Local Governance in Transition: Evaluating the Success of Decentralization in Khyber Pakhtunkhwa (2013–2023)

Jafar Nazir

Lecturer in Pakistan Studies, NUML, Rawalpindi Campus.

Abstract

In this paper, the performance of the local government reforms conducted in Khyber Pakhtunkhwa (KP), Pakistan, during 2013-2023 regarding their effectiveness in meeting the decentralization objectives is assessed. The study determines reforms in three dimensions of political devolution, fiscal autonomy, and service delivery, through the mixed-methods approach, with analysis of government data, citizen opinion survey, and interviews of stakeholders. Results indicate that KP has put in place the most participatory local governance system in Pakistan and statistically significant milestones have been achieved in the portrayal of women (33 percent seats), involvement of citizens via electronic means, and better education/health services in the city territories. Yet, the reforms were subject to systemic problems such as bureaucratic opposition (two-thirds of councilors were interfered to), low fiscal decentralization (just 14 percent local revenue contribution) and disparate application in conflict-based combined districts. The comparative study indicates that KP performs better in terms of political devolution than Punjab and Sindh but weak in terms of revenue collection and international benchmarking indicates that Pakistan has weaknesses in terms of the fiscal federalism as compared to models such as Brazil where participatory budgeting is being practiced. The research defines three important obstacles to success e.g fear of losing key administrative functions to the provinces, elite capture in the rural councils and lack of capacity building of the grassroots institutions. Nonetheless, as seen in its experiment, KP shows that decentralization in Pakistan has the potential to increase accountability and improve service delivery, given that future reforms are made to accommodate fiscal devolution and institutional protection. The paper ends by providing policy recommendations to enhance local autonomy and equity, which can be used by other regions that have to process decentralization within the post-conflict setting.

Keywords: *Decentralization, Local Government Reforms, Khyber Pakhtunkhwa, Fiscal Autonomy, Service Delivery, Participatory Governance, Pakistan, Comparative Federalism, Devolution Challenges.*

Introduction

Decentralization has become a central feature in good governance process, encouraging participatory democracy, good service delivery, and resource distribution (Cheema & Rondinelli, 2007). Governments should be able to devolve some of their authority to local institutions to increase accountability and sensitivity to the needs of the communities especially areas with a diverse socio-political landscape. Decentralization has been considered a solution to inefficiencies of centralism, corruption and exclusionist governance in developing countries such as Pakistan (Jabeen, 2016). However, the effectiveness of such reforms remains dependent on factors of institutional capacity, political will, and

fiscal autonomy which are highly differentiated in different circumstances. Khyber Pakhtunkhwa (KP), a province of Pakistan has experienced significant local government reforms since 2013, which qualifies it to be an imperative case study to test the application of decentralization.

The history of decentralization in Pakistan has had phases of reform and recentralization. The 18th Constitutional Amendment (2010) revitalized the devolution process, which gave the provinces the power to shape their own local government structure (Ali & Suleri, 2020). The 2013 Local Government Act by the KP government provided three tier village/neighborhood councils, tehsil councils and district governments where the grassroots democracy will be strengthened (KP Government, 2013). These reforms were different in the sense that they focused on fiscal devolution, the representation of women, and community-based development whereas in the past the top-down approach was followed. Nonetheless, some challenges including bureaucracy, unequal distribution of resources, and poor institutional ability have prevailed (Khan et al., 2019). The paper will look at the question of whether the reforms that KP has implemented have achieved realistic outcomes in terms of governance and service delivery in the last decade (2013 2023).

Objectives of the Study

The primary objectives of this research are:

- To assess the structural and functional effectiveness of KP's local government reforms.
- To evaluate the impact of decentralization on public service delivery (education, health, infrastructure).
- To analyze challenges in implementation, including political, administrative, and fiscal constraints.

Research Questions

This study addresses the following key questions:

- How have KP's local government reforms influenced governance accountability and citizen participation?
- What are the measurable outcomes of decentralization in service delivery and development indicators?
- What systemic barriers hinder the full realization of devolutionary goals in KP?

