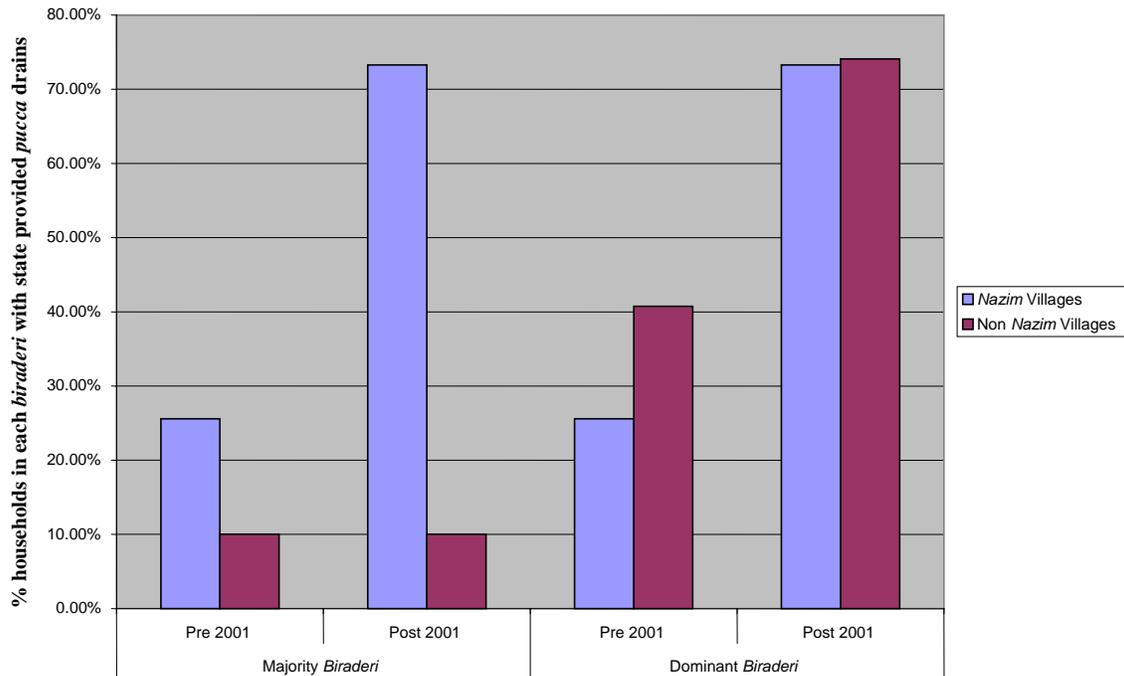
6.3. Have reforms reduced the inequality in provision between social and occupational groups?

We start by asking whether households belonging to the majority *biraderi*¹⁰, i.e. the *biraderi* in a demographic majority in the village, gain relative to the dominant *biraderi*¹¹, or the *biraderi*(is) of the influential(s) of the village. We use *biraderi* as a category of social analysis because it formed the basis of the settlement pattern of these villages. At the time of settlement, the main division was between agricultural and non-agricultural *biraderis*/castes, with the former higher or dominant *biraderis* usually also displaying higher wealth indicators and the latter lower *biraderis* being the poorest in the village.

¹⁰ *Biraderis* are hierarchically arranged lineage groups.

¹¹ The dominant and the majority *biraderi* are the same in the *nazim* villages and are different in the non-*nazim* villages.

Figure 6.3. Biraderi Based Targeting



Source: LUMS-McGill SEDC Survey data

Figure 6.3. shows that in the non-*nazim* villages the majority *biraderi*, which comprises of small landholders, has hardly seen any increase in new provision since the implementation of the local government reforms. As opposed to this, the dominant *biraderi* in the non-*nazim* villages, which is the *biraderi* of the village influential, has seen increases in new provision that are in line with post-reform provision in the *nazim* villages. Intriguingly, it is in the non-*nazim* villages that we find considerable evidence of elite capture.

A similar pattern is found if we analyze the changes in provision inequality between different occupational groups. Figure 6.4. shows that in the *nazim* villages small landholders,¹² labourers¹³ and non-agricultural caste households all gain in line with village averages from post-reform provision. However, the same finding is not true in non-*nazim* villages. Small landholding households, labourers, non-agricultural castes and Muslim Sheikhs (agricultural servant and scavenger caste)¹⁴, remain highly under-provided, and have seen little new provision since the local government reforms.

The second puzzle, which is also addressed in section 7, is why do *biraderis* in a demographic majority and low income occupational and caste groups lose out given that the smaller size of the local electoral constituency increases their electoral weight. This is

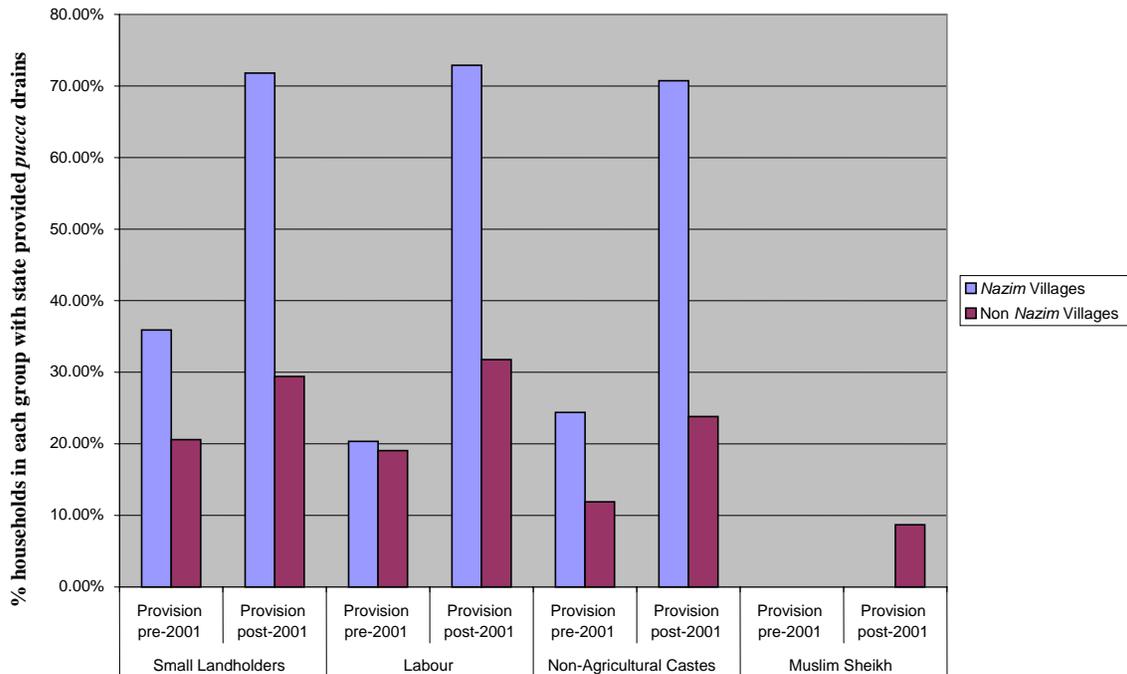
¹² Defined as landholders that own less than 5 acres i.e. less than the mean landownership.

