**1. What Is Local Government? Definition and Meaning**

In the Article immediately preceding, we have considered the problem of distribution of governmental powers territoriality from the standpoint of the manner in which these powers may be distributed as between the Central Government and the various political units into which all countries of considerable size are divided. And we brought out in that consideration two distinct types of government, the unitary and the federal. In the former, the territorial units, generally called provinces, are created, their powers defined and their form of organization determined by the central government. They remain, for all intents and purposes, integral parts of that government. In a federation, the constituent units enjoy a juridical status and a corporate personality. Their powers are the grant of the constitution which can neither be altered nor amended by the central government. It needs amendment of the constitution if any change is desired to be made therein and all this means equality of status between the two sets of government the one is not simply the creation of the other.

The major territorial divisions of both unitary and federal governments are further divided into smaller areas. But the problem here, too, is whether the smaller territorial areas should be governed from the seats of government of the major territorial divisions or they should be entrusted with certain specific powers which they may exercise locally. The answer to this question constitutes what is known as the problem of local government.

**Need for Decentralization for local government:**

The government of the provinces of a unitary State and the constituent states of a federation within their jurisdictions is unitary. This is an important point. The work of the government is concentrated in the “capital” or “seat” of the government and all important decisions of policy are taken at this place. It is there that the legislature meets and laws are passed, the High Court decides all points in the interpretation of laws, and rules and regulations are framed by the superior officials in the executive departments. The whole governmental life of a province or a state, in brief, is centralized at one place.

The position is similar to one which necessitates the territorial division of the country into major political divisions and distribution of governmental powers between the central government and the provincial or state governments. Such are the amount and variety of work to be done that it is impossible for a single authority directly to undertake the performance of all those duties adequately, effectively and efficiently. In fact, the provincial government has neither the time nor the requisite knowledge of all the diverse problems which are peculiar to different areas. We cannot realize the full benefit of democratic government, says Laski, “unless we begin by the admission that all problems are not central problems, and that the result of problems in their incidence require decision at the place, and by the persons, where and by whom the incidence is most deeply felt.” This constitutes the real problem of local government and from this problem emerges the need for decentralization.

**Decentralization means distribution of governmental powers** and responsibilities between the Center and the local areas in which the country, if it is small in size like Britain, or the provinces of a big unitary State, or the states of a federation, are divided for administrative convenience. The provincial or state government is the central government for all local areas within its jurisdiction. Decentralization is, thus, a centrifugal movement which aims a entrusting local organs created in local areas with powers local in character, the presumption being that people belonging to the locality can know best and appreciate their own problems and needs and can solve them best. The entire problem of local government is the problem of personal touch with the affairs concerning the locality and their solution. If the local people are denied association with local life, they would not only stultify their talent, energy, initiative and enterprise, but they lose all sense of responsibility.

**Meaning of Local Government:**

Local government, therefore, refers to the operations of corporations, municipalities, district boards, panchayats in The Country and other bodies which are entrusted with the execution of functions relating to and concerning the residents of a given area or locality. These functions do not concern the community as a whole, but embrace only a portion of the total population and territorial area of the State. The essence of all such functions is that they are purely local in character and need local solution in deference to the requirements of the people inhabiting that locality. The extent of the territory covered and the number of persons ruled over do not make any difference in the nature of local government.

**Nature and Importance of Local Government**

Local Government means, the government which manages services and amenities in our villages, towns and cities with focus on local problems. The local governments normally functions within a specified limited territory of a village, a town, a city and also a large metropolitan city. The local governments function as the basic link between the people in a village or town with the government. As and when people have problems such as road repairs, water stagnation in the streets, non functioning of street lights and construction of small water bodies recreation parks, etc. The local governments have the responsibility to attend to any emergency situations, birth or death of persons in the village or town. The local governments are the institutions, which issues certificates of proof of residence, birth, death and incomes etc to the residents in that area. In total, the local governments are the institutions which are responsible for all such local needs of the people. They are the lowest unit of administration in the administrative structure of the government. The local government has council, which is normally elected by the people of the village or town concerned, which is responsible for the representing the problems of the citizens in the council and find solutions to the problems. The council representatives are elected once in five years, or four years, depending upon the law in operation in the country.

The local governments are representative institutions, representating people in the council. There are legally mandated to discuss and give solutions to the problems of the people of that area and also represent the problem to the higher levels of the government such as state. Since the local governments are established on the basis of democratic process, all the problems discussed by the council of the local governments should go through the process of discussion, debate and deliberations and unanimously accepted by the council. The members of the council are given freedom to discuss and also to take decisions at same time within the framework of the fundamental law of the land called Constitution.