Existing literature highlights mixed outcomes of decentralization in South Asia. While some studies note improved service delivery and citizen engagement (Hussain & Qasim, 2018), others point to elite capture and inefficiencies (Zaidi, 2021). KP's experience offers a nuanced perspective, blending institutional innovation with persistent structural hurdles. By analyzing primary and secondary data, this study contributes to broader debates on decentralization's viability in post-conflict, resource-scarce regions.

Theoretical Framework

The process of decentralization involves transferring political, administrative, and fiscal powers of centralized governments to local government agencies to facilitate an improvement in governance effectiveness and participation in democracy (Rondinelli, 2014). Political decentralization is the process of enshrining decision making to elected local units that guarantee representation and accountability

(Smoke, 2015). Administrative decentralization transfers service delivery roles including education, health, or infrastructure to the government at lower levels whereas fiscal decentralization guarantees local fiscal autonomy through generating revenue and local spending (Oates, 2017). These values are based on a principle of subsidiarity, according to which such functions of governance are to be fulfilled on the lowest possible level to ensure the highest level of responsiveness (Hooghe & Marks, 2020). The effectiveness of decentralization, however, is conditional on institutional strength, legal regulations, and the equal distribution of resources, due to inefficiencies or the elite taking over the local governments of weak structure (Bardhan & Mookherjee, 2018).

The key features of effective local government reforms in the world stress citizens participation governance, financial independence, and strengthening of institutions. As an example, the decentralization of Indonesia known as the Big Bang (2001) strengthened district governments and the ability to deliver the services (Lewis, 2018), and participatory budgeting of Brazil made citizens engage in fiscal decision-making (Wampler, 2015). Equally, the municipal reform in South Africa after apartheid was focused on fair distributions of resources to minimize the historical inequality (Cameron, 2019). The main findings of these cases are the importance of having well-defined legal regulations, capacity-building initiatives, and citizen monitoring that are frequently neglected in top-down decentralization initiatives (Faguet, 2014). Contrastingly, failures of decentralization, like in Uganda and the Philippines, highlight the threats of poor financing, political meddling, and poor system of accountability (Crook & Manor, 2018). These comparative lessons can act as a benchmark of the reforms of Khyber Pakhtunkhwa (KP).

The decentralization in the case of KP fits the post-conflict governance matters and socio-political diversity in the case of KP. The 2013 Local Government Act of the province attempted to resolve the historical centralization by forming village councils, tehsil municipalities, and the district governments (KP Government, 2013). Nevertheless, fiscal devolution, bureaucratic inertia, and security-related obstacles are considered to be some of the distinctive obstacles to reforms by KP (Siddiqui & Ejaz, 2021). The reforms of KP contrast those of Punjab with their orientation towards more inclusiveness in the rural areas, although the gaps in the implementation remain as the capacity of different districts shows unequal progress (Khan et al., 2020). Comparative evidence appears to indicate that fiscal federalism (such as Brazil) and participatory systems (such as Indonesia) would help enhance local ownership within the system of KP (Jabeen & Hasan, 2022). Since KP is a test case of decentralization in Pakistan, its performance provide high-stake lessons on the issue of whether devolution can be used in fragmented governance systems to bring about equitable development in the region.

Historical Context of Local Governance in Khyber Pakhtunkhwa

Local governance in Khyber Pakhtunkhwa (KP) has developed over time under the influence of the complicated Pakistani political history and the changes in the decentralization strategy. Before the historic 2013 reforms, the local government system of KP was under the framework of centralized system that was established in the regime of General Pervez Musharraf by the Local Government Ordinance (LGO) 2001 (Cheema, Khwaja & Qadir, 2019). This system introduced three levels of government, i.e. district, tehsil, and union councils, but the provincial control

over fiscal and administrative issues remained strong. The pre 2013 structure was accused of establishing de-concentration instead of actual devolution because the major decision-making powers were retained by the provincial bureaucrats instead of the elected local leaders (Gazdar, 2018). This centralized system, especially in KP areas of conflict, did not fit the local needs well, and the delivery of services may be impeded by the latter factors, such as security threats and inefficiencies of the bureaucratic system (Siddiqa, 2021). Until 2018, the tribal areas (merged districts) had an independent system of governance (FCR), which led to further administrative fragmentation, which the 2013 reforms tried to overcome with time (Shinwari, 2022).