¹³ Defined as households that report labour as their primary occupation.

¹⁴ Figure 6.4. does not reflect a lack of provision to Muslim Sheikhs in the *nazim* villages because this caste does not exist in either of the two *nazim* villages.

an especially pertinent puzzle because the union executives in our sample won by an extremely small majority (section 4), which should make them highly responsive to voters from non-*nazim* villages.

Figure 6.4. Which Groups Benefit from Provision?



Source: LUMS-McGill SEDC Survey data

7. Analyzing the Politics of Provision

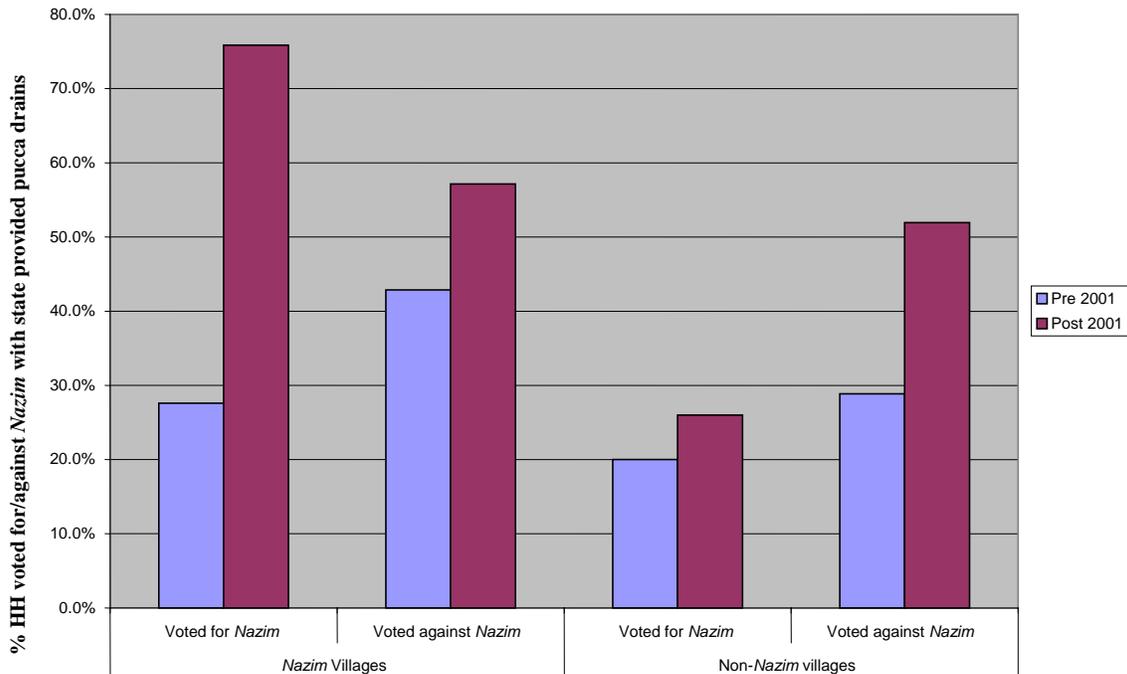
This section addresses the two puzzles identified in the previous section. The first puzzle is, why do union executives have a post-reform provision bias towards their village of residence given that electorally the union is a multi-village constituency? The second puzzle is, why do dominant social groups and better-off occupational groups continue to dominate provision, post-reforms, in spite of the fact that the reforms in all likelihood decreased their electoral weight in comparison with *biraderi* and poorer occupational groups that are in a demographic majority? The answer to these puzzles resides in the structure of political bargaining between the union executives, villages and different social and occupational groups.

7.1. Does it pay to vote for the union executive?

We start by asking the simplest question; it is possible that our findings regarding the increase in social and spatial inequality post-reform simply reflects the union executives' responsiveness to their voters? Is it the case that more households gained in the *nazim* villages because *nazims* obtained more votes from their own village? We can directly

address this question by estimating the extent to which the *nazims* targeted provision towards households where the head of the household voted for them in the *nazim* and non-*nazim* villages. This exercise is conducted in Figure 7.1.

Figure 7.1. Provision of Drains to Voters



Source: LUMS-McGill SEDC Survey data

As can be seen from the figure, among the pool of households voting for the *nazim* in the *nazim* villages 48 percent have obtained access to post-reform provision of drains. Interestingly, the voters of the *nazim* in the non-*nazim* villages have gained little by exercising their choice to vote, with only 6 percent such households gaining from post-reform provision, in spite of the fact that this group of voters was highly underprovided pre-devolution. In fact, as can be seen from the figure, in *nazim* and non-*nazim* villages, households where the head voted in opposition to the *nazim* in 2001 have done much better than the *nazim*'s voters in the non-*nazim* villages. This finding reinforces our earlier evidence that parochial targeting continues despite the local government reforms. Clearly, the *nazims* are discounting their voters outside their own villages in spite of the fact that they won the elections by a small margin.