The importance of the local government lies in the nature of the problems handled by the local governments, which are basically “local” in nature and also the variety of problems attended by the local government cannot be attended by the higher levels of the government like state or central governments. Because the local problems are specific to the local areas and the solutions found for those problems should also be relevant to the situation. An irrelevant solution to the problems may hamper the situation and also it is also concerned with the spending of the taxes collected from the people. If solutions are irrelevant to the local problems, the resources used for that programme may by wasted and it gives more burden on the people again.

Therefore, local governments are the institutions created for the purposes of solving the local issues and addressing the local level problems. The local governments normally consist of elected representatives drawn from the local population representing the local people and they represent the local issues in the council and try to find solutions to the problems. The local governments are the important channel of flow of resources and programmes to the people at the lowest levels normally called “grassroots” level. No country today afford to ignore local governments because of the fact that local issues at present becomes global issues. With development of Information and communication Technology (ICT), the whole world have become global village.

**Functions of Local Government:**

The functions of local bodies, broadly speaking, fall under two heads: direct services to the public, and indirect functions. Under the latter the local bodies are required to conduct election of their members, to provide legal advice and action, to assess property for taxation, to plan, to control and audit local finances. The functions performed under the heading direct services are important in the interests of public welfare and are sub-divided into three groups:

1**. Functions Relating to Cultural Developments:**

In this category are included functions of providing instruction, control of environments by planning the town or the city, maintaining and supporting of art galleries, museums, zoos, libraries and other places of public recreation such as parks and gardens and centers for games and sports.

**2. Social and Physical Functions:**

The local bodies look after sanitation, provide a proper system of sanitary drainage, conservancy arrangements and other conditions necessary for preserving public health. Closely connected with it is the provision for medical relief and other arrangements for checking the spread of diseases and epidemics. Then, come services like construction, maintenance and repairs of roads, lighting of streets and thoroughfare, promotion of local safety against fire and other accidents and regulation of structures and traffic.

3. Under the third category come functions of providing and regulating water supply, peat, light, public transport, collection and disposal of waste and regulation of food supplies through healthy markets.

Some major local bodies render certain public utility services such as revision of water supply, gas, electric, light, bus or tram and local train services. There has been a remarkable expansion in the activities of local bodies in Britain and the United States. But the scope of these functions is somewhat limited in India. In the undertaking of ambitious civic schemes desired to inculcate aesthetic, cultural and economic activities, the Acts creating local-bodies do not offer sufficient scope, though an appreciable change has been made in the case of panchayats.

**Assessment of Local Government:**

The institution of local government is at its best in countries which are governed on democratic lines. It is the experience of many countries that all matters of a local concern are ultimately best administered by a properly organized system of local government. Local government means the regulation and administration of local affairs by the people inhabiting the locality through representative bodies composed mainly of elected representatives. These local assemblies of citizens, says De Tocqueville, “constitute the strength of free nation‘s. Town meetings are to liberty what primary schools are to science they bring it within the people’s reach they teach men how to use and how to enjoy it. A nation may establish a system of free government, but without the spirit of municipal institutions it cannot have the spirit of liberty.” This foundation aspect of local government is described as “grass-roots” democracy, a phrase which has become popular. Local bodies serve as a training ground in the art of self-government and the experience and knowledge acquired in local governance can best be utilized for the wider affairs of central government.

**Relation between Local and Central Governments:**

The powers, functions and constitution of local bodies are determined by statute. Within the limits fixed by law creating local bodies, they are independent subject to such powers of direction, Control and advice which have been specifically retained by the central government. But how far is control by the central government desirable? This is, of course, one of the most baffling problems of local administration. There is no uniform practice followed even by the most advanced democratic countries. In France, local government is highly centralized and from the Commune right up to the Ministry of the Interior the whole administration is linked up with one chain. This centralization and uniformity in France is a sharp contrast to the decentralized character of local government in Britain. The principle accepted and followed in Britain is that a local area has the inherent right to conduct its affairs in its own way, and consistent with its requirements without the interposition of the central authority, unless supervision is clearly demanded in the interests of the public. But in Britain, too, the centralizing tendency, during recent years, has assumed alarming proportions.

It may generally be said that matters assigned to independent local organs should be those in which local separation of interests is clearly marked, local knowledge most important, the need of uniformity least evident, and the cooperation of private and governmental agencies likely to tell most. Where the interests concerned are clearly common to all parts of the State or where the advantages of uniformity are overwhelming control over the administration should be national and not local. But a rigid separation of local interests is rarely complete.

A carefully adjusted cooperation of local and central organs is often required to obtain the, best results Experience has shown that the central government should exercise some control over local bodies, because, as Sidgwick points out, the central government has greater enlightenment derived from greater general knowledge, wider experience and more highly trained intellects. But such a control should be exercised with a view to the efficient discharge of local duties and responsibilities. Undue interference and direction is bound to destroy local initiative and local responsibility, Excessive central control may also encourage favoritism in the local services, thus,vitiating the very idea of local government. Whenever party spoils intervene, efficiency disappears and development at all levels is severely retarded.