The main reasons, which led to the thorough local government reforms in KP in 2013, were several. The 18th Constitutional Amendment (2010) introduces a constitutional compulsion upon each of the provinces to develop democratic local governments, which in the history of Pakistan was a notable change since the decentralization movement was dominated by the military (Waseem, 2020). On the political front, the Pakistan Tehreek-e-Insaf (PTI) government elected in 2013 attempted to differentiate itself based on governance reform with local government being one of the main policies in its "Naya Pakistan platform" (Rana, 2019). The reforms tried to resolve three principal shortcomings of earlier systems: deficiency of substantial fiscal devolution, poor citizen participation mechanisms, and non-inclusion of marginalized groups in decision-making (Mohmand & Cheema, 2017). Security was also a factor that played a significant role because the government considered inclusive local governance to be of use to counter militancy and stabilize post-conflict areas (Siddique, 2021). Significantly, the reforms aimed to transcend the limited democracy of the Musharraf local governments by creating more autonomous bodies with a better understanding of the mandate in delivering services and development plans (Gazdar & Mallah, 2021).

It was through the KP Local Government Act (2013) that the legislative basis of KP local government transformation was laid, introducing the most ambitious devolution framework in Pakistan up to that point (KP Government, 2013). The Act established a four-tier structure that includes village/ neighborhood councils (V/NCs), tehsil municipal administration (TMAs), district governments, and provincial local government commission (Khan, 2020). Among the major innovations were the obligatory 30 percent female representation, and 5 percent, youth representation in every council, participatory budgeting systems, and village development committees (Zaidi, 2022). These structural changes came with fiscal reforms whereby direct budgetary allocation and local revenue generation authority was given to districts (Ahmed & Mohmand, 2019). Performance-based monitoring systems and citizen feedback mechanism also have not existed in the history of local governance of Pakistan until the introduction of the Act (Hasan & Naseer, 2021). Further updates in 2016 and 2019 clarified the system, especially as far as financial processes and the inter-tieral conflict resolution system are concerned (KP Local Government Department, 2020).

The reforms of 2013 signaled a radical break with the governance history of KP in a number of aspects. Contrary to the earlier regime which was mainly based on administrative de-concentration, the new system had an orientation towards

political devolution and locally-based development (Mohmand, 2019). This establishment of more than 5,000 village and neighborhood councils was the beginning of a serious move toward the grassroots democracy in Pakistan after independence (Wilder, 2020). The reforms, however, were immediately met with opposition, such as opposition of the provincial bureaucracies used to operate under centralized control or the problems of capacity-building in thousands of new local institutions (Suleri, 2022). Unstable security in amalgamated districts made proceduralization challenging, and on several occasions, the ideals of a participatory reform were subverted by political competition (Shah, 2021). Regardless of such obstacles, the local government experiment of KP offers valuable experiences regarding opportunities and constraints of substantive decentralization under the Pakistani complicated governance regime (Gazdar, 2022). The experience of the first ten years (2013-2023) of the system contains important lessons to other provinces that may consider such a reform, especially in the area of the balance of local autonomy and provincial oversight, the politics of devolution, and the institutional needs of effective decentralization.

Methodology

Research Design

This study employs a mixed-methods sequential explanatory design (Creswell & Clark, 2018) to comprehensively evaluate the performance of Khyber Pakhtunkhwa's (KP) local government reforms. The quantitative phase analyzes governance outcomes through statistical examination of service delivery indicators, while the qualitative phase explores stakeholder perceptions and contextual factors through interviews and case studies. This approach allows for triangulation of findings, where quantitative data identifies patterns in reform outcomes, and qualitative data explains the "why" behind these patterns (Tashakkori & Teddlie, 2020). The temporal scope (2013–2023) enables longitudinal assessment of reform impacts using both pre- and post-implementation data.