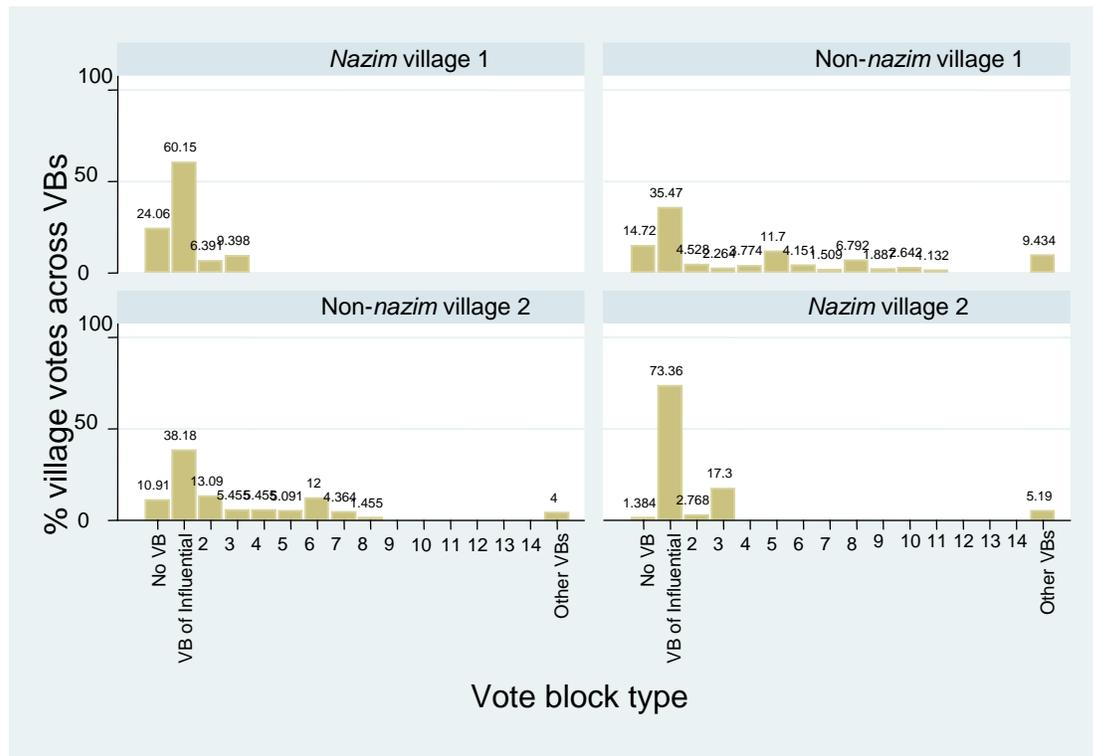
In line with expectations, only 14 percent of households that voted against the *nazim* in the *nazim* villages obtained provision, which is far lower than the village average for post-reform provision in our sample villages. However, counter intuitively 23 percent of the households who voted against the *nazim* in the non-*nazim* villages obtained post-reform provision.

7.2. How important are *dharas* to provision outcomes and targeting?

The previous section has put forth prima facie evidence that electoral accountability appears to remain weak at the local level. An often cited reason for distorted electoral accountability is the non-competitive nature of local level electoral processes. It is often argued by citizens and in the literature (Wilder 1999, Keefer et. al. 2003) that electoral competition in Pakistan is lacking at the local level because voting happens through patron-client *dharas*, which are prone to capture by the local elite and tend to exclude the poor. *Dharas* can be *biraderi*-based, *biraderi* alliances or divided along political party lines¹⁵. *Biraderi*-based groups can also split up due to intra-group rivalries and form *dharas* on the basis of alliances with other *biraderis* or *biraderi*-based factions. The contention is that *dharas* distort local level electoral politics and end up reducing the accountability of local elites to non-members of these *dharas*. They are also held responsible for political victimization of opposition *dhara* members by those in power through denial of essential public services to these individuals, by registering fake law and order cases against them and through the exercise of the state’s local level coercive apparatus. It is, therefore, pertinent to question the extent to which parochial targeting reflects biases in favour of the *nazim*’s *dhara* members.

Our survey allows us to undertake this exercise as it asked respondents whether they were members of a vote block (*dhara*) and the name of the individual who they recognized as the influential of their *dhara*. Throughout this study the *nazim*’s *dhara* is defined as a vote block whose identified influential is the *nazim*. One of the most significant findings of this research is that the activity of voting within villages always happens through groups, called ‘*dharas*’, and citizens rarely, if ever, vote as individuals (Figure 7.2).

Figure 7.2. Features of *Dharas* (vote blocks) in 2001 Local Government Elections



Source: LUMS-McGill SEDC Survey data

The figure shows that a dominant *dhara* (vote block) exists in all our sample villages, which controlled a majority, ranging between 35% to 73%, of the registered vote in the 2001 local government elections. Features of the dominant *dhara* indicate that it is aligned to and controlled by a village influential drawn from the dominant *biraderi*, which has historically dominated the social hierarchy, in each of the sample villages. Its membership is largely, but not entirely, built around the patrilineal network of the dominant *biraderi*.

Table 7.1. Features of Dominant Dharas

<i>Dominant Dharas</i>	% of HH in sample in each village			
	<i>Nazim Village 1</i>	<i>Non Nazim Village 1</i>	<i>Nazim Village 2</i>	<i>Non Nazim Village 2</i>
<i>Nazim's Dhara</i>	60.1	0	73.3	0
<i>Non Nazim Village Influential's Dhara</i>	0	35.4	0	38.1

<i>Nazim's Dhara</i>	Social Composition of Dharas			
	% of HH in <i>Biraderi</i> /Group (% <i>dhara</i> members)			
Majority and Dominant <i>Biraderi</i>	78 (57)	n/a	77 (65)	n/a
Second Largest small peasant <i>Biraderi</i>	86 (24)	n/a	83 (7)	n/a
Non-Agricultural Caste	42 (18)	n/a	81 (19)	n/a
Non <i>Nazim</i> Village Influentials Dhara				
Dominant but Minority <i>Biraderi</i>	n/a	88 (57)	n/a	100 (33)
Non-Agricultural Caste	n/a	20 (11)	n/a	30 (12)

Source: LUMS-McGill SEDC Survey data

Field data suggests that all *dharas*, including the dominant *dhara*, tend to be village specific¹⁶ (Table 7.1). In the *nazim* villages the dominant *dharas* are controlled by the *nazim*, who is also the influential of the relevant village. We find that, in their own villages, members of the *nazims' dharas* tend to be a majority of their voters (Table 7.2.).