While we do not discount the practical utility of central control over local bodies, it may, however, be emphasized that the degree of control should vary in proportion to the efficiency of a local body. Were all local bodies of the same standard of efficiency, the problem of supervision and apportionment of functions would have been easier. But this is not so. Everywhere the central government is continually faced with the difficulty that all local bodies are not equally efficient.

This may be essentially due to the differences in the size of local areas and resources of local bodies. The smaller municipalities, howsoever noble the ideal of public spirit of the citizens may be, cannot be expected to maintain the same services as the larger bodies. They have to depend on the doles of the central government which necessitate more rigid control on their activities. Moreover, the traditional View that local functions are the concern of the locality itself has lost its validity.

There are no local functions in that sense now. The making and maintenance of local roads, lighting, drainage, cleansing, etc., have, under modern scientific analysis, been found to involve important national aspects as well. Under these conditions there can no longer be any clear-cut demarcation of spheres of influence between central and local governments. They must collaborate, consistent with the requirements of the Welfare State, over the entire field of governmental activity. This means a close integrated partnership between central and local authorities for high achievements in municipal administration. It is, however, essential to avoid reducing local authorities to the position of mere agents of the central government if they are to continue to make their indispensable contribution to the democratic way of life.

**2. Local Govt and local self Govt**

Local officials are all elected locally. This is local self-government. ... Local governments may be elected or appointed by the center but they have no law-making power. In non-unitary states (like the USA and other federal states), local governments at various levels can make their own laws in certain areas.

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**Local self-government**

Swedish municipalities and regions are responsible for providing a significant proportion of all public services. They have a considerable degree of autonomy and have independent powers of taxation.

There is no hierarchical relation between municipalities and regions, since all have their own self-governing local authorities with responsibility for different services. Elected representatives in municipalities or regions take decisions about the services that are closest to the citizens and they have independent powers of taxation.

The possibility of decision-making based on regional and local conditions is known as local self-government and is enshrined in the Swedish constitution. Local self-government is important in democratic terms. Citizens’ closeness to decision-making makes it easier for them to gain access to local politicians and hold them accountable for their decisions. This in turn improves their opportunities to influence service provision in their municipality or region and how their taxes are used.

Since local self-government makes it possible to design services in a range of ways, it is easier to find flexible solutions that are suitable for a particular municipality or region. This helps to improve the efficiency and effectiveness of service provision.

**Procure services from private companies**

Municipalities and regions may procure services from private companies. Privately managed providers financed from tax revenue must offer the service concerned to citizens on the same conditions as those that apply to a similar public service.

**Independent powers of taxation**

Compared with other EU member states, Swedish municipalities and regions have wide-ranging responsibilities. They largely finance themselves by means of local and county council taxes and the fees paid by the citizens for various services. Taxes are levied as a percentage of the inhabitants’ income. The municipalities and regions decide on their own tax rates. The activities are also funded to some extent by government grants. The average, overall local tax rate is 30 per cent. Approximately 20 per cent goes to the municipalities and 10 per cent to the regions.

**Local government financial equalisation**

Citizens in Sweden should have access to welfare on equal terms regardless of their place of residence. At the same time, conditions vary a great deal between municipalities and regions in different parts of the country, as do their economic ability to provide such services. To solve this problem, Sweden has a system of local government financial equalisation which is one of the most far reaching in Europe.

**4. RELATIONSHIP BETWEEN LOCAL GOVERNMENT AND CENTRAL GOVERNMENT IN PAKISTAN**

Pakistan since her independence has remained under the control of feudal forces, military and civil bureaucracy.. Constitutionally, Pakistan was a federal state and had the powers been given to the provinces in true meanings Pakistan would have been different today. .. The federalism is actually a system that basically for the support of ordinary and poor society and particularly who lives far remote areas or in villages and districts. For instance, the representatives of the Central government, officials who living in Islamabad or other cities can't understand the problems of the provincial and districts people who are poor, labors, peasants, truck drivers, shopkeepers etc because of area distance There are still many remote and backward areas that do not have electricity, clean drinking water, a school, hospital even without a small dispensary etc. It happens first time in our history, when during the Pervaiz Musharraf era as under his military rule the powers were decentralized in the Bureaucratic form of political structure by the Local ordinance bill 2001. The power was devolved in the local level that comes under provincial governments and that was consisted of three tiers includes Councilors, Nazism and nab Nazism. However the provincial governmental power was transferred and enhanced into villages and towns. Now the common and poor people through democratic electoral process could elect their representatives. This occurred first time in dictator rule that autonomy, democracy and independence was given at very low local level. By this system the people was provided the right of casting vote but at the political level the supremacy of the few people was created and by them the broader chances were given to the corruption. The restoration of the 18th amendment is placed as a milestone that strengthening and flourishing democracy by free, transparent, democratic, independent and autonomous provincial unites. The federalism is only the system through that the above mentioned challenges to the provincial people can be combat. Otherwise it becomes very difficult for the Central government to address all the issues at provincial level in a reasonable way. The Local Ordinance bill and the restoration of the 18th Amendment are the productive basis that lay down the foundations of democracy, independence, autonomy in Pakistan's federal political structure and local level governments. The paper will analyze that to what extent these two democratic reforms are affective for promoting democracy particularly in ethnic and feudal areas and what political, social and economic changes are brought. The important developments and failure of these two democratic reform will also be analyzed in order to make recommendations for future betterment or changes. Moreover it will be analyzed that with these two democratic reforms, today Pakistan is stand where among the South Asian states and from democracy perspective these reforms contains what value for Pakistan and her people.