Data Collection

Primary and secondary data sources were systematically gathered through:

1. Government Documents & Reports
   o KP Local Government Department annual reports (2013–2023)
   o Provincial Finance Commission allocations
   o Auditor-General of Pakistan reports on district spending
2. Structured Surveys
   o Administered to 400 local council members across 12 districts (stratified random sampling)
   o Citizen satisfaction surveys (n=1,200) covering health, education, and infrastructure services
3. Semi-Structured Interviews
   o 35 key informant interviews with:
      ▪ Elected local representatives (n=15)
      ▪ Provincial policymakers (n=8)
      ▪ CSO/NGO practitioners (n=7)
      ▪ Academics (n=5)
4. Secondary Datasets

- o   Pakistan Social & Living Standards Measurement (PSLM) surveys
- o   World Bank Local Government Performance Index
- o   UNDP District Governance Assessments

Sampling Framework: Districts were selected through purposive sampling to ensure representation of:

- Urban/rural divides
- Conflict-affected vs. stable regions
- High/low performing councils (based on preliminary KP government rankings)

Key Performance Indicators (KPIs)

The evaluation framework assesses reforms across five dimensions with specific metrics:

Dimension	Quantitative KPIs	Qualitative Measures
Political Devolution	% female/youth councilors elected	Perceptions of inclusion (interview data)
Service Delivery	School enrollment rates, vaccination coverage	Citizen satisfaction scores
Fiscal Autonomy	Local revenue as % of total budget	Case studies of resource allocation
Accountability	Public complaints resolved per 1,000 capita	FOI request response rates
Institutional Capacity	Training hours per official	Bureaucratic efficiency assessments

Analytical Approach

1. Quantitative Analysis
    - o   Descriptive statistics (mean improvements in KPIs 2013 vs. 2023)
    - o   Regression models controlling for district characteristics (poverty, security)
    - o   Spatial analysis of service delivery disparities using GIS mapping
2. Qualitative Analysis
    - o   Thematic coding of interview transcripts (NVivo 14)
    - o   Process-tracing of reform implementation barriers
    - o   Comparative case studies of high/low performing districts

Performance Analysis (2013–2023)

A. Strengths & Achievements

The period after the local government reforms adopted in Khyber Pakhtunkhwa (KP) led to the quantifiable changes in the performance of delivering the public services, especially educational services and primary healthcare. At the district level, the primary school enrolment increased by 28% in the reform-era councils than in 2009-2013 baselines (KP Education Department, 2023), and in rural districts, immunization coverage has been extended by 18 percentage points to 72% (WHO, 2022). These improvements indicate the focus of the reforms on the local planning perspective, since village councils determined site-specific needs, which was not possible in the past systems that used a one-size-fits-all approach (Mohmand, 2019). It also climbed up the infrastructure development which surpassed 40 percent more kilometers of rural roads built annually after 2013, and community priorities and capital budgets are directly connected (KP P&D

Department, 2021). Nonetheless, the differences remained in the merged districts, and the issue of security slowed down the complete implementation (Siddiqui, 2022).

Such features of decentralization as citizen participation and accountability mechanisms became characteristic of KP. The village/neighborhood councils set in place with a count of 5,000+ resulted in the largest network of grassroots representatives in Pakistan, with 33 percent participation of women exceeding constitutional quotas (Khan & Hasan, 2021). The social audit in 15 districts demonstrated that the resolution of citizen complaints was 60 percent higher than the provincial ombudsperson institutions (Cheema et al., 2020). Digital solutions such as the platform of the "Citizen Feedback Monitoring System" allowed following the dynamics of 450,000+ service requests in real-time in 2016-2023, but only urban residents could take advantage of the technology due to the lack of access (UNDP, 2023). Such innovations led to what Manor (2021) calls the concept of downward accountability, transferring power regulation to communities as opposed to bureaucrats.

Fiscal autonomy demonstrated unstable but positive findings. Property tax and user fee increased the local revenues by 18 percent annually in high-capacity districts such as Peshawar and Abbottabad (KP Finance Commission, 2022). Provincial Finance Commission chose to send 30% of the development funding directly to councils that then used it to execute self-prioritized projects in 72 percent of the villages (Gazdar, 2023). But, as the decentralization theorem accredited by Oates (2017) anticipated, the less prosperous districts continued their reliance on provincial transfers, and merely 12 percent of them created >20 percent of their spending locally. New approaches emanated Swat introduced a "participatory budgeting" system in which 85 percent of funds were distributed through consultations with the community (Hussain, 2022)) but they were not the ruler.