Table 7.2. Members of Dominant Dhara as a % of Nazim Voters

<i>Nazim Village 1</i>	78 %
<i>Non-Nazim Village 1</i>	0 %
<i>Nazim Village 2</i>	86 %
<i>Non-Nazim Village 2</i>	0 %

Source: LUMS-McGill SEDC Survey data

¹⁶ Ahmad (2007) finds that voters in local government elections tend to place village loyalty above union council level affiliation.

Interestingly, the dominant *dharas* in both the non-*nazim* villages are controlled by the influentials of those particular villages and not the *nazim* (Table 7.1.). Furthermore, the dominant *dhara* in both the non-*nazim* villages did not vote for the *nazim* and no *nazim* voter in these villages identified him/herself as a member of the *nazim's dhara* (Table 7.3.).

Table 7.3. Vote Blocks in Non-Nazim Villages

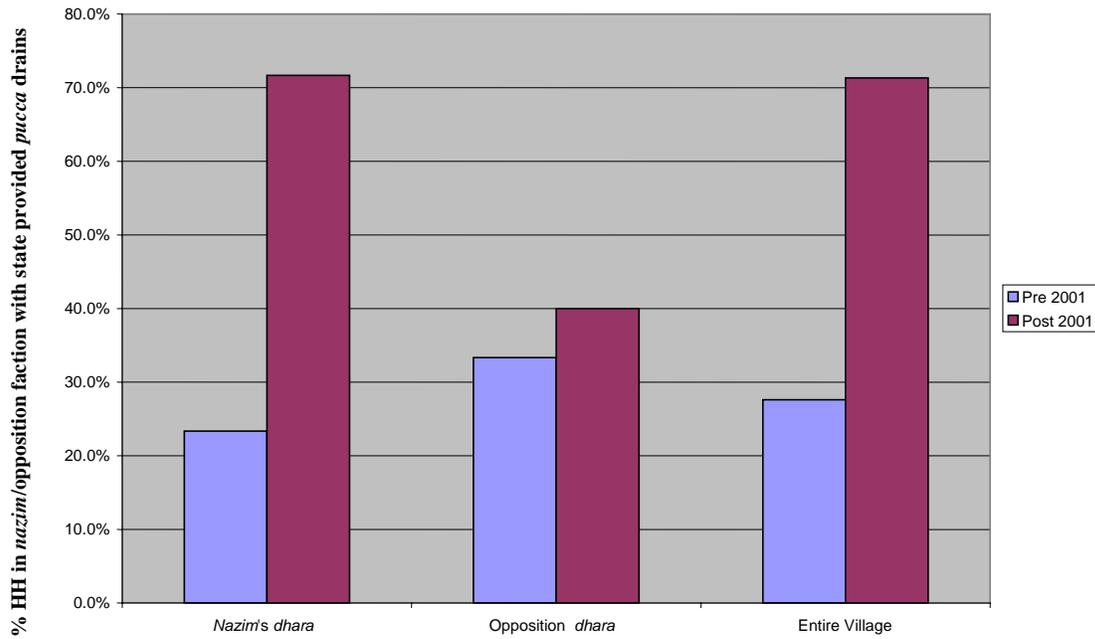
Households reporting participation in a <i>dhara</i>	155
% of Households Reporting Participation in <i>Dharas</i>	
<i>Nazim's dhara</i>	0.0
Village Influentials' <i>Dhara</i> – Voted against <i>Nazim</i>	34.2
<i>Dharas</i> Opposing Village Influential - Voted for <i>Nazim</i>	50.9
<i>Dharas</i> Opposing Village Influential - Voted against <i>Nazim</i>	14.9

Source: LUMS-McGill SEDC Survey data

Given the fact that the *nazims' dharas* are village specific, we would expect the *nazims* to be responsive to their own *dharas* in their own villages. However, given the fact that their voters in the non-*nazim* villages do not belong to the dominant *dhara* in those villages, we would also expect the *nazim* to be responsive to *dharas* that opposed the village influential in these villages. This is especially true because, as pointed out in section 4, the *nazims'* in our sample unions won the 2001 local government elections by a small margin.

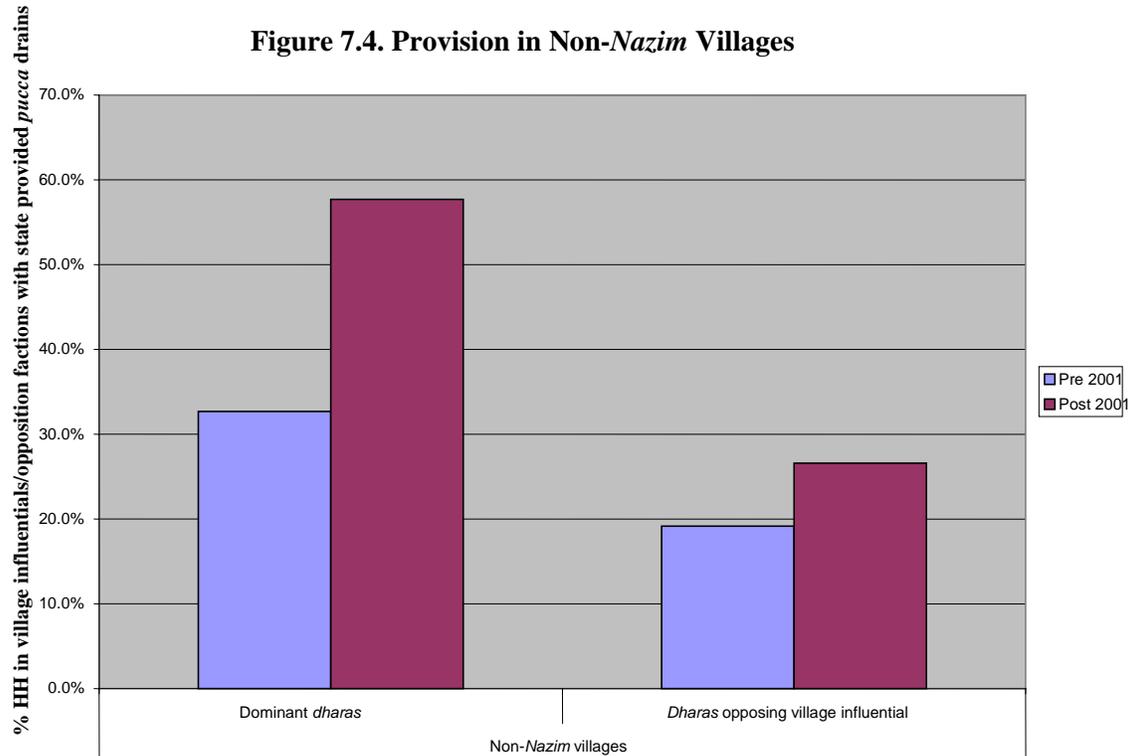
Figure 7.3 shows that our expectation regarding the *nazim* villages is borne out, as 48 percent households in the *nazims' dharas* saw new provision post-reform. As opposed to this only 7 percent of the households in the opposition *dharas* saw new provision in the *nazim* villages, which is much lower than the village average. This reflects a targeting bias against the opposition faction even in the much provided *nazim* villages. Interestingly, members of the *nazim's dhara* were not major beneficiaries of provision before the local government reforms, which is why the change in provision post 2001 is much higher for the *nazims' dhara*. Clearly, post-local government reforms the targeting of provision, which is highly biased towards the *nazim* villages, is benefiting members of their *dharas*.