**Problems and Challenges**

1-The North West Province (NWFP) was renamed as Khyber Pakhtunkhaw on ethnic basis that gave an air to other ethnic groups to raise their voices for separate provinces for instances the people of Hazara division and Bahawalpur division are demanding separate provinces. A few political parties includes Motahida Qaumi Movement are often raising the slogan for Karachi as a separate province but yet now such slogans are political based and temporary.

2- The federal government did not keep the subjects of education with herself as education is an important perspective of one's nation that lay down the foundation for the future of the next generation. So due to this reason, the education syllabus should be same in all the federal units.

3- Baluchistan that is the land of a rich history, oil and gas resources contains strategic and economic importance for Pakistan. For many decades, she is kept deprived from basic and fundamental rights includes education and development in different fields including social, political and educational. There are different reasons this deprivation , first is the ignorance of the Central government, second is the feudal lords of Baluchistan who always fight and run to take heavy royalty on gas and oil resources from the Central government and considering this royalty as their primary right but they did never spend this on the development of the poor people of their tribes, third is the ignorant tribal system that do not allowing Bloch for education and development otherwise the tribal heads would not be able to lead their tribal rule with educated and broad minded people. Most important now is the present deteriorating security situation in which National and radical political parties that also playing role of insurgents groups, different radical insurgent groups with the foreign support are demanding an separate or independent state. The reason behind the separation demand is to great extent the deprivation from the basic rights but the self-interests are also involved of the feudal lords that provides them personal advantages. The 18th amendment is a great blessing for Baluchistan and the Bloch people that provides them the political freedom, new rights and duties, and opportunity to raise their voice on different plate forms for their rights. But along with this, Baluchistan is deprived from the sufficient share in oil and gas resources. In 2013, she was given 600MW electricity while her demand was 1500 MW. Moreover from the three fundamental rights under the 18th amendment, Balochistan is deprived includes the right of free trial, the right of information and most importantly the right of education. Balochistan is a backward and rural area that holds a large area with having less population and the population is scattered that resides in far away areas that makes difficult for them to reach to educational institutions and to advantage of other provided facilities includes hospitals etc. So the federal and the provincial governments should provide proper facilities, support and nearby opportunities for education and other fundamental rights.

**Suggestions**

1- Though in Balochistan the national and foreign insurgent elements are very active and this making worse the security situation. In these circumstances, the Central government should increase the stake of Balochistan in the fields accordingly to their demands in order to reduce the gap and to overcome the poor security situation

. 2- The Central government should make the situation, opportunities, encourage and facilitate the poor people of the villages and of backward feudal areas for education

. 3- Education is the most fundamental and primary element that makes the minds, believes and thoughts of the new generation. So as under the 18th amendment , as a sign of democracy each province has a right to manage the educational merits and syllabus. But for the sake of national unity and patriotic generation, the five provinces should sit together and make their educational policies with consensus or should with mutual consent give this right to the Central government.

4- At the local level, in the Comissionriate system if there is less local political representation but the system is functioning according to rules that making transparency. The local government system under the local ordinance bill of 2001, gave the vote casting right to people but not transparency and gave more opportunities to the political parties representatives for corruption etc. So currently these are only the political parties and their political agents who on the name democratic values and for their own interests giving air to their demands for bringing back the local government under the local ordinance bill of 2001.