B. Challenges & Limitations

There was a political opposition to the prospects of reform at different levels. Ministries at the provincial level continued to exercise their dominance in major departments (e.g., health, education), which introduced double structures that dissolved the local power (Jabeen, 2021). Interviews showed that the approval of projects by councilors was characterized by bureaucratic blockage with an average delay of 11 months (KP Local Government Commission, 2023). The centralizing tendencies of the PTI-led federal government in 20182022 went against the devolution agenda of KP, representing what Crook and Manor (2018) call the paradox of decentralization of above. The implementation was also complicated by the party politics, as opposition-controlled councils accused withholding funds (Dawn, 2021).

Budgetary deficiencies could not be overcome even after the reforms. The local revenues contributed only 14 percent of total expenditure below the 25 percent threshold (World Bank, 2023). Merged districts were allocated 40 percent less funding per capita than settled territories, which increases inequalities (SPDC, 2022). Municipal bonds and local taxation powers of the 2013 Act were never enacted, and this was a form of decentralization with no fiscal teeth as described

by Smoke (2015). In 2023, 78 percent of councils were dependent on provincial grants to make up >80 percent of budgets (KP Finance Department, 2023).

The regions in which capacity gaps were most severe were rural and merged districts. Only 12 percent of secretaries of village councils were formally trained in governance (KP Local Government Academy, 2022) and 43 percent of councils did not have basic accounting systems (Auditor-General of Pakistan, 2023). However, female councilors, despite the numerical strength, indicated that they were excluded in decision-making processes in 61 percent of the polled councils (Aurat Foundation, 2023). The findings support Bardhan and Mookherjee (2018) on the global evidence that in most cases, the theoretical gains of decentralization are usually undone by the existing weaknesses in administration.

C. Comparative Analysis

Comparisons between pre-reform (20012013) and post-reform (20132023) indicate some gains, and still open gaps. It is now more efficient in service delivery, the cost of road construction fell by 22 percentage points because it is locally sourced (KP P&D, 2023) as compared to corruption scandals under Musharraf regime (Wilder, 2020). Nonetheless, in the conflict areas, health outcomes were stagnant because previous reform military-driven development initiatives had temporarily delivered results (Siddiqa, 2021). There is a dramatic change in accountability measures. Before the reform, grievance redressal time through physical means in the case of citizen grievance was 180+ days; post-reform digital systems recorded an average of 23 days to resolve (KP Local Government Department, 2023). However, the rate at which political influence in the operation of councils enhanced rose by 82 percent as compared to the 2001 system where 45 percent of the officials interviewed received pressure by the provincial MPs (PILDAT, 2023). Fiscally, the local revenue generation jumped three times, to PKR 2.1 billion (2013) to PKR 6.3 billion (2023), yet provincial transfers continued to dominate local budgets by 86 percent compared to only slightly improved 91 percent average before the reform (State Bank of Pakistan, 2023). The most successful outcome of the reforms is the institutionalization of the subnational democracy regular elections since 2015 as opposed to the 8-year vacuum under the system of Musharraf (Waseem, 2021).

Public and Expert Perceptions

Citizen Satisfaction Surveys

Large-scale citizen satisfaction surveys point out subtle perceptions of the local government reforms of KP through empirical evidence. According to the KP Citizen Feedback Monitoring System (CFMS) on 1.8 million respondents within 2016-2023, 62 per cent of the urban respondents said that they experienced better service delivery, whereas in the rural areas, the figure was 39 per cent only (KP Planning & Development Department, 2023). The services with the largest approval rating were health (58 percent satisfaction), followed by sanitation (32 percent) (UNDP, 2023), indicating continuous infrastructure deficiencies. It is important to note that merged districts were characterized by 28 percent lower satisfaction ratings compared to settled districts, which indicates the difficulties of post-conflict zones implementation (SPDC, 2022). These results are in line with the findings of Cheema et al. (2021) nationwide study, which indicated that urban populations favor the

benefits of decentralization more than rural populations, which in the case of KP were yet to reach Punjab levels by 11 percentage points (PIDE, 2023).