Figure 7.3. Provision in *Nazim* Village



Source: LUMS-McGill SEDC Survey data

However, we find that the major beneficiaries of post-reform provision in the non-*nazim* villages are members of the dominant *dhara* who did not vote for the *nazim* (figure 7. 4.). This targeting is benefiting the larger and more dominant village level landowning *biraderis* . Ironically, members of the *dharas* opposing the village influential in these villages, who voted for the *nazim*, hardly get an increase in post-reform provision. As opposed to the 25 percent households in the dominant *dhara* who got post-reform provision, only 7 percent of households in the *dharas* that opposed the influentials saw new provision. The latter *dharas* lost out despite electorally supporting their winning *nazim* and *naib-nazim*. An important question emerges from the findings of the non-*nazim* villages. Why did the *nazims* choose to provide to the non-*nazim* village influentials instead of targeting new provision to the factions that voted for them. The political logic of this finding is explained in the next section.



Source: LUMS-McGill SEDC Survey data

8. The politics of *dharas*

An explanation of targeting failure that reinforces spatial and structural inequality must explain two specific findings: (a) the persistence of parochial spatial targeting in favour of the *nazim* village; and (b) the lack of responsiveness of the elected union *nazim* to his voters in non-*nazim* villages. It is our contention that an understanding of the way *dharas* organize and construct strategic alliances can go a long way in explaining the reasons for the targeting failures identified above.

8.1. *Dharas* and parochial spatial targeting

The existence of *dharas* gives politics in rural Punjab a unique characteristic where voters are never wooed as individuals but rather, access benefits of provision only through the membership of *dharas*. This means that electoral candidates prefer to negotiate and find support from leaders of groups rather than bear the entire cost of organizing individual voters themselves. To the extent that different groups face differential costs of organizing into *dharas* this is likely to reduce the competitiveness of rural politics and, thus, reduce the extent to which an average individual voter can hold local politicians accountable. Furthermore, the costs of organizing *dharas* would make it attractive for politicians to either make alliances with *dhara* leaders that have the ability to organize larger *dharas* at lower costs or with leaders who ensure reciprocity over the longer run.

More importantly, it appears that this form of organisation or political negotiation rarely transcends village boundaries, in that similar *biraderis* and classes across two different villages do not come together to form a common *dhara*. As a result, the coherence of political, competitive and social organisational logic is restricted to the level of the village. The absence of political collectivities, such as grassroots parties, reinforces the localization of *dharas* at the level of the village. This is borne out by our case union evidence where the *nazims*' *dharas* tended to be village specific (Table 7.1). This fact may explain why union *nazims* may be tempted to concentrate all benefits within their own village, and continue to strike only strategic, fluid, election-time alliances with *dharas* in other villages.

It appears that the extent to which excluded and low income groups benefit from *dharas* depends on the sociological composition of the network underlying the *dhara* and the degree to which it encompasses the village. In the *nazim* villages the *nazims*' *dharas* tended to encompass a majority of households for which purpose we label them as 'encompassing *dharas*.' They included most of the majority *biraderi* households, small peasant *biraderis* and non-agrarian caste households (Table 7.1). The encompassing nature of the *nazims* *dharas* and their composition may explain why targeting in the *nazim* villages is pro-small landowning and lower caste households.

8.2. *Dharas* and anti-poor targeting in *nazim* and non-*nazim* villages

Conventional literature on voting behaviour and clientelist politics points out that patron-client relations are premised on the fact that electoral support is rewarded by benefits after the election of the candidate. However, the politics and support patterns of the two case unions blur the conventional model of patron-client relationships and nuance the argument and logic. Specifically, this happens because of the pattern of service delivery highlighted in the last section where the village influentials' *dharas* in the non-*nazim* villages that did not vote for the *nazim* received the lion's share in terms of service delivery post-election. We first approach this question conceptually and then give more specific explanations in the context of our case villages.