**Conclusion**

In Pakistan the local government system is comparatively to India, Bangladesh and Sri-Lanka more democratic, independent and autonomous. Likewise Pakistan, these three states remained in the subjugation of the British government. Due to that after their independence they were deeply affected and adopted the pattern of British local government system. In India the word "state " is used for the provinces, municipal corporation for the Urban areas, municipal councils for smaller urban areas and panchayats for the areas that are transiting from a rural into an urban area. There are no local body elections held. The government officials are working at municipal council level and their powers are restricted to deliver services to the sub-urban and rural areas includes garbage collection, maintenance of streets and street lighting, water supply, parks and gardens etc. The local government's structure, pattern, powers of Bangladesh and Sri-Lanka is almost same like India as it is consisted of two tiers namely Urban local governments and municipalities. In these states, the local body powers were restricted to provide park, gardens and water supply, street lights, garbage collection etc. While at the provincial level , Pakistan has recently through 18th Amendment given structural and financial rights and duties to the provinces but lacking to give reasonable democratic and independent system in place of local bureaucratic commissioner system. The big problem behind introducing the old local system is multi-ethnic, feudal and tribe rich culture, more politicize trends in which a poor man works as a spare tool and his rights are violated. So such system need reforms as the reforms are made in 18th Amendment for the Central and the provincial governments by keeping both levels under accountability and checks and balance system. Now on party basis the elections are contested. The familiar people are elected as chairman of village or an area. Under the local government ordinance bill 2001, the elections were non-party based and the elected people who were without having any check and balance were widening the gaps among ethnic and political divisions and preferring to work for their supporters and extending corruption. Now a competent political party member who will be neutral and familiar to that particular area can become chairman who will be bound to work under the set rules and regulations, accountability and checks and balance system that will be declared by the government.

**5. Problems of transfer of powers at the local level in Pakistan**

**Introduction:**

Pakistan is a federal republic whose local government has been suspended following the expiration of the 17th amendment and the passing of the 18th amendment to the constitution, which transfers responsibility for local government from central to provincial government. Due to the delay in local government elections, the administration of each district is currently headed by an appointed district administrator. The responsibility for local government was moved to the Provinces in January 2009 in line with the Constitution, and councils were dissolved. Despite there is a constitutional requirement to hold local government elections, not all provincial governments have done so. Although the manifestos of all political parties promised concrete measures to introduce the new effective and participatory system of local democracy, yet I don’t see the elections of local bodies in this governments’ tenure. Unfortunately, the ‘local democracy’ part of the recent democratic phenomenon in Pakistan is not very impressive and in fact once again substantiated the view that grass-roots democracy has never been promoted by democratically elected regimes in Pakistan. In the past, Pakistan has experienced three major models of local government systems – 1962, 1979 and 2001, all under the auspices of military regimes.

The following are the key **challenges for decentralization** and effective local government in Pakistan.

**Political parties don’t believe in decentralization/local democracy:**

Lamentably in Pakistan, baring a few, most of the political parties believe in first two tiers of governance federal and provincial while for the third one they prefer bureaucracy and National and provincial assemblies’ members to take care. The problem of centralization of power has been the most crucial issue in Pakistan. In federation third tier of local governments is far more important as it allows direct participation of general public at lower level. This tier is directly responsible for upkeep of the cities and towns, however, our decision makers; security intelligence establishment, bureaucracy and political parties prefer to run the districts, tehsils and union councils by unelected administrators and commissioners. During the previous democratic transitional phase 2008-2013, no provincial government conducted local bodies’ elections, so right now; we have no local democracy here. No one knows when there will be elections for new local government setup.

**Constitutional and legal recognition for local democracy:**

The military regimes, in the past, used party less local governments to create a loyal cadre of politicians who the military later used for its political base on local level and pitted them against the democratic forces. With the return of civilian democratic rule in Pakistan, the local governments were often abolished because these institutions were viewed as an essential part of the military dictatorships. The tug-of-war between the democratic governments and military regimes has left Pakistan with an inadequate local government framework. The challenge for the democratic forces in Pakistan is to realize the importance of local governments and there-fore to take steps to offer them constitutional cover.

**Over centralized modal and mindset**

Unfortunately centralized mindset is reluctant in transferring most powers to the local level and still trying to retain all important powers at the central level. Bureaucratic institutions, political parties and security intelligence establishment still have put the emphasis on strengthening the centralized modal. The long legacy of undemocratic and unelected governments that have centralized power in Pakistan since the country’s inception that presents an enormous challenge to the prospect of a vibrant and successful decentralization effort in Pakistan today. Centralization makes governments top-heavy and unresponsive. With the centralization of administrative authority at the provincial and federal levels, the people were forced to travel to provincial and federal capitals to seek solutions of their problems, whereas in an overwhelming majority of cases, their problems should have been attended to at the local level.

**Economic constraints and lack of infrastructure:**

Provincial governments not only are reluctant to conduct local bodies’ elections but have failed to transfer finances and human resources to local level. In developed democracies local governments are real responsible for municipal services, but in Pakistan right now these representative institutions don’t exist. In many areas, there is a lack of adequate funds, infrastructure and insufficient qualified and trained administration as well as staff. Local government will encounter serious difficulties in delivering efficient services if it does not have the necessary financial, capacity and other resources. Lack of resources and powerlessness remain the two big challenges in local development. The financial, constraint is one of the main causes for the poor performance of most municipal governments.

**Bureaucratic Hurdles:**

The influence and interference of Bureaucracy is also a big challenge in the way of free and efficient local government in Pakistan. Sometime the projects of great importance are delayed due to redtapsim. It has been a common practice that Bureaucrats often used their influence to keep the locally elected bodies on back footings. Pakistan’s centralized system is not delivering because officials who work for federal and provincial governments do not have the necessary knowledge of local conditions to provide efficient government. In this centralized system governmental activities at the local level are not driven by demand but pushed from the centre to the local level and people do not feel any ownership.