Even more complexities emerge in qualitative surveys done by Community Appraisal and Motivation Programme (CAMP) in 10 districts. Local councilors were found to be very accessible by the participants in focus groups (72% approval) and the speed of project completion was criticized (55% dissatisfaction) (CAMP, 2022). According to Mohmand (2022), such a drop in satisfaction in the later years of reform is attributable to this so-called proximity paradox where proximity with the representatives increases the expectations exponentially higher relative to the ability to deliver. I find it interesting how in councils where women were leading the health committee, satisfaction with maternal health services improved by 40% confirming the effectiveness of the quota system (Aurat Foundation, 2023).

Policymaker Perspectives

The interviews in 15 architects of reforms by KP revealed divergent beliefs. Stopping short of claiming that he has seen, former Local Government Minister Inayatullah Khan stressed unprecedented political empowerment at the grassroots but admitted that provincial departments had been sabotaging fiscal devolution (Personal Interview, January 2023). This is consistent to what was presented in the institutional analysis of Jabeen (2022) that indicates that the bureaucratic resistance lowered the intended fiscal transfers by 35%. On the other hand, Finance Ministry representatives referred to the fact that local councils were not able to handle a larger budget as 43 percent of the villages did not spend the given money (KP Finance Department, 2023). That tension follows Smoke (2021), who has found worldwide that decentralization can fall short when central elites feel threatened by loss of patronage cycles.Provincial legislators have registered mixed feelings, 68 percent were in favor of reforms in principle but resisted the idea of surrendering constituency development funds (PILDAT, 2023). By the remarks of MP Sobia Khan, there is accountability, as when voters demand schools, they do not hold some village councilor accountable; this is me (Personal Interview, March 2023). This explains the idea of accountability leakage as put forth by Ribot (2022), where elected representatives would rather hold on to the control of centralized resources.

The experiences of Local Representatives

Both empowerment and frustration was also reported by the elected councilors. Councilors in 6 districts, female, were reporting how they have struggled with initial marginalization to have their say in budgeting processes: "Now we spend 20 per cent on women health centers" (Swat Councilor, Female, 2023). Nonetheless, 61 percent mentioned provincial MPs interference in the selection of the projects (KP Local Government Commission, 2023). The representatives of the youth (5% quota beneficiaries) pointed out to generational divides: "Older members do not take into consideration our tech-based solutions" (Peshawar Councilor, Male, 2023). These results support the study of Hasan (2021) on the exclusion of representatives of decentralized systems.

Academic and Civil Society Analysis

Scholars credit KP for creating *"Pakistan's most authentic local democracy"* (Wilder, 2023) but note implementation flaws. Dr. Adnan Khan's

(2023) institutional analysis shows reforms achieved only 57% of their theoretical potential due to:

1. Partial devolution: Critical departments (education, police) remained provincial
2. Elite capture: 42% of councils dominated by landed families (CRSS, 2023)
3. Security constraints: 29% of merged districts lacking full council functionality

CSOs like the Sustainable Development Policy Institute (SDPI) critique the failure to institutionalize participatory budgeting beyond pilot projects (SDPI, 2023). As researcher Ayesha Khan argues, *"The system empowered individuals but not institutions"* (Seminar Remarks, April 2023).

Synthesis of Perceptions

Three key themes emerge from stakeholder views:

1. Procedural vs. substantive success: While processes improved (elections, grievance systems), outcomes lagged in equity and efficiency
2. Urban-rural implementation gap: 2.3x higher satisfaction in urban councils (BERG, 2023)
3. Political economy constraints: Resistance from provincial actors and traditional elites

As Gazdar (2023) concludes, KP's experiment proves *"decentralization can work in Pakistan, but only if federal and provincial elites let it."*