8.2.1 Conceptualising strategic electoral alliances

The most obvious reason why it does not always pay to vote is that the incentive of the union *nazim* to respond to citizen 'needs' is dictated by the nature of *dhara* politics and the particular type of electoral alliances that are formed with various groups. The best way to think about strategic alliance formation is by using the vocabulary of 'contract theory'. The *nazim* is trying to form long-term electoral alliances¹⁷ with different *dharas*, where the *dhara* members offer him¹⁸ votes and in return the *nazim* offers them provision. However, what the *nazim* offers a *dhara* is a function of the expected longevity of the alliance that is forged. That is, the longer the alliance is expected to last, the higher

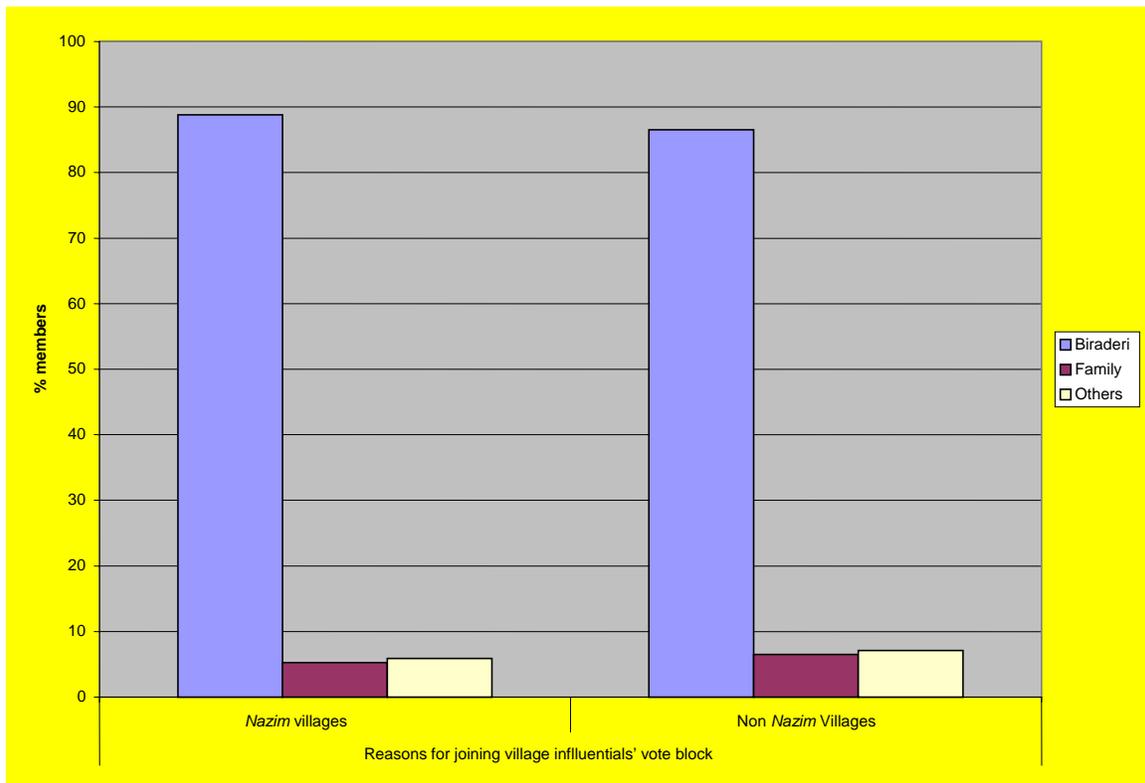
¹⁷ That is alliances he can rely upon in repeated electoral contests.

¹⁸ We refer to *nazims* as only "him" (as opposed to "him/her") in this conceptual section because both the *nazims* in our case unions were male.

the payoff or, in other words, the more short-term the alliance, the higher the discount the *nazim* will apply, which will be revealed through a lower provision payoff.

The *nazim*'s contractual alliance with his own *dhara* has a very high longevity because it is 'embedded'. The reason this alliance is 'embedded' is that in his own village the *nazim*'s *dhara* is underpinned by his historic *biraderi* network (Figure 8.1.). Social reciprocity underpinning the *biraderi* network ensures that the *nazim* offers not only provision benefits but also protection and other benefits, such as dispute resolution, to members of his *dhara*. This is borne out by our interviews where key *dhara* members argued that they were part of the *nazim*'s *dhara* not only because of provision benefits but because he helped them resolve disputes with state organizations, with other parties and/or provided other forms of intermediation. In particular, they argued that given the state of 'rule of law' or 'state functioning' they needed an influential to negotiate basic protection of rights to property and assets on a long-term basis. In turn, the *biraderi* network uses social sanctions to ensure that the vote is used as a repayment for these services, and since these services are provided over the long-run, the vote is assured over the long-term as well. This is an important reason why the *nazim* offers high payoffs to his own *dhara* members.

Figure 8.1. Reasons for Joining Village Influentials' Dhara



Source: LUMS-McGill SEDC Survey data

At another level the *nazim* does attempt to forge long-term alliances with other *dharas* in his own village that voted for him. This alliance is strategic and not embedded. However,

a higher payoff to this alliance is perhaps best explained by the aligning faction's rational support to a candidate from their own village, in recognition of the fact that patronage flows first and foremost to a candidate's own village. Location may not only promise earlier benefits but also a better ability to monitor the *nazim*'s actions. Distance may decrease the expectation of longevity on both sides because an earlier place in the queue may not be as likely and because monitoring may be quite costly for *dhara* leaders.

Then there are alliances that are much more short-term and are not underpinned by a cohesive and historic social network. In these alliances the *nazim* may discount the vote in a long-term sense and offer smaller payoffs because he is unsure about the longevity of the alliance. These types of alliances include situations where a *dhara* votes for the *nazim* in order to oppose their own influential. Another situation is where a *dhara* votes for the *nazim* because he has bought their vote. In the former case, he has to promise very little to these groups in return for their support. In the latter case, votes have been sold to him either for money or for other short term benefits. This is a one-time exchange between the *dhara* and the *nazim* and once the particular exchange has been made, the *nazim* has no lasting responsibility towards this group or a compulsion to provide for these people, since he is aware that those votes can be obtained in the same manner next time round as well. The support extended by this *dhara* has little to do with the *nazim*'s relationship with it through his tenure, and, consequently, his responsiveness to it is almost non-existent. Indeed, this logic was explained by *nazims* in our case unions while explaining why they did not provide to a number of non-*nazim* village *dharas*¹⁹.

At a minimal level, longevity requires that a *dhara* be consolidated and stable. Unstable *dharas* may be prone to repeated bargaining thereby making long-term alliances costly to maintain. A large number of small *dharas* mean that the cost of coordinating an alliance that is worthwhile may be too high. In these cases the *nazim* may end up discounting the long-term nature of the relationship and offer a smaller payoff.