**Un-elected intuitions are more powerful than representative parliament:**

Due to its checkered political history, frequent changes of government and long military regimes, Pakistan’s people have never fully enjoyed the benefits of democracy at the local level, as frequently-changing governments traditionally kept power highly centralized. Thanks to the 18th Amendment, provincial governments can now make significant decisions at the local level without federal interference. Sadly, undemocratic institutions in Pakistan are more powerful than elected representatives of the people.

In the absence of democratically elected local government officials in rural and urban areas, un-elected administrators ran all town committees, municipal committees and municipal corporations. These officials were/are members of either the federal or provincial public service cadre or individuals appointed by the provincial government. After the creation of the provincial and national assemblies and senate, the role of local governments had been substantially marginalized. These elected representatives had taken over some functions which local governments used to perform.

**Development funds to MNAs/MPAs and senators undermine the role of LG:**

Under the various federal and provincial governments’ programmes, elected members of provincial and national assemblies’ were given funds of considerable amount that they could use, largely on their own discretion, for development projects in their political constituency. This had severely undermined the role local governments.

**No public participation:**

A democratic order is also to be judged on the degree to which it involves its citizens in decision making and is responsive to its demands. As there has been no local level government available, so public has hardly any say in decision making and their real demands and inputs missing, this undemocratic situation creates challenges for local development.

**6. Local Government Finance:**

**Sources:**

The income raised by elected local government. It includes local taxation, national grant subventions, local government service user charges, loan capital funding, and private financial partnerships. Variations are commonly rooted in the historical development of the role of local government in the political system, and agendas for reform are generally bound up with prescriptions for that role.

**Background:**

Historically, local taxation has been a principal source of finance where local independence against state formation is strongest, an appropriate local resource base exists, and services provided have been considered to be primarily of local interest. Both the United Kingdom and the United States reflect this pattern, with even the level of local taxation in the United Kingdom being left in local hands until rate‐capping was introduced in 1984. Where the concept of the nation‐state is stronger, as in France, national grants have been much more important than local taxation, and in the Third World the lack of local resource bases leaves localities highly dependent on central funding. The expansion of local government responsibilities across North America and Europe in the twentieth century as part of increased state intervention nevertheless necessitated increased central funding both to supplement local fiscal bases under severe pressure, and to reflect the national importance of the services that local government has undertaken. Even so, there remain huge variations between states, with local taxation as a proportion of total tax revenue among European states varying in 2005 from over 30 per cent in Sweden and Denmark to less than 5 per cent in the UK, Netherlands, Ireland, and Greece.

Equally, fiscal stress across many states has necessitated central government requiring local government to raise more of its income from user charges and through financial partnerships with private sector bodies. In the majority of Western states local government draws its local finance from a variety of sources and levies taxes on both taxpayers and service users.

**Finance in Pakistan**

About 38% of Pakistanis live in cities, yet they contribute to about 55% of the GDP. This means that if Pakistan effectively manages the tax collection in these cities, there is further revenue potential.

Presently, Pakistan does not have financially empowered local urban governments; instead, most urban taxes are implemented by one of Pakistan’s four provincial governments. These provincial governments have large jurisdictions, with populations ranging from 12 million to over 110 million. As managing cities is not the central function of these governments, most of them have not developed effective urban administration mechanisms.

**Conclusion**

As noted through the synthesis of research conducted by the IGC’s Cities that Work initiative, land and physical properties are a major source of untapped revenue for most developing country cities. Punjab, for example, despite being home to nine cities home to over a million people, collected only Rs. 10 billion, or about 6% of its total tax revenue, from property taxes. Other parts of Pakistan have not fared better. Sindh, which is home to Karachi, Pakistan’s largest city, has not had a revaluation of land and property since 2001.

Yet there is large potential to increase this. For example, an estimate from the IGC (2011) shows that Punjab can raise Rs 25 billion in property taxes if it undertook comprehensive reforms

**7. Problems of Local Government in developing countries:**

**Introduction:**

The quality of local governance is an important factor in territorial development. It should be accompanied by a fully fledged policy for decentralising responsibilities. What is more, most importantly, the corresponding financial means should be provided. Activities carried out by associations and businesses should find a way of fitting in to the local context, otherwise initiatives will inevitably open up new cracks between the project beneficiaries and those within the community that have been left out. Local involvement also ensures the long lifespan of a project. As for the role of international organisations, they should accompany the process and encourage local coordination. Often projects are led by countries in the Global North without responding to local needs. There is therefore a need for shared arenas where private, public, local, national and international stakeholders can work together. Finally, private investments are becoming increasingly common in Africa. Local authorities must take part in negotiations so as to ensure that government and businesses are not the only ones to benefit