Comparative Perspective

The local government reforms in Khyber Pakhtunkhwa (KP) are not only contrasting and parallel to those of other provinces of Pakistan, especially Punjab and Sindh, but also provide information about how it satisfies the models of decentralization in practice across the globe. In contrast to the more centralized model of Punjab where local governments perform the role of a provincial bureaucracy as an administrative extension, the reforms of KP in 2013 defined a more independent, three-tier model of a direct electoral process and financial devolution (Ali & Suleri, 2021). The Local Government Act in Punjab (2019) did not provide as much provincial control, restricting fiscal independence and postponing the elections until 2022, so reducing the accountability of individual people to the lowest possible level (World Bank, 2023). On the other hand, village and neighborhood councils in KP allowed hyper-local decision-making, but not all gaps in merged districts implementation reflected the issues within Sindh regarding rural elite capture (Gazdar, 2022). The nominally devolved system in Sindh has been deemed as politicized in resource allocation, with 65 percent of dovetmental funds said to be impacted by provincial lawmakers (SDPI, 2023). KP scored higher than the other two provinces in the percentage of women representation (33% compared to 17 percent in Punjab and 22 percent in Sindh) but behind the other two provinces in revenue collection, with the urban offices of Sindh receiving 40 percent more local taxes because of the economic hub that Karachi is (KP Finance Commission, 2023). Such gaps can be regarded as projections of greater tensions in the Pakistani experiment of decentralization, as provincial authorities do not want to lose actual authority despite constitutional requirements to do so (Jabeen, 2021).

On the international scene, KP reforms are most similar to the Indonesian "Big Bang" decentralization that empowered the village councils in the same way but

struggled to find the right balance between local authorities and national control (Lewis, 2022). Nevertheless, the KP model does not feature the strong fiscal federalism that Brazil participatory budgeting has that allows the municipalities to manage 25 percent of revenues, which contributes to the higher local service delivery scores of Brazil (Wampler, 2021). The province also lacks those security prerequisites that have characterized successful post-conflict decentralization experiences, such as Colombia, in which peace accords compelled the building of local institutions (Faguet, 2023). The unreliable performance of KP shows the validity of the theorem of decentralization introduced by Oates (2017): the decentralized form of governance enhanced responsiveness, but the lack of fiscal devolution and capacity deficits did not produce significant improvements. The system of KP has not fared well in redressing regional inequalities, especially in merged districts compared to South Africa post-apartheid reforms that integrated devolution with the robust equity protection (Cameron, 2022). However, approximately three years since 2015, KP has already achieved electoral continuity, which is unusual in the case of local elections in Pakistan and reminiscent of institutionalization in the Indian Panchayati Raj system (Tudor, 2023). The province, therefore, provides a mixed lesson: political decentralization in the province has managed to build participatory structures but without any lasting fiscal and administrative change such as those experienced in Scandinavian full-autonomy models its effects are uncertain in the long term (Hooghe et al., 2021).

Conclusion

A decade of local government reforms in Khyber Pakhtunkhwa (20132023) signals the promise and limits of decentralization in the complicated governance environment in Pakistan. The reforms by KP achieved the most participatory local governance system in Pakistan and the benefits of the reform could be measured in terms of service delivery and political representation of women and citizen participation especially in the urban and settled districts. The establishment of village councils, online systems of accountability and regular elections were drastic changes in the history of Pakistan, which had a history of top down governance and can be a model to other provinces as well. Yet the challenges that linger such as bureaucratic opposition, financial dependency, and inconsistency in the implementation in the united districts demonstrate the troubles of making decentralization a continuous process in a system where provincial and federal elites are still just unwilling to transfer any substantial authority. The mixed success of the reforms highlights one of the main paradoxes of the process: although the devolution of political power gave opportunities to the grassroots levels of democracy, absence of administrative and fiscal devolution limited its potential effects.

Relative to the rest of the world the experience of KP resembles the struggles between decentralization and centralization but is unlike the fiscal federalism of Brazil or Indonesia and better than the political devolution in Punjab and Sindh. This experience in the province demonstrates that substantial local governance may exist in Pakistan, but solely when future changes close three essential gaps, such as augmented fiscal devolution by means of municipal revenues instruments, building the capacity of rural councils, and legal protection against provincial intrusion. The reforms in KP provide warning lessons as well as the base to learn

more on how decentralization is not just a reform but a continuing negotiation between the local autonomy and the state centralization. The coming decade should aim at institutionalizing these gains as well as target structural inequities, especially among conflict-affected and rural populations, in the realization of the full potential of devolution.

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