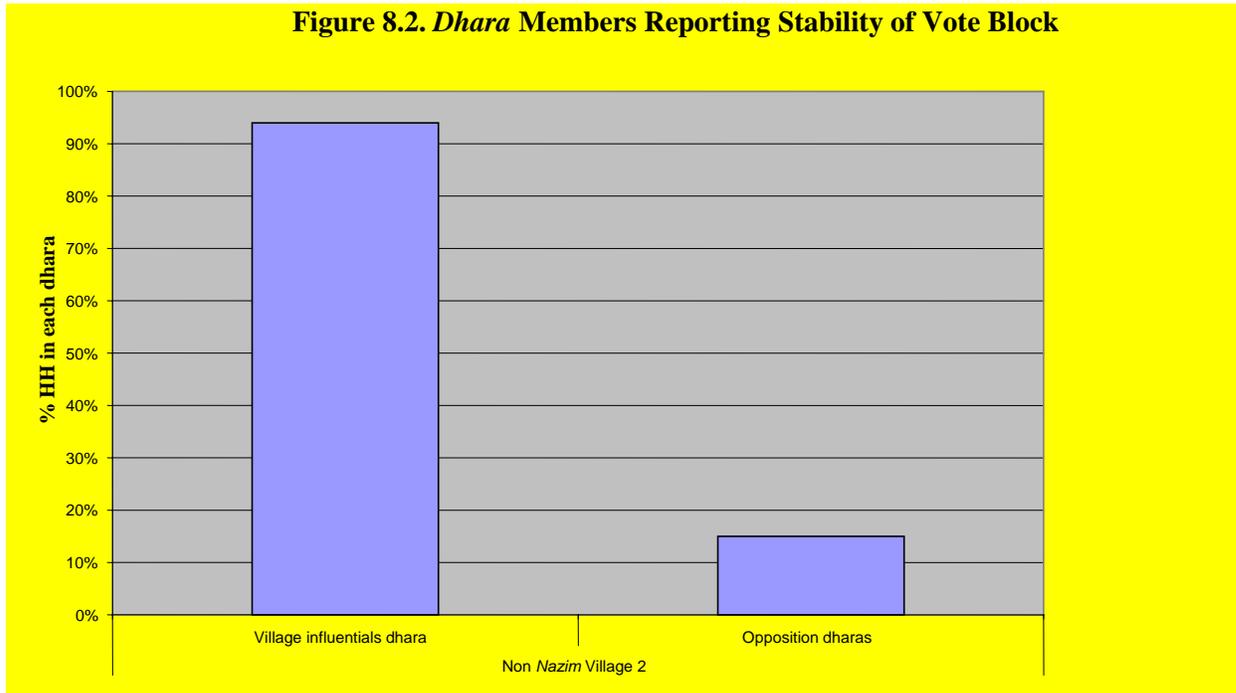
8.2.2 Explaining targeting failure in non-*nazim* villages

This typology of electoral alliances may help explain why the *nazims* in our case unions discount their own voters in non-*nazim* villages. Section 7 offers a basic explanation by showing that the *nazims* are able to forge 'embedded alliances' only in their own villages. This is because social networks do not transcend village boundaries, and as a result embedded politics, in the sense explained above, tends to be village specific. This is why *nazims*' alliances outside their villages tend to be strategic and are negotiated through organizers that put *dharas* together in opposition villages.

Nevertheless, a more comprehensive explanation is required for why the *nazims* in our case unions discount their voters in non-*nazim* villages, and this may be offered through an analysis of factionalisation and the instability of *dharas*. For instance, the non-village influential *dharas* in non-*nazim* village 2 that voted for the *nazim* tend to be much less stable (Figure 8.2). In both non-*nazim* villages the *dharas* that voted for the *nazim* tended

¹⁹ Describing one of his electoral transactions the *nazim* of Case UC 2 said that once he had 'paid' the *dhara* organizer for votes the transaction had been completed and what more did he owe them!

to be highly factionalised, with each *dhara* constituting a small number of households. In the two non-*nazim* villages the 79 households we surveyed that participated in these *dharas* were divided over almost 20 small factions. As opposed to this the 53 households in the non-*nazim* village influentials' *dharas* in these two villages represented consolidated factions, which were underpinned by cohesive *biraderi* networks (Figure 8.1).



Source: LUMS-McGill SEDC Survey data

Given this evidence, it is not surprising that key respondents revealed that in non-*nazim* villages most strategic alliances between the *nazims* and the *dharas* that voted for them were either based on ‘money transactions’ or the *nazims* had simply benefited from intra-village factional rivalry. These are just the type of short-term strategic alliances that we would expect the *nazims* to discount heavily.

Seen in this light it is also not surprising why *nazims*, in both case unions, have realigned strategically with the non-*nazim* village influentials, who electorally opposed them, within a year or so of the local government elections. In Case UC 1 this was achieved through the office of the *naib nazim*. In Case UC 2 this manifested itself in the *naib nazim*'s²⁰ by-elections when the village influential of non-*nazim* village 2 supported the *nazim*'s candidate. The vote blocks of these influentials are consolidated and stable because they are underpinned by a cohesive *biraderi* network and are thus more attractive to the *nazim* since an alliance with them offers greater longevity as compared to coordinating an alliance with a large number of unstable *dharas*. This realignment also

²⁰ The *naib nazim* elected in the local government elections resigned in order to contest the MPA seat in the 2002 general elections.

shows that the opposition of the non-*nazim* village influentials towards the *nazims* at the time of the local government elections was strategic and not deep-rooted.

The important point is that *dharas* comprising small landowners and lower caste groups tend to remain factionalised and, therefore, ignored in terms of provision targeting. Furthermore, presently there is no institutional mechanism at the union level that can target provision to these ‘highly needy’ groups in a manner that upholds the principle of equity.

8.2.3. Why are low income and lower caste *dharas* factionalised?

It still remains to be answered why *dharas* comprising small landowning and lower caste groups have been unable to form consolidated factions, especially given the simple numbers benefit associated with consolidation that would give these groups a clear majority in the non-*nazim* villages. To our mind this reflects an inability of ‘new leadership’ to emerge that can consolidate and empower these groups. Our respondents cited five important reasons inhibiting the emergence of leadership in small landowning and lower caste groups²¹.