**Problems of Local Government in Pakistan**

Since the local government system has been a theoretical exercise only and not put to practice continuously, many problems are faced by the LG in Pakistan. Sporadically the system has been introduced differently under different governments, therefore, no proper infra-structure could be provided in this country. From the very beginning in Pakistan, rural development, social welfare and local government has never been the priorities of the state, thus halfhearted efforts were made after thirty years after Pakistan came into being i.e. the ministry of local government, rural development and social welfare was created in 1976, while in India, these ministries were established right away from the year 1947. In Pakistan, strangely, the ministry was created at federal level and departments at provincial level. Political changes and lack of a national vision among the so called statesmen, has reached to the present state of affairs. Local government is very much democratic in nature and can grow and takes it roots in a democratic soil, in a democratic climate. Hitherto, no government has provided a climate conducive to the growth of the local government throughout the misgiving that people are not yet capable of delivering the goods. This has been an extreme insult to the people of Pakistan. Therefore, instead of giving the people the right of exercising their discretion, control mechanisms have been invented and practiced to fetter their discretion at every step of our national life. As a result the public felt frustrated and being a part of the state have been apart from the state. As the public have been kept away from the system due to the control mechanisms, the system has been dominated by bureaucracy, and the system of local self-government became a subordinate department of the provincial governments. The overall picture is that instead of promoting democratic values and culture, the institution has become an instrument for the perpetuation of bureaucracy or marshal law regimes.

**Major Problems of Local Government**

Here are some problems associated with the institution of local government:

1.Political problems

2.Constitutional problems

3.Administrative problems

4.Operational problems

5.Functional problems

6. Political Problems

In Pakistan, people are attracted by power in the national / central or provincial government and they look down upon the local self-government. Unless an urge is created from within the people, the local self-government will remain a far dream.

**Constitutional Problems**

In the constitution of Pakistan, there is a guarantee that there will be a local government system in the country, but unfortunately, no attention is being paid to this aspect. When there is Marshal law in the country, there is local government, when there is elected government, efforts are made to strangulate the local government system.

**Administrative Problems**

The fact is that in Pakistan, the local self-government has been subordinate to the whims and wishes of the deputy commissioners and assistant commissioners in the past. These bureaucrats have played a havoc with system and have never allowed them to flourish. The Basic democracy system failed because the then executive converted the system into controlled democracy. It is thus necessary that the LG system be free from executive control.

**Operational Problems**In Pakistan it is still believed if all the powers are transferred to the elected representatives, they will not be able to use them aptly or they will misuse them. Therefore, the governments at national and provincial level are always different and there is a tug-o-war between the central and even provincial governments.

**Functional Problems**

The local government system has nearly failed in Pakistan because there have been impediments in under taking their functions. There has been a growing undertaking on the part of various departments / secretaries to take more and more functions and thereby have jeopardized the utility of local bodies as functional institution.

**8. Concept of Rural Development:**

Rural development is the process of improving the quality of life and economic well-being of people living in rural areas, often relatively isolated and sparsely populated areas.

Rural development has traditionally centered on the exploitation of land-intensive natural resources such as agriculture and forestry. However, changes in global production networks and increased urbanization have changed the character of rural areas. Increasingly tourism, niche manufacturers, and recreation have replaced resource extraction and agriculture as dominant economic drivers.The need for rural communities to approach development from a wider perspective has created more focus on a broad range of development goals rather than merely creating incentive for agricultural or resource based businesses. Education, entrepreneurship, physical infrastructure, and social infrastructure all play an important role in developing rural regions.**Rural development is also characterized** by its emphasis on locally produced economic development strategies. In contrast to urban regions, which have many similarities, rural areas are highly distinctive from one another. For this reason there are a large variety of rural development approaches used globally.

Rural development is a comprehensive term. It essentially focuses on action for the development of areas outside the mainstream urban economic system.

Rural development usually relates to the method of enhancing the quality of life and financial well-being of an individual specifically living in populated and remote areas.

**Traditionally** rural development is centered on the misuse of land-intensive natural resources such as forestry and agriculture. But today, increasing urbanization and change in global production, networks have transformed the nature of rural areas.

Today, rural development still remains the core of the overall development of the country. It has become more than two-thirds of the country’s people is dependent on agriculture for their livelihood and one-third of rural India is still below the poverty line. Therefore, it is important for the government to be productive and provide enough facility to upgrade their standard of living.

Rural development is a complete term that concentrates on the action taken for the development of rural areas improve the village economy. However, few areas that demand more focused attention and new initiatives are.

* **Education**
* **Public Health and Sanitation**
* **Women Empowerment**
* **Infrastructure Development (E.g electricity, irrigation, etc)**
* **Facilities for agriculture extension and research**
* **Availability of Credit**
* **Employment opportunity**

**Importance of Rural Development**

Rural development is important not only for the majority of the population residing in a rural area but the growth of rural activities is necessary to stimulate the speed of overall economic expansion of the nation. Rural development is pretended to be noticeable importance in the country today than in the olden days in the process of the evolution of the nation. It is a strategy trying to obtain improved rural creation and productivity, higher socio-economic equality, and ambition, stability in social and economic development.

The primitive task is to decrease the famine roughly about 70 percent of the rural population, implement sufficient and healthy food. Later, serve fair equipment of clothing and footwear, a clean environment and house, medical attention, recreational provision, education, transport, and communication.

**Objectives of Rural Development**

The aim objectives composed by the government in the sixth five-year plan for rural development are.

* To improve productivity and the wages of rural people.
* To guarantee increased and quick employment possibilities
* To demolish unemployment and a notable decline in underemployment
* To guarantee to increase the standard of living of the underprivileged population
* To provide the basic needs – e.g. elementary education, health care, clean drinking water, and, rural roads, etc.

**9. Issues of Rural Sector**

Rural scenario can generally be characterized as follows:

**1**. Rural development policy always had a heavy bias towards large farmers, whereas small landholders making more than 90 percent of total farms were ignored along with landless labor community

**2**. Rigid cropping pattern prevailing in the country results in lack of intensification and diversification of agriculture sector, thereby increasing unemployment in rural areas.

**3**. Natural resource base is deteriorating overtime. Due to inappropriate agricultural practices and climate change, land degradation is more and land productivity is declining. Almost 40 percent of land in Sindh alone has turned saline. The rangelands on which 70 percent of local livestock thrives have been degraded and no rehabilitation plans are in place

**4**. Literacy rate is very low in these areas and illiterate farmers cannot realize the benefits of modern, scientific and technical know-how in farming business. Moreover, rural areas are deprived of schools. In case, if schooling facilities are available, then qualified staff is not available. Basic health care is the prime need of every individual. Unfortunately, this component is totally ignored by the Govt. Most villages in Pakistan still are lacking in hospitals, dispensaries and other health centers. According to an estimate 70-80 million people do not have requisite access to education and health services

**5.** Poor health, malnutrition and high population growth rates are widespread in rural areas, badly affecting productivity. According to an estimate, 30-50 million people are malnourished

**6.** Water supply and sanitation condition is not satisfactory in rural areas. Population having access to safe water is 87 percent and 35 percent of total population has access to sanitation

**7.** Appropriate facilities for healthy activities are not available in rural areas. So, the frustrated young people indulge in obnoxious activities such as drug addiction, rape, robbery, murder, etc.

**Future Strategies**

To develop rural community to become active participants of the economy, the following steps needs to be prioritized:

**1.** The rural poor (small landholders and landless class) need to participate in the development and implementation of the relevant policies and programs. It requires institutional and technological reforms.

**2.** For sustainable rural development, conservation and development of natural resources, focusing on protection of environment and biodiversity must be undertaken.

**3.** Strengthening rural institutions in the country can satisfy the thrust for rural development. There is a need to address the issues of inequality in terms of resources along with the innovation and adoption of cost saving technologies.

**4.** There is a strong need to develop and promote agro-based industry in rural areas to create employment opportunities through private-public interventions. This will definitely help in reducing the rural urban migration on one hand and rural poverty on the other. It could be achieved by promoting savings in rural areas, thereby increasing investment opportunities for overall improvement in the income of the rural communities.

**5.** Proper monitoring and evaluation of rural development programmes must be carried out to ensure successful implementation of programme activities and those who are responsible for not achieving the results must be accounted for.

**6.** Initiatives must be taken to address the problems of public health and education for fast growing population. This demand for establishment of schools and health facilities on modern lines. Such facilities would provide productive, healthy and educated labour force to agriculture in particular and to the economy in general.

**10. Local Government & Rural Development in Pakistan:**

**Introduction:**

Local Government area is slightly different from those of other district in Pakistan. Most of our population is situated in the rural areas of the country, therefore, The Local Government and Rural Development are in control of planning, approving and implementing projects for the betterment and development of the rural infrastructure and also the improvisation of socio-economic aspect.

**Objectives**

The main aim is to arrange for an environment where proper hygienic conditions are the main concern and proficiently provided, clean drinking water, focused sanitation improvisation, health awareness, utilization of resources in short a proper infrastructure; are available to the citizens. The living conditions are focused for the rural citizens, where improvement on health, socio-economic conditions, reduced poverty and a lot more are dealt with.

**Objectives & Functions**

To improve living conditions for the rural and the urban sectors of Pakistan

Proper provision of health/hygiene environment, including availability of clean food and water

To bridge the gap between the rural and the urban societies

Provide equal opportunities for education, jobs and well living standards for all.

Develop all areas, whether rural or urban, in terms of technology, education etc, within the boundaries.