First, recall that an important reason to be ‘recognized’ as a *dhara* influential was the ability of an individual to safeguard rights to property and assets of his clients. It is difficult for groups that lack social power to offer this protection, which diminishes the chances for a new leader to emerge from within these groups. Second, in our case villages the majority *biraderi* and lower caste groups tended to be asset poor and socially less powerful, which increases the opportunity cost of engaging in organizational activity at the expense of economic survival. Third, by trying to emerge as a leader an individual from these groups will face violent retaliation from existing dominant groups, which raises the costs of consolidation. Fourth, random personalized disputes within these groups have created feuds that raise the costs of consolidation. Fifth, the absence of grassroots political parties and pro-poor politics further inhibits the emergence of new leadership. Tragically, the failure of new leadership to emerge and consolidate these groups is creating significant anti-poor implications.

9. Conclusion

This chapter has shown that Pakistan’s development experience has been plagued with considerable social and spatial inequality in public service provision and social sector outcomes. Theory tells us that electoral decentralization and expenditure devolution ought to reduce this spatial and social inequality because local politicians are expected to become more accountable to previously underprovided villages and households. The experience from Pakistan’s most recent local government reforms (2001) suggests that what actually occurs is a mixed bag. We certainly find that, compared to the period before, the new reforms have brought a large number of previously underprovided households and villages into the provision net. However, we find that the beneficiary

²¹ Also see Mohmand (2005)

households are more likely to reside in a village where the union executive is resident, and in other villages are likely to be households at the apex of the village social and occupational hierarchy. This suggests that within a union, post-reform, social and spatial inequality may have been exacerbated. We cannot provide a stronger answer because the reform is recent and it would be interesting to see if patterns change after repeated rounds of elections.

Equally, we do not necessarily find that electoral accountability is being strengthened, at least after the first round experience with local government. In many instances successful local politicians discount their voters, especially those from low income groups and non-dominant *biraderies*, and instead provide to the village elite that has opposed them! This surprises us because in our sample the winning local politicians won by a small margin and hence we would expect them to be highly responsive in electoral terms. However, it appears that in many instances the old practice of making promises to those at the bottom end of the income and social ladder before the elections and not honouring them after continues in spite of the reforms.

The answer to this behaviour lies in the logic of how electoral alliances are made at the local level. We find that a defining feature of local politics in Punjab is the existence of patron-client vote blocks (*dharas*) that provide the sociological basis for electoral alliances and behaviour. We find that belonging to a dominant *biraderi's dhara* is significantly and positively correlated with obtaining provision through the union executive, irrespective of how the *dhara* voted. We also find that low income groups and non-dominant *biraderis* are less likely to form stable *dharas* with a large number of voters. It is likely that the inability of citizens at the lower end of the occupational, income and social ladder to form effective electoral vote blocks makes it more costly, and hence less attractive, for politicians to ally with them. In turn, this dulls the politicians' incentives to provide to them once the elections are over; in short, their votes get discounted. The essential question for future research is why is it that those at the bottom end of the social and income ladder cannot make stable electoral collectivities when the benefits of doing this are extremely high. Our work indicates that the social networks that exist and underpin electoral alliances make it much less costly for the dominant *biraderis* to form large and relatively stable alliances, which makes these *dharas* more attractive for the politicians. The absence of grassroots-based political parties makes it even harder and costlier for the non-elite to collectivise and this stacks the deck against them even more. However, further work is needed to provide a more comprehensive answer.

Bibliography

- Ahmad, M. (2007). "Representation, Participation, Empowerment," *Lahore Journal of Policy Studies*, Vol. 1(1), June.
- Besley, T., R. Pande, L. Rahman and V. Rao. (2004). "The Politics of Public Good Provision: Evidence from Indian Local Governments," *Journal of European Economic Association Papers and Proceedings* Vol. 2, 2-3, pp. 416-426, May.
- Charlton, J., Cyan, M., Hasnain, Z., Manning, N., Porter, D., Sharif, H., (2003). *Devolved Service Delivery Study*. World Bank/ADB/DFID.
- Cheema, A., A. Khwaja and A. Qadir (2006). 'Local Government Reforms in Pakistan: Context, Content and Causes' in *Decentralization and Local Governance in Developing Countries: A Comparative Perspective* (eds. P. Bardhan and D. Mookherjee). MIT Press.
- Cockcroft, A., N. Andersson, K. Omer, N. Ansari, A. Khan, U.U. Chaudhry, S. Saeed. (2005). "Social audit of governance and delivery of public services – Pakistan 2004/05: National report". Community Information Empowerment and Training (CIET) and Devolution Trust for Community Empowerment (DTCE). Islamabad.
- Easterly, W. (2003). "The Political Economy of Growth Without Development: A Case Study of Pakistan," in D. Rodrik (eds.) *In Search of Prosperity: Analytical Narratives on Economic Growth*. Princeton University Press, New Jersey.
- Filmer, D. (2001). "Education Attainment and Enrollment Profiles: A Resource 'Book' Based on an Analysis of Demographic and Health Survey Data". World Bank: Washington.
- Gazdar, H. (2002). "A Qualitative Survey of Poverty in Rural Pakistan: Methodology, Data, and Main Findings". Karachi: Collective for Social Science Research.
- Gazdar, H. (2000). "State, Community, And Universal Education: A Political Economy of Public Schooling in Rural Pakistan". Unpublished manuscript, Asia Research Centre, London School of Economics.
- Keefer, P., Narayan, A., and Vishwanath, T. (2006). "The Political Economy of Decentralization in Pakistan" forthcoming in *Decentralization and Local Governance in Developing Countries: A Comparative Perspective* (eds. P. Bardhan and D. Mookherjee). MIT Press.
- Mookherjee, D. (2004). *The Crisis in Government Accountability: Essays on Governance Reforms and India's Economic Performance*. OUP, New Delhi.

Mohmand, S., 2005, "Representative Decentralisation vs. Participatory Decentralisation: Critical Analysis of the Local Government Plan 2000" in L. C. Jain *Decentralization and Local Governance*, Orient Longman Limited, New Delhi, India.

United Nations Development Programme (2004). *Human Development Report*. Oxford University Press.

Wilder, A. R. (1999). *The Pakistani Voter: Electoral Politics and Voting Behaviour in the Punjab*. Oxford University Press, Karachi